

Summary of submissions

Retail data project: access to tariff and connection data

24 November 2015

Purpose of this paper

- 1 This paper provides a summary of the submissions received by the Electricity Authority (Authority) on its proposal to establish a framework for giving consumers, their agents and other parties better access to:
 - (a) information about electricity retailers' generally available retail tariff plans (retail tariff plan data)
 - (b) technical information about consumers' points of connection to electricity distribution networks (connection data).
 - 2 The paper does not contain an exhaustive list of points made in submissions on the proposal, but rather the key themes observed in submissions.
-

The Authority's consultation process

- 3 On 23 June 2015 the Authority issued a consultation paper, which sought feedback from interested parties on:
 - (a) *the problem definition* – retail competition and the efficient operation of New Zealand's electricity industry are inhibited because consumers face difficulties obtaining retail tariff plan data and connection data
 - (b) *the proposal* – facilitating consumer access to retail tariff plan data and connection data will promote retail competition and the efficient operation of the electricity industry, for the long term benefit of consumers.
- 4 The consultation paper and an independent research paper by Sapere Research Group that informed the development of the consultation paper are available from the Authority's website at: www.ea.govt.nz/development/work-programme/retail/retail-data/consultations/#c15378.
- 5 The consultation period ran from 23 June 2015 until 4 August 2015.

The Authority put forward two alternatives

- 6 The Authority put forward two alternatives under the proposal set out in the consultation paper.
- 7 Under alternative 1 the Authority would amend the Electricity Industry Participation Code 2010 (Code) to require all retailers to:
 - (a) provide information about their generally available retail tariff plans to Consumer NZ
 - (b) provide, to any person who requested it, the same current information about retail tariff plans that the retailer was providing to Consumer NZ.

- 8 Under alternative 1 the Authority would develop a file format that could be used to transfer and otherwise make available retail tariff plan data. The Authority would also make publicly available connection data held in the registry that was necessary for comparing retailers' electricity charges.¹
- 9 Under alternative 2 the Authority would amend the Code to require all retailers to:
- (a) publish information about their generally available retail tariff plans on their websites
 - (b) require retailers to provide generally available retail tariff plan data to consumers and other parties using the standardised file format(s) and data structure(s) developed by the Authority.
- 10 Under alternative 2 the Authority would also make publicly available connection data held in the registry that was necessary for comparing retailers' electricity charges.

Submissions received

- 11 The Authority received 17 submissions on the consultation paper, from the parties listed in Table 1. These submissions are available from the Authority's website at: www.ea.govt.nz/development/work-programme/retail/retail-data/consultations/#c15378.

Table 1 List of parties that made submissions

Consumers	Retailers	Service companies	Distributors
Consumer NZ	Contact Energy	Cortexo	Horizon Energy
Major Electricity Users' Group (MEUG)	Electric Kiwi	Rabid Technologies	Orion
	Flick Energy	Saveawatt	Powerco
	Genesis Energy		
	Meridian Energy/ Powershop ²		
	Mighty River Power		
	Nova Energy		
	Pulse Energy		
	Trustpower		

¹ The electricity industry's national 'database of record', known as the registry, is the main source of connection data necessary for determining what retail tariff plans are available to a consumer.

² Meridian Energy and Powershop made a joint submission.

Summary of key themes raised in submissions

12 This section provides a summary of the key themes raised in submissions.

Consumers may or may not face transaction costs that are higher than necessary

13 Submissions are evenly divided over whether the current arrangements for accessing retail tariff data and connection data mean that consumers face higher-than-necessary transaction costs identifying electricity-related offers. Six submissions believe this to be the case, while six do not.

A Code amendment would decrease consumers' transaction costs more quickly than would market forces

14 The majority of submissions agree, or appear to partially agree, that a Code amendment would lower transaction costs more quickly than would market forces. Four submissions disagree.

There are a range of views on whether retailers should provide retail tariff plan information to Consumer NZ and any person who requests it

15 Submissions contain a range of views on whether retailers should provide retail tariff plan information to Consumer NZ and any person who requests it.

16 Five submissions support the proposal, or at least give qualified support for it. Three submissions are unsure of the need to move away from the status quo, but indicate support for alternative 1 if a move from the status quo occurs. Three submissions support the proposal to require retailers to provide retail tariff plan information to any person who requests it, but do not support the Code specifically referring to Consumer NZ. Three submissions disagree, or appear to disagree, with the proposal to require retailers to provide retail tariff plan information to any person who requests it.

Retailers should have to publish on their websites information about their generally available retail tariff plans

17 The majority of submissions support, or appear to support, requiring retailers to publish on their websites information about their generally available retail tariff plans.

Supplying retail tariff plan information using standardised file formats and structures should not be mandatory

18 Eight submissions disagree, or appear to disagree, with a requirement to supply retail tariff plan information using standardised file formats and structures. Four submissions agree, or appear to agree, with such a requirement.

Making certain connection data publicly available is largely supported

19 The majority of submissions support making certain connection data held in the registry publicly available. Reasons given include that the information will help make meaningful assessments of available tariff plans, and that making the registry data available is likely to increase the level of retail market activity.

- 20 A minority of submissions hold some reservations about what connection data should be made publicly available and how the connection data should be made publicly available.

There is no clear agreement on whether connection data is personal information

- 21 Half of the 12 submissions that comment on this issue agree the connection data set out in the consultation paper is not personal information. The other half of the 12 submissions think making the connection data publicly available would, or could, raise some privacy concerns.

The objectives of making tariff and connection data available are appropriate and consistent with the Authority's statutory objective

- 22 The majority of submissions agree the objectives of the proposed alternatives for making tariff and connection data available are appropriate and consistent with the Authority's statutory objective.

The Authority has overestimated the proposal's benefits and underestimated its costs

- 23 Eleven submissions comment on the assessment of gross benefits, costs and net benefits associated with the proposed alternatives for making tariff and connection data available. Eight submissions disagree with the assessment,³ while three agree with it.
- 24 The common theme in submissions that disagree with the assessment is that the expected gross benefits are overstated and/or the expected costs are understated.

Is the Authority's focus on encouraging third parties into the electricity market consistent with the Authority's statutory objective?

- 25 Three submissions note that encouraging third parties into the retail electricity market is not listed as one of the Authority's statutory objectives and/or falls outside the Authority's functions. There is no certainty that third parties will make much difference to sustainable competition.

There is a risk that third parties give poor advice to consumers

- 26 Three submissions note that encouraging third parties into the retail electricity market carries with it the risk that consumers receive poor advice from third parties on the best available electricity deals.

Powerswitch could be upgraded

- 27 Three submissions consider that Powerswitch could be upgraded and made the 'single source of truth'. This would involve linking Powerswitch to the registry so that Powerswitch could provide connection data to consumers. One submission suggests that Powerswitch could be upgraded to also enable the downloading of consumption data.

³ Genesis Energy submitted that it struggled to see any benefits to the consumer to justify costs spent on this issue, implying it disagreed with the assessment of gross benefits, costs and net benefits. However, it then went on to say that it could not comment on the assessment because it did not understand the figures projected or the reasoning behind them. Hence, Genesis Energy's submission has been categorised as having no comment on the assessment of gross benefits, costs and net benefits.

The definitions in the proposed Code amendment need to be refined

- 28 One submission considers the definition of “generally available retail tariff plan” in the proposed Code amendment has several issues and omissions. Another submission considers the definition of ‘uninvited direct sale agreement’ covers the situation of very small retailers, or retailers supplying themselves, that do not have publicly posted offers.
-

Summary of submissions

- 29 The main body of this report summarises feedback received on the Authority’s proposal to establish a framework for giving consumers, their agents and other parties better access to retail tariff plan data and connection data.
- 30 Submitters’ comments are in alphabetical order.
- 31 Appendix A contains all of the questions in the consultation paper.

General comments on facilitating access to retail tariff plan data and connection data

- 32 Eleven submissions provide general comments on the Authority’s proposal to facilitate access to retail tariff plan data and connection data – Contact Energy, Genesis Energy, Meridian Energy/Powershop, MEUG, Mighty River Power, Nova Energy, Orion, Powerco, Pulse Energy, Rabid Technologies and Trustpower.
- 33 Contact Energy considers the New Zealand electricity retail market to be extremely competitive, with high rates of switching. Contact Energy submits that the Authority’s proposal, which focuses on ‘generally available retail tariff plans’ (akin to rack rates), appears to be at odds with the retail market’s characteristics and would encourage duplicative effort in price transparency, which is likely to be uneconomic for consumers. Contact Energy is concerned that the Authority’s proposed approaches will stifle innovation, by driving all retailers’ pricing plans to look the same. Contact Energy is also concerned that generally available retail tariff plans may not provide consumers with the complete picture and may in fact mislead consumers by failing to take into account joining credits, break fees, bundled offers, eligibility criteria, etc.
- 34 While Contact Energy supports transparency in the electricity market, it believes that consumers should define what transparency looks like. The Authority has not published any research indicating whether consumers would like to see the intervention of third parties in the market or whether they would like to see Powerswitch improved and funded appropriately. Contact Energy highlights concerns in the United Kingdom over how third parties have presented information about what tariffs are available and whether consumers are being presented with a full picture of the market. Contact Energy also notes that encouraging third parties into the electricity market is not listed as one of the Authority’s statutory objectives (explicit or implied).
- 35 Contact Energy’s preferred approach is:
- (a) for Powerswitch’s funding to be reinstated and for Powerswitch to be connected to the registry, with this being the means of providing connection data to consumers (Contact Energy believes there is real value to consumers in making Powerswitch the single source of truth, because of the many millions of dollars spent on Powerswitch to date and consumers’ awareness of the Powerswitch site)

- (b) Powerswitch targeted at those who may not otherwise have access (eg, through the Authority providing site access at libraries and community centres)
 - (c) a review of changes already undertaken in the retail space, before any further changes are made.
- 36 Genesis Energy submits that intervening in tariff data disclosure will have serious implications for competition in New Zealand and will ultimately lead to a significant dampening effect in the retail market. It believes the proposed intervention under the Authority's proposed 'alternative 2' could lead to the standardisation of tariffs, which will damage competition and innovation, as has occurred in the United Kingdom. The Authority should focus on the accuracy of tariff data and avoid standardising tariff data.
- 37 Genesis Energy submits that tariff and connection data is already available to consumers and they have very little interest in this information. The proposed intervention therefore looks decidedly like regulation for the sake of regulation, without considering the cost implications of the unintended consequences on competition in the retail market. Genesis Energy submits that the Authority's proposals are primarily geared at assisting brokers and aggregate agents. Genesis Energy considers that the most appropriate outcome from the consultation would be for the status quo to continue. The Authority's proposals primarily benefit third party intermediaries, which is something that falls outside the Authority's functions.
- 38 Genesis Energy notes that tariff data can be commercially sensitive for retailers, and that the Authority should not mandate the publication of tariffs other than standard tariff data plans – customised price plans should not be captured by any disclosure obligation. Genesis Energy also considers that retailers face strong enough incentives to disclose accurate and accessible tariff information to consumers, through existing competitive incentives (eg, the effect of social media) and regulatory incentives (eg, fair trading laws and regulation by the Commerce Commission). Genesis Energy believes that over-regulation of tariff data will either force small retailers to exit the market or prevent them from increasing their customer base. This is because they will not have the resources to compete in ways other than on the basis of price.
- 39 Genesis Energy suggests the Authority's proposals to provide information to either one website, or to make it available in a standardised form to multiple websites, are flawed. Genesis Energy believes there are suitable incentives for both the retailer and the website to ensure that information is available. The Authority is effectively forcing retailers to subsidise the owners of these websites by placing on retailers all of the cost of providing information to the websites.
- 40 Genesis Energy considers that the Authority's proposed approach for disclosing connection data is unnecessarily complicated and will ultimately cause additional costs that will need to be passed on to the consumer. Consumers can already access connection data from their retailers, whereas brokers are unable to easily access it without the consumer's authority. Genesis Energy considers there is a simpler way for agents to access the data – by removing the restriction on using the registry for marketing purposes and adding a non-participant category for access to the registry. Genesis Energy submits this would also require granting all trader participants the same ability to access this data.
- 41 Meridian Energy/Powershop agree with making 'headline' tariff information more accessible, but suggest the Code not refer to Consumer NZ, so as to allow retailers the option to disclose the information using their websites or other agents. Meridian

Energy/Powershop propose the Authority hold an industry workshop to discuss this issue, along with how customised tariffs and other types of exceptions are to be handled. Meridian Energy/Powershop agree voluntary standards for tariff file formats are needed, otherwise a consumer's ability to make accurate comparisons may be put at risk.

- 42 Meridian Energy/Powershop submit that, if it has not already done so, the Authority should obtain feedback from the Privacy Commissioner's Office on the proposal to make certain connection data publicly available. Meridian Energy/Powershop believe that including physical address information as one of the items for release could create particular privacy risks. Meridian Energy/Powershop request the Authority discusses in detail with the Privacy Commissioner the release of this information and reconsider its inclusion.
- 43 Meridian Energy/Powershop recommend further consideration is given to accreditation standards for comparison service providers. They note that accreditation standards feature in overseas markets (eg, the United Kingdom), and are concerned that New Zealand consumers may not receive reliable advice unless such standards exist.
- 44 MEUG submits that its members will benefit from proposed improvements to tariff and connection data access.
- 45 Mighty River Power supports the Authority's alternative 1 proposal, which it considers to be the most beneficial alternative for consumers. This is because it builds on existing arrangements, which consumers trust and understand well, to allow other comparison websites to provide equivalent services to Powerswitch and What's My Number. Alternative 1 is also much less expensive to implement than alternative 2, while ultimately leading to the same functionality for consumers and similar gains to alternative 2.
- 46 Mighty River Power considers that alternative 2 is costly and will create unnecessary, perhaps confusing, complexity in relation to price disclosure. Under alternative 2 retailers would need to build and maintain a complex and costly validation mechanism that would be able to cater for customisation of tariff outputs based on connection-specific data.
- 47 Mighty River Power considers that standardised file formats and structures are neither necessary nor desirable. Establishing such formats will be costly and will not improve the quality of information, and may inhibit tariff innovation over time. The competitive nature of the market means that retailers are already motivated to provide tariff data in formats which allow for clear and accurate presentation to consumers.
- 48 Mighty River Power believes the Authority should give further serious consideration to the meaning of "generally available retail tariff plans". It proposes amendments to the definition contained in the draft Code, to address some issues that it has identified.
- 49 Mighty River Power supports making certain connection data publicly available, as long as the privacy of consumers is adequately protected. It considers that the connection data proposed to be made available seems appropriate for the intended purpose. However, it believes that customers may be sensitive about third parties linking them with any on-site electricity generation at their dwelling, and encourages the Authority to work with consumer representatives to determine whether consumers would be concerned by the release of this type of information to third parties. Mighty River Power considers that, in general, the best way to address privacy concerns is for third parties to obtain consumer authorisation when seeking access to personal information.
- 50 Nova Energy supports making its standard retail tariffs freely available to consumers and currently does so via its web site. However, Nova Energy considers there is no merit in

making a retail tariff format compulsory or mandating disclosure of tariffs. It also believes a prescribed format is likely to result in standard tariffs that exclude any add-on or customised benefits. Mandating a tariff format makes it more difficult for retailers to accurately present the cost differences to a consumer of their current plan and the alternative. However, Nova Energy submits that retailers may be incentivised to adopt a voluntary standard format that helps retailers present their tariffs to a greater number of potential new customers and results in new customer connections.

- 51 Orion does not consider that the Authority's consultation paper shows there are significant problems, inaccuracies or difficulties accessing or using Powerswitch or other comparison websites (eg, Switchme). Nor does the paper identify barriers to more parties establishing such websites. Orion considers that unless these problems can be confirmed, it is doubtful that easier access to data will impact on consumer engagement, and therefore switching, as envisaged by the Authority.
- 52 Orion considers there is a risk that thinking about pricing in a particular way might inhibit innovation. It also considers that the proposal's benefits are overstated. Orion is sceptical about the "x-inefficiency" argument, which seems (in conjunction with other elements of the retail data project) to assume the same efficiency gain can be achieved multiple times. There also seems to be a presumption that further retailer efficiency gains are always available, despite New Zealand already being one of the most competitive retail electricity markets in the world.
- 53 Orion questions what connection data adds except complexity, given that existing comparison tools already map retailer pricing plans to each other (so that a consumer only needs to know what their current retailer calls their pricing plan). Orion suggests that alternative 2 in the consultation paper must be pursued in order for retail pricing plan data to include the necessary information that, when mapped to a particular installation control point (ICP), enables the comparison of different pricing plans. Orion also submits that customer-specific attributes may be needed in addition to connection data, in order to determine which retailer pricing plan is applicable to a consumer. Examples of these attributes include market segment, annual consumption and payment/billing preferences.
- 54 Orion is not sure if connection capacity conveys useful information – it does not in Orion's case. Orion also considers that the connection data should include records for all registry statuses, in particular "de-commissioned". Orion thinks the metering information might not be sufficient to map to innovative offerings.
- 55 Orion is unsure of the value of several fields in the connection data proposed to be made available.⁴ Orion considers these fields are not relevant or useful unless they affect either distribution pricing or retailer mapping of pricing plans.
- 56 Powerco submits that access to more comprehensive information about retail pricing could help to improve consumers' ability to assess and compare electricity charges, and consequently enhance the overall competitiveness of the retail market. Increased information should also enable the Authority and other parties to monitor and report on the market more effectively.
- 57 Powerco considers that the consultation paper clearly documents matters that may currently impede competition and correctly assesses the limitations of currently available

⁴ GPS data, metering category, compensation factor, serial number and channel number, and accumulator type.

information. However, Powerco recommends the Authority take into account (before imposing mandatory requirements) the fact that market forces have not encouraged retailers to make additional information available voluntarily. This may suggest a lack of consumer interest or perceived benefit by consumers.

- 58 Powerco acknowledges that the Authority has conducted a thorough privacy risk assessment. However, it considers that connection data includes personal behavioural information,⁵ and that access to this should be limited to the consumer.
- 59 Pulse Energy welcomes competition and customer choice, but it does not support prescription or the imposition of costs that can ultimately only be detrimental to competition, innovation and consumer choice. Pulse Energy submits that the Authority appears to be seeking to facilitate the provision of information to third parties at the cost of existing participants and consumers.
- 60 Pulse Energy agrees that connection data could be made more accessible and that retailers do not need to be involved as an interface. Pulse Energy submits the Authority should carefully develop a low cost access mechanism.
- 61 Rabid Technologies believes the proposal surfaces some exciting possibilities, but risks missing the point about some of the factors likely to maximise uptake with consumers and the services envisaged.
- 62 Trustpower believes that, in the main, those customers who wish to switch retailers in order to reduce costs can choose between a variety of effective tools to assess available options. In addition, retailers are highly active in making comparative offers to consumers. Trustpower submits that the Authority's own research has confirmed it is retailers' direct sales activity that is driving competition. Trustpower considers that the high level of switching activity in the New Zealand electricity retail market is evidence of a highly competitive market. However, despite this and consumers having tools available to them, some market segments have, and are likely to always have, a low propensity to switch, regardless of the level of effort required.
- 63 Trustpower submits that making comparisons between retailers effortless would require a complete 'dumbing down' of tariff design, the removal of existing innovations in tariff offerings and the prevention of future innovations such as dynamic residential pricing. Trustpower believes that encouraging retailers to present offers will be the most effective way to maintain and increase competition. It also believes that existing tools (primarily Powerswitch) provide the functionality contemplated in the consultation paper, with the exception of third party engagement. Trustpower submits however that while the participation of third parties may be useful, experience in other competitive markets (eg, Australia) does not support an assertion that they will make much difference to sustainable competition. In addition, they will need to be monitored to ensure quality and integrity.
- 64 Trustpower believes the incremental benefits under the Authority's proposed alternatives will be insignificant. Trustpower considers there would be a large net cost to consumers under the consultation paper's option 3 (which was to establish, as another market

⁵ Such as switching behaviour, connected capacity, price category (which identify high value connections), address information (which allows for targeted marketing), and metering information (which allows for high level customer value analysis – ie, advanced metering infrastructure capable? controllable load? night meter? etc.)

operation service provider, a database containing each retailer's generally available retail tariff plan data).

- 65 Trustpower supports the initiative to make registry data available, as it is likely to increase the level of market activity. Trustpower submits that if information is to be provided to third parties, then doing this via a single source such as Powerswitch seems sensible.
- 66 Trustpower favours alternative 1 in the consultation paper, but this is conditional on Powerswitch remaining in place. If Powerswitch were to be removed, Trustpower would not support alternative 1 or the other options in the consultation paper.

Question 1: Do you agree that the current arrangements for accessing retail tariff plan data and connection data mean that consumers face higher-than-necessary transaction costs identifying electricity-related offers available to them? Please give reasons with your answer.

- 67 Sixteen submissions comment on this question. One submission makes no specific comment on this question – Horizon Energy.
- 68 Six submissions agree that the current arrangements for accessing retail tariff data and connection data mean that consumers face higher-than-necessary transaction costs identifying electricity-related offers – Cortexo, Electric Kiwi, MEUG, Powerco, Rabid Technologies and Saveawatt.
- 69 Four submissions appear to partially agree that consumers face some transaction costs that are higher than necessary – Consumer NZ, Meridian Energy/Powershop, Mighty River Power and Orion. However, Meridian Energy/Powershop, Mighty River Power and Orion consider this is not the case when it comes to consumers accessing retail tariff plan data.
- 70 Six submissions disagree that consumers face higher-than-necessary transaction costs when identifying electricity-related offers – Contact Energy, Flick Energy, Genesis Energy, Nova Energy, Pulse Energy and Trustpower.
- 71 Consumer NZ agrees that consumer access to tariff information on retailer websites needs to be addressed, along with consumer awareness of the ability to compare providers through existing services. However, Consumer NZ is concerned the Authority's proposals may result in a proliferation of comparison sites, which will actually result in transaction costs for consumers that are higher than necessary.
- 72 Contact Energy does not agree that consumers face transaction costs that are higher than necessary. It believes the Authority appears concerned with the transaction costs faced by third party energy services companies under current arrangements. Contact Energy suggests the Authority should not be concerned with third parties, but with making Powerswitch the best tool it can be.
- 73 Cortexo agrees that transaction costs are higher than necessary because retail tariff plan data is not easily accessible and so a lot of effort is required to compare offerings in the market.
- 74 Electric Kiwi agrees that consumers face transaction costs that are higher than necessary. It submits there is a widespread view that switching is a difficult and time-consuming process, which is partly due to a lack of transparency in the advertising of tariffs to consumers. Electric Kiwi notes that below-the-line discounts are the favoured switching offer for most retailers, and these are compensated for by higher unit and fixed charges, and may incorporate a lock-in period.

- 75 Flick Energy does not necessarily agree that consumers currently face transaction costs that are higher than necessary, because consumers can compare all retailer offers by using Powerswitch. Flick Energy believes that Powerswitch could be upgraded to include links to the registry and to allow the downloading of consumption data.
- 76 Genesis Energy does not agree that consumers face higher-than-necessary transaction costs accessing tariff data because it considers that this information is available to the consumer on request and at no charge to the consumer. Genesis Energy notes that its tariff data is available on its website for standard tariff plans and low fixed charge user tariffs, and consumers can also access this information by phoning Genesis Energy.
- 77 Meridian Energy/Powershop accept the current process will be time-consuming for a subset of consumers interested in comparing the tariffs of multiple retailers. However, Meridian Energy/Powershop submit that transaction costs are only one of a range of factors that may affect levels of consumer engagement and switching behaviour. Powerswitch and other price comparison sites provide many consumers with a suitably low cost way of obtaining the type of tariff information they need. Retailers may also be able to provide a good source of information at low cost to the consumer, including in some instances lower offers from alternative providers.
- 78 MEUG agrees that the current arrangements for accessing retail tariff plan data and connection data mean that consumers face higher-than-necessary transaction costs identifying electricity-related offers available to them.
- 79 Mighty River Power agrees that costs may be higher than necessary in accessing connection data. However, it disagrees that consumers face higher-than-necessary transaction costs accessing retail tariff plan data. This is because the information is already easily available through Powerswitch, What's My Number and retailers' websites generally.
- 80 Nova Energy does not agree the transaction costs are higher than necessary and believes there is no evidence of market failure.
- 81 Orion does not believe the costs of accessing data via sites such as What's My Number, Powerswitch and Switchme are high. However, Orion acknowledges that non-price aspects of retailer offerings, which may be as or more important than the price aspects, may not be obvious.
- 82 Powerco agrees that transaction costs are higher than necessary and that it is a relatively difficult and time consuming process for consumers to get a complete and accurate view of savings to be made under various offers.
- 83 Pulse Energy does not agree that transaction costs are higher than necessary, noting that it provides all of its current plans to the Powerswitch website, as well as providing them via its website. It also provides transparent billing including passing through lines company charges (where possible) with no mark-up.
- 84 Rabid Technologies agrees that the transaction costs are higher than necessary for consumers identifying electricity-related offers available to them. However, Rabid Technologies submits that the consultation paper's language misses key thinking. Rabid Technologies submits that it would have expected the Authority to consider the media and context (ie, digital services) within which it envisaged economic benefits being realised.
- 85 Saveawatt agrees that consumers face higher-than-necessary transaction costs when identifying electricity-related offers available to them.

86 Trustpower does not agree that transaction costs are higher than necessary. It submits that electricity pricing in New Zealand is complex because of the complexity of distribution pricing, but also because of retailer innovation. Trustpower believes the level of effort required is commensurate with this complexity and that making comparisons between retailers effortless would require a complete “dumbing down” of tariff design, the removal of innovations like multi-utility bundling and offerings such of those of Flick Energy, and the prevention of future innovations such as residential time-of-use pricing.

Question 2: Do you agree that a Code amendment would lower consumers’ transaction costs more quickly than would market forces? Please give reasons with your answer.

- 87 Fifteen submissions comment on this question. Two submissions make no specific comment on this question – Horizon Energy and Rabid Technologies.
- 88 Five submissions agree that a Code amendment would lower transaction costs more quickly than market forces – Cortexo, Electric Kiwi, MEUG, Powerco and Saveawatt.
- 89 Four submissions appear to at least partially agree that a Code amendment will reduce transaction costs more quickly than would market forces – Consumer NZ, Meridian Energy/Powershop, Nova Energy and Orion.
- 90 Four submissions disagree that a Code amendment would lower consumers’ transaction costs more quickly than would market forces – Contact Energy, Genesis Energy, Mighty River Power and Pulse Energy.
- 91 Two submissions make comment but do not specifically state whether they think a Code amendment would lower consumers’ transaction costs more quickly than would market forces – Flick Energy and Trustpower.
- 92 Consumer NZ supports a Code amendment to facilitate access to tariff information on retailer websites, given that some retailers only display this information as part of a switch request. However, Consumer NZ believes transaction costs could potentially increase if consumers have to navigate a range of price comparison websites and decide which one is reliable. This would create a barrier to switching and adversely affect competition.
- 93 Contact Energy does not agree that a Code amendment will lower consumers’ transaction costs more quickly than would market forces. It believes the Authority should prefer small scale changes, consistent with its Code amendment principles.
- 94 Cortexo agrees transaction costs would be lowered more quickly with a Code amendment. This is because making tariff data available alongside consumption data will enable consumers to do their own price comparison. More importantly it will lead to an increase in independent third party services that provide a comparison or advice service. These third party service firms remove the time/complexity transaction cost faced by consumers.
- 95 Cortexo notes it is common for some parties to suggest that the lack of demand for information by consumers indicates their current satisfaction. However, research shows that consumer insight for innovative services is a poor indicator of consumer demand once a new service is available. Cortexo believes that relying on market forces will maintain the status quo, with consumers not understanding what advantages they could get if data was available, and retailers continuing to package offerings to differentiate their products by making them difficult to compare with others.
- 96 Electric Kiwi agrees a Code amendment would reduce transaction costs more quickly than market forces. Retail electricity market concentration in New Zealand remains high, and

this incentivises incumbent retailers to make it difficult for existing customers to assess whether their current tariff is most appropriate for them. Electric Kiwi considers that market forces alone are not going to achieve the Authority's statutory objective in a timely manner because lowering transaction costs is not in the best interests of incumbent retailers.

- 97 Flick Energy submits that the proposed Code amendment would need to facilitate the comparison of all tariffs available in the market to enable a reduction in consumers' transaction costs. It believes that newer, more innovative tariffs may be hard to represent in a standardised format, which could lead to reduced willingness from retailers to innovate, or create a barrier to customer acquisition for retailers with innovative tariffs. Flick Energy believes it may also lead to consumers not being aware of better choices and greater value from tariffs that cannot be reflected in a standard format.
- 98 Genesis Energy does not agree that transaction costs would be reduced more quickly with a Code amendment. The change will have no impact on transaction costs because the information is already available. Genesis Energy believes the Authority's proposals primarily benefit agents and brokers.
- 99 Meridian Energy/Powershop consider that facilitating greater accessibility of 'headline' tariff and connection information will provide market players with a good base level of information to improve their services and consistency of experience for consumers. Meridian Energy/Powershop submit that it is critical the Authority avoids 'one-size fits all' solutions and allows market players the flexibility to use the information to provide the services consumers value. This is because of consumers' diverse needs and preferences.
- 100 MEUG agrees that the Code amendment is likely to achieve the gross benefits more quickly than would market forces.
- 101 Mighty River Power refers to its response to Question 1.
- 102 Nova Energy submits that a Code amendment may lower consumers' transaction costs, but that does not necessarily mean that consumers will be better off as a result. A mandated disclosure of tariff information in a prescribed format is likely to mean that those tariffs exclude any add-on benefits that cannot be easily presented in the prescribed format. Hence, consumers may miss out on customised tariffs.
- 103 Orion believes that transaction costs might be reduced more quickly with a Code amendment, but if the costs are low to start with then the effect will be small. On the other hand, there is a risk of unintended consequences with any Code amendments. Orion suspects the initiative is most likely to benefit potential third party service providers rather than consumers directly.
- 104 Powerco considers it likely a Code amendment would effect change more quickly than market forces. However, the fact that market forces have not led to the information being made available voluntarily may suggest limited interest by consumers. If consumers genuinely wanted and valued greater accessibility and availability of data, it should have been in retailers' interests to develop appropriate customer portals, to gain competitive advantage.
- 105 Pulse Energy does not believe a Code amendment would lower consumers' transaction costs faster than would market forces. Consumers already have access to their own information and to price comparisons for the majority of retailers via the Powerswitch website or via competitors' websites.

- 106 Saveawatt agrees that transaction costs would be lowered more quickly with a Code amendment because it will enable a faster decision making process.
- 107 Trustpower states that alternative 1 is the status quo because it retains Powerswitch. Trustpower believes transaction costs will increase under alternative 2. Instead of having one central independent organisation (Powerswitch) to go to, consumers will face increased search costs from having to source information themselves from retailer websites or from third parties offering comparisons of varying quality.

Question 3: Under alternative 1 do you have any comments or suggestions about all retailers being required to provide retail tariff plan information to Consumer NZ, and having to provide that same retail tariff plan information to any person who requested it?

- 108 Fifteen submissions provide comments or suggestions as requested in this question. Two submissions make no specific comment on this question – Horizon Energy and Rabid Technologies.
- 109 Five submissions support, or at least give qualified support for, retailers providing retail tariff plan information to Consumer NZ and to any person who requests it – Cortexo, Mighty River Power, Orion, Saveawatt and Trustpower.
- 110 Three submissions are unsure of the need to move away from the status quo, but indicate support for alternative 1 if a move from the status quo occurs – Genesis Energy, Powerco and Pulse Energy.
- 111 Three submissions support the proposal to require retailers to provide retail tariff plan information to any person who requests it, but do not support the Code specifically referring to Consumer NZ – Meridian Energy/Powershop, MEUG and Nova Energy.
- 112 Three submissions disagree, or appear to disagree, with the proposal to require retailers to provide retail tariff plan information to any person who requests it – Consumer NZ, Contact Energy and Flick Energy.
- 113 One submission does not appear to agree or disagree with the proposal to provide retail tariff plan information to Consumer NZ and to any person who requests it – Electric Kiwi.
- 114 Consumer NZ is concerned about the potential consumer detriment from a proliferation of comparison services that may result from this proposal. In particular, it is concerned about the potential emergence of commission-based services that increase the transaction costs faced by consumers when identifying suitable options. Consumer NZ's view is that the continuation of Powerswitch as an independent service is the best option to ensure consumers have access to high-quality information. Consumer NZ suggests that if the Authority's intent is to encourage competing comparison sites, then this could be achieved by requiring retailers to publish tariff plans on their websites. Anyone who wished to access this information to create a comparison site could then do so.
- 115 Contact Energy recommends that if the Authority decides on alternative 1, then the Authority should work on its standard file format in consultation with the industry. Contact Energy is happy to provide retail tariff information to Consumer NZ, but it is not comfortable to simply "add the email address of other parties" to its distribution list. Contact Energy considers that the Powerswitch site should be the single source of truth.
- 116 Cortexo considers alternative 1 to be the optimal approach initially, with the potential to follow on with alternative 2, or a modified version, depending on stakeholder feedback on the outcomes from alternative 1. Cortexo has concerns around the quality and

completeness of tariff information voluntarily provided to Consumer NZ, and whether this is of suitable quality to provide accurate pricing of consumption data to allow for accurate comparisons. Cortexo also considers transparency of data provision would be needed, to ensure a level playing field through individuals and third parties getting the same data as Consumer NZ. Cortexo believes alternative 1 can be implemented in conjunction with the consumer access to consumption data Code amendment. This would allow parties to understand the issues arising from attempting to standardise information exchange formats. This is a process that might hinder the timely introduction of alternative 2.

- 117 Electric Kiwi agrees that the best way for consumers to be able to compare a variety of pricing plans is by presenting a forecast total annual charge. However, it does not believe the assumptions underlying this annual charge are sufficiently transparent to enable consumers to make meaningful decisions about how changes to their consumption or billing patterns may alter the result.
- 118 Flick Energy supports full transparency of tariff information to consumers. Flick Energy believes that Consumer NZ (via Powerswitch) is the best party to display tariff information to consumers and what it means for consumers' power bills. Flick Energy notes that its pricing does not fit the traditional pricing model and that it and Consumer NZ have jointly created intellectual property to enable its pricing to be represented. Flick Energy considers it would be inappropriate for it to be required to share this intellectual property with other parties. Flick Energy submits that if any other parties want to establish a comparison tool, they should be required to include tariffs for all retailers in the market. This is to avoid creating a barrier for new retailers and misrepresenting outcomes for consumers. Flick Energy considers that consumers would not be able to easily compare tariffs if they were to receive tariff information directly from retailers that do not charge consumers using the traditional (fixed) price approach.
- 119 Genesis Energy does not see any reason to depart from the status quo, but thinks that alternative 1 has less risk of unintended consequences than alternative 2. It submits that any regulatory intervention needs to take into account industry needs to protect certain offers from disclosure. It suggests that certain pricing plans should only be published at the retailer's discretion. Genesis Energy believes that a single regulated price comparison website will impinge on retailer innovation because such provision of data should not be limited to Consumer NZ.
- 120 Meridian Energy/Powershop submit that the Code should be drafted in a more open way to what the Authority has proposed. They believe the drafting of the proposed Code amendment specifies Consumer NZ as the only conduit for tariff information, which precludes alternative providers from doing the same, and retailers from supplying the information on their website rather than via Powerswitch. Meridian Energy/Powershop do not support this. Meridian Energy/Powershop agree with the proposed focus on 'headline tariffs', as requiring the release of more extensive information on tariffs carries with it risks of discouraging innovation in tariff offerings. Meridian Energy/Powershop consider that having a voluntary standardised file format is essential. Without it consumers, or their agents, may not get the consistency of information needed to make accurate comparisons.
- 121 MEUG queries why Consumer NZ is named specifically as the party to which retailers must provide their retail tariff information. MEUG recommends the Code amendment refer generically to any person asking for the information. MEUG also notes that the definition of 'uninvited direct sale agreement' covers the situation of very small retailers, or retailers supplying themselves, that do not have publicly posted offers for any interested party.

- 122 Mighty River Power supports alternative 1, provided that ‘generally available retail tariff plan’ data is correctly and accurately defined. Mighty River Power thinks there are several issues and omissions with the draft definition of ‘generally available retail tariff plan’. These include:
- (a) pricing requirements that are set by retailers and which are not necessarily specific to the electricity industry (eg, the consumer is a member of a rural supply firm or is supplied by a particular telecommunications provider)
 - (b) the definition of ‘uninvited direct sale agreement’ in the Fair Trading Act 1986 is too narrow because it relates only to door-to-door selling and telemarketing
 - (c) there should be a general exclusion for tactical pricing that is offered from time to time through ‘above the line’ channels, because this is important to allow retailers to manage portfolio size.
- 123 Mighty River Power does not support the mandating of data formats because it will add cost and restrict tariff innovation without any material gain in the quality of information made available. Mighty River Power does not support the idea of retailers jointly contracting with a third party to develop a “standarding tool”, which it believes is likely to be more expensive than the Authority’s estimate of \$250,000-\$500,000. Mighty River Power considers that the better solution is for retailers to continue providing tariff information to Consumer NZ and other requesting parties in the current format.
- 124 Nova Energy agrees that providing retail tariff information on standard tariffs to parties that request it is a reasonable expectation. However, Nova Energy believes it is inappropriate for the Authority to require retailers to provide the information to Consumer NZ on a regular basis, since Consumer NZ is not a market participant or Government entity.
- 125 Orion submits that alternative 1 appears to be a low impact requirement since many or most retailers already provide the data. However it considers that care needs to be taken so that regulation does not stifle innovation (eg, the Flick and Powershop retail offerings). Orion notes many aspects of retailer competition are not specifically related to ongoing prices (eg, “first month free” deals), and some price offers may not be available to all consumers.
- 126 Powerco agrees that having a standardised file format and making the provision of data to Consumer NZ mandatory is useful. This is because it will potentially reduce administrative effort and ensure completeness. However, Powerco thinks it is likely the potential benefit would be outweighed by the cost of making a Code amendment, because the majority of retailers already provide this information to Consumer NZ.
- 127 Pulse Energy submits that the Authority has not provided any compelling information on why the status quo is not sufficient. It notes the Authority clearly identifies that the majority of retailers voluntarily provide price plans. Pulse Energy considers that, of the alternatives put forward, alternative 1 is likely to have the lowest risk of unintended consequences.
- 128 Saveawatt supports alternative 1 if it is the quickest to implement. Saveawatt wants the information provided to other requestors in the same timeframe as it is provided to Consumer NZ.
- 129 Trustpower notes that it currently provides all generally available domestic pricing to Consumer NZ, and is happy to also provide commercial pricing. It is also willing to pass this information on to persons who request it. However, Trustpower is concerned about the potential for harm to consumers from the emergence of unqualified third parties that lack

the skills to make valid comparisons, or that are motivated by payments from gaining retailers. Trustpower requests the Authority clarify how third party quality and compliance will be managed, and that consideration be given to the detrimental impacts on consumer confidence in switching if Powerswitch is removed and replaced with low quality providers.

Question 4: Under alternative 2 do you have any comments or suggestions about retailers being required to publish information about their generally available retail tariff plans on their websites?

- 130 Sixteen submissions comment on this question. One submission makes no specific comment on this question – Horizon Energy.
- 131 Ten submissions support, or appear to support, requiring retailers to publish information about their generally available retail tariff plans on their websites – Consumer NZ, Contact Energy, Cortexo, Electric Kiwi, Flick Energy, Meridian Energy/Powershop, Nova Energy, Powerco, Rabid Technologies and Saveawatt.
- 132 Two submissions do not object to retailers making information available to consumers on their websites, subject to certain caveats – Genesis Energy and Orion.
- 133 Four submissions do not support requiring retailers to publish information about their generally available retail tariff plans on their websites – MEUG, Mighty River Power, Pulse Energy and Trustpower.
- 134 Consumer NZ agrees retailers should be required to publish generally available retail tariff plan information on their websites, as it will directly benefit consumers.
- 135 Contact Energy agrees retailers should be required to publish generally available retail tariff plan information on their websites. However, Contact Energy notes it is unclear how the Authority plans to deal with innovative retail tariff plans that do not fit the ‘generally available’ definition, or value-based offerings (eg, sign-on credits, break fees, bundled offers, eligibility criteria).
- 136 Cortexo submits that it is logical for retailers to publish information about generally available retail tariff plans on their websites, as they can control the customer experience and engage with the customer interactively. To not publish tariff information but be required to provide it to others leaves the customer experience and communication in the hands of others. Cortexo believes the Code must require that the published data is current and complete.
- 137 Electric Kiwi believes half-hour tariff data must be published in order for the retail tariff data to be meaningful and allow for pricing innovation that benefits consumers. Electric Kiwi strongly supports ensuring that any tariff data includes levies, taxes and discounts. The exclusion of these from current retail tariff data on comparison websites such as Powerswitch increases transaction costs for consumers when comparing tariffs.
- 138 Flick Energy supports publishing generally available tariff data on retailer websites, but thinks it unlikely that a standardised file format will be able to accurately portray innovative tariffs. Flick Energy believes the array of tariffs, if published, may not necessarily make consumers more informed about their decisions and may in fact confuse consumers.
- 139 Genesis Energy does not object to information being made available to consumers on its website but this should be unregulated and un-prescribed. This is so that it is appropriately flexible and accurate and does not impinge on retailer innovation.
- 140 Meridian Energy/Powershop agree with the concept of allowing retailers to publish the information on their websites. Their preference is for alternative 1 to be amended as set out in their response to Question 3.

- 141 MEUG submits that alternative 2 could be amended to remove the obligation on retailers to provide comprehensive information on their websites. This is because of the requirement on retailers to provide information in a standardised format if requested.
- 142 Mighty River Power considers it would be more efficient to provide connection-specific tariff information on Powerswitch (and other comparator websites), where generally available retail tariffs from all providers can be compared. Mighty River Power believes this would better meet the Authority's desired outcomes than requiring it to be published on the websites of individual retailers where comparisons cannot be made. It would also be a cheaper alternative.
- 143 Nova Energy believes it is appropriate for retailers to be required to publish on their websites information on generally available retail tariffs.
- 144 Orion does not think there needs to be much concern about how the information is made available so long as it is easily accessible, provided there is a reasonably common format. Orion also notes that, depending on the retailer's business model, "generally available" plans may not be very important.
- 145 Powerco notes that, while most retailers typically publish their residential plans and prices on their websites, they do not typically publish information or prices for their commercial plans. Powerco believes a greater number of consumers would be able to view retailer offers and make meaningful comparisons if all retailers displayed their residential and commercial 'published' plans on their websites.
- 146 Pulse Energy submits that the Authority continues to add considerable costs for retailers in the pursuit of improved competition. Pulse Energy already provides its price data to Powerswitch and on its website.
- 147 Rabid Technologies considers that alternative 2 is superior to alternative 1. Published, readily accessible open standards will minimise transaction costs for any new entrant comparison services. Rabid Technologies recommends the Authority pursue policies that work towards entirely open publication of data, compliant with a data standard that is clearly articulated. A declared data format is not that expensive or difficult to supply and separates the challenges of gathering data sources from the effort of informing a consumer of pricing offers. Rabid Technologies suggests the Authority could provide an authorised price calculator and publish this code as open source, to provide a transparent baseline. A cloud store of tariff data, connection data and consumption data would enable a range of private sector initiatives to focus on what can be done with the data.
- 148 Saveawatt submits that alternative 2 is preferable to alternative 1, because it will remove the request and respond time associated with approaching each retailer independently.
- 149 Trustpower submits that alternative 2 will lead to a higher cost for retailers to implement, which ultimately will be borne by consumers. It will also remove consumers' ability to go to one trusted destination to get all information, unless a third party does this, which will increase transaction costs. Trustpower has concerns about differences and potential inaccuracies in third parties' methodologies, which could lead to consumer harm. Trustpower also believes there is the potential for third parties to charge some sort of fee or commission to the consumer or the retailer if the consumer switches. This is a transaction cost.

Question 5: Under alternative 2 do you have any comments or suggestions about the requirement to supply retail tariff plan information using standardised file formats and structures?

- 150 Fifteen submissions comment on this question. Two submissions make no specific comment on this question – Horizon Energy and Rabid Technologies.
- 151 Four submissions agree, or appear to agree, with a requirement to supply retail tariff plan information using standardised file formats and structures – Consumer NZ, Cortexo, Electric Kiwi and Saveawatt.
- 152 Three submissions make comment about a requirement to supply retail tariff plan information using but do not specifically or clearly state whether they agree or disagree with the proposal – Contact Energy, MEUG and Orion.
- 153 Eight submissions disagree, or appear to disagree, with a requirement to supply retail tariff plan information using standardised file formats and structures – Flick Energy, Genesis Energy, Meridian Energy/Powershop, Mighty River Power, Nova Energy, Powerco, Pulse Energy and Trustpower.
- 154 Consumer NZ supports standardised formats for the disclosure of tariff plan information because they assist comparisons between providers and reduce transaction costs. Consumer NZ believes that mandatory requirements should be considered if a voluntary approach does not result in improved disclosure.
- 155 Contact Energy considers that an industry working group must be used if the Authority is going to require standardised file formats and structures. This is to avoid the issues with the Authority's approach to standard tariff codes and EIEP 12 files.⁶
- 156 Cortexo agrees on the need to use standardised file formats. However, it also understands that some work will be necessary to allow for file formats that do not inhibit innovation and take into account the 'whole' offering, which may be part of a bundle of services. Cortexo notes that the complexity which may arise does not mean it is impractical to develop standardised file formats and structures. Cortexo believes that implementing alternative 1 first on 1 February 2016 and then progressing to alternative 2 will allow all parties to understand the complexities and devise solutions, while delivering value to the consumer.
- 157 Electric Kiwi submits that the standardised file structure must require all tariff data to be supplied to the half-hour level and allocated across a specified time period. This is to enable the comparison of profiled, daily, weekly or seasonal tariffs with traditional single tariff options. The level of detail in the file should be equivalent to that required in any consumption data files supplied by the retailer.
- 158 Flick Energy believes the requirement to publish tariffs in a standardised format is unlikely to enable true representation of all tariffs available to consumers and therefore will be a barrier to innovations in the market. Flick Energy suggests that, rather than standardised file formats, all retailers should provide information that enables annual cost comparisons to be made that are fair (as Powerswitch currently does).

⁶ Electricity Information Exchange Protocols (EIEPs) provide a set of cost-effective standardised formats for business-to-business information exchanges in the New Zealand electricity industry. The EIEPs have been developed and revised over many years. EIEP 12 relates to distributor tariff change information.

- 159 Genesis Energy strongly opposes any standardised format for disclosure of data. Genesis Energy submits that tariff data is information owned by the retailer and therefore the retailer should be at liberty to provide this to its customers using its own systems and processes. Genesis Energy considers that regulating formats and processes would introduce an unnecessary layer of regulation and costs for no benefit to the end user. By standardising the format, the Authority risks stifling innovation in pricing models.
- 160 Meridian Energy/Powershop favour voluntary standards for tariff file formats, per alternative 1.
- 161 MEUG submits that the requirement to supply retail tariff plan information using standardised file formats and structures is essential to differentiate alternative 2 from alternative 1.
- 162 Mighty River Power considers it will be complicated, expensive and time-consuming to provide tariff information using different standardised file formats and structures to what it currently uses when providing this information to Consumer NZ. Mighty River Power encourages the Authority to work with Powerswitch, other comparator websites, and retailers to understand the adequacy of the existing format rather than moving to mandate a new one.
- 163 Nova Energy submits that standard file formats and structures are likely to inhibit innovation in tariff design and make it difficult for retailers to highlight those aspects of their tariffs which might be regarded as valuable to particular groups of consumers.
- 164 Orion considers that a standardised format (or possibly some options) would seem to be a way of including information that enables tariff data to be usefully linked to connection information. It submits that the most important thing for price comparisons is that various retailers' pricing plans can be matched to each other. Orion notes that it can be difficult to compare prices in other competitive markets given different product attributes (eg, mobile phones and computers). It is not clear why electricity should be different, or even that it can be.
- 165 Powerco submits that a standardised file format would potentially make it easier for a consumer to make comparisons between retailers. However, Powerco considers it would be very difficult to specify a mandatory file format that would be flexible enough to accommodate the multitude of existing plans across all retailers, while also allowing for future innovations to pricing plans and tariffs. A potential solution is to issue a guideline and provide an indicative file format.
- 166 Pulse Energy submits that it can only provide external parties with price plan data on the basis of single addresses. It would incur development costs to supply retail tariff plan information using standardised file formats and structures, the cost of which would have to be recovered from consumers. However, consumers can already access price plan data on Pulse Energy's website or via Powerswitch.
- 167 Saveawatt submits that having information in a standardised format is preferable because it will enable comparisons without having to account for prompt payment discounts, acquisition credits, etc.
- 168 Trustpower considers that standard formats may be useful for simple comparisons, but complex formats may lead to a higher implementation cost, which will ultimately be borne by consumers. Trustpower submits that any standardised structure could become a constraint on innovation, or be unwieldy in attempting to allow for innovation. It could also

be more difficult for consumers to use the information if it is in a format that an average consumer is unable to readily process.

Question 6: Under both alternatives do you have any comments or suggestions about making publicly available the connection data held in the registry that is set out in Appendix D of the consultation paper?

- 169 Fifteen submissions comment on this question. Two submissions make no specific comment on this question – Horizon Energy and Nova Energy.
- 170 Twelve submissions agree, or appear to agree, with the proposal to make connection data held in the registry publicly available – Consumer NZ, Cortexo, Electric Kiwi, Flick Energy, Meridian Energy/Powershop, MEUG, Mighty River Power, Powerco, Pulse Energy, Rabid Technologies, Saveawatt and Trustpower.
- 171 Three submissions do not specifically state whether they agree or disagree with making connection data held in the registry publicly available – Contact Energy, Genesis Energy and Orion.
- 172 Consumer NZ supports the proposal to make publicly available the connection data held in the registry set out in Appendix D of the consultation paper.
- 173 Contact Energy does not specifically state whether it agrees or disagrees with making connection data held in the registry publicly available. However, it disagrees with the Authority’s proposed approach for doing this, believing instead that the best option for doing this is to make better use of Powerswitch. Contact Energy anticipates that customers will struggle with the complexity of the data, and third party energy service companies will struggle to interpret the registry data in a way that enables them to provide accurate proposals to customers.
- 174 Cortexo agrees with the proposal because connection data is required to make any meaningful assessment of available tariff plans.
- 175 Electric Kiwi supports public access to connection data.
- 176 Flick Energy appears to support the proposal to make connection data publicly available. However, Flick Energy notes that in doing so it is critical the information is only used for electricity power comparison, and not for any other purpose. In particular, the information is not to be used for any other purpose whereby it is linked to other information that is personal information.
- 177 Genesis Energy does not specifically state whether it agrees or disagrees with making connection data held in the registry publicly available. Genesis Energy considers that amending rule 11.28 of the Code (access to the registry) would be a better way for agents to gather connection data.
- 178 Genesis Energy submits that the connection data proposed to be made available far exceeds the data it considers necessary for comparing tariffs. It believes that a consumer has no use for, amongst other things, the point of connection, reconciliation type or loss category code at their ICP. It accepts that an agent might wish for more data than a consumer. However, Genesis Energy believes there is still more data than is necessary for determining the best cost for a consumer (eg, how the current trader reconciles wholesale purchases or the current status of the ICP).

- 179 Genesis Energy also believes that existing traders at an ICP should be able to get a report from the registry showing those ICPs for which data is being requested by other parties. Genesis Energy submits that this is in the interests of an open and competitive market.
- 180 Meridian Energy/Powershop appear to agree with the proposal to make some connection data publicly available, but note it will need to be disclosed with certain caveats (eg, that the information has been compiled from the best information available from registry records at the time). Meridian Energy/Powershop also suggest the consultation paper incorrectly categorises certain connection data as relating to “Trader Events” when in fact the information is supplied to the registry via “Distributor Events” (ie, by distributors, not retailers).
- 181 Meridian Energy/Powershop submit that address information is not needed to compare different tariffs in many instances and carries with it a risk that it could be converted into personal information with relative ease. Meridian Energy/Powershop request the Authority (if it has not already done so) obtain advice from the Privacy Commissioner on its assessment of privacy implications. Meridian Energy/Powershop are unsure of the value or relevance of the distribution charge loss category code.
- 182 Meridian Energy/Powershop are of the view that tendering for the system / web interface development work is important, to ensure its cost effectiveness. They think this may also create a more user-friendly platform.
- 183 MEUG agrees with the proposal because the information to be made publicly available is “banal and uncontroversial”.
- 184 Mighty River Power supports the proposal to make connection data publicly available, as long as the privacy of consumers is adequately protected. It considers that the set of data described in Appendix D of the consultation paper is appropriate for the intended purpose. Mighty River Power does, however, believe that customers may be sensitive about third parties linking them with any on-site electricity generation at their dwelling.
- 185 Orion is not sure all of the connection data proposed to be made available is needed for the purpose of finding the applicable pricing plan. It submits that the Authority needs to think very carefully about privacy issues. Prudency suggests releasing only the information necessary for finding the applicable pricing plan. On the other hand, if there are no privacy issues and the dataset is appropriately limited, Orion suggests making all of the data available as a single file. Orion suspects that third party providers would like the ability to analyse many ICPs at once, although Orion is not sure that this is consistent with the original conception of the registry.
- 186 Powerco agrees with the proposal to make connection data publicly available because it is valuable information, not only across the industry, but also to consumers. Powerco submits that consumers should have access to this data as it would encourage greater understanding, validation, and personal ownership of the data.
- 187 Pulse Energy considers the proposal would generally be a more efficient method for connection data to be obtained.
- 188 Rabid Technologies supports the proposal to make connection data publicly available. It considers that extending this concept to a cloud storage service including consumption data, tariff data and connection data would paint a compelling picture of high-quality independent data, which private players could innovate upon. This might also have entirely

unforeseen benefits, which consumers could realise by collaborating to make more effective use of the data once they understood that they had access to it.

- 189 Saveawatt appears to agree that connection data should be made publicly available. Saveawatt submits that it would be beneficial to have access to ICP address information and to ICP transfer files (eg, switch requests, switch completions). The ICP address information would enable agents to electronically verify an ICP and registry-recorded address against the consumer's invoice. The transfer files would enable agents to monitor the progress of a consumer switch.
- 190 Trustpower believes the proposal will contribute to market activity.

Question 7: Do you agree that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective? Please give reasons if you disagree.

- 191 Fourteen submissions comment on this question. Three submissions make no specific comment on this question – Horizon Energy, Nova Energy and Rabid Technologies.
- 192 Ten submissions agree, or appear to agree, that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective – Cortexo, Electric Kiwi, Flick Energy, Meridian Energy/Powershop, MEUG, Mighty River Power, Orion, Powerco, Saveawatt and Trustpower.
- 193 Four submissions either disagree, or question whether, the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective – Consumer NZ, Contact Energy, Genesis Energy and Pulse Energy.
- 194 Consumer NZ is concerned that the paper does not assess the current status of competition or efficient operation of New Zealand's retail electricity market, nor adequately assess whether these changes are justified. Consumer NZ submits that the supporting Sapere paper also fails to address the cost of having many comparison sites, or the cost of regulating these sites.
- 195 Contact Energy submits that the Authority could be accused of being disingenuous in saying it expects productive efficiency benefits from retailers operating more efficiently, and suggests that this appears to be a covert word for price. Contact Energy also says it is unclear how the Authority expects that "increased competition will lead to greater innovation and dynamic benefits from new products and in products and services" when the Authority's approach drives all tariffs to look the same.
- 196 Cortexo agrees that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective.
- 197 Electric Kiwi agrees that the proposals are appropriate and consistent with the Authority's statutory objective, but believes that alternative 2 provides the Authority with the best opportunity to improve retail competition for the benefit of consumers.
- 198 Flick Energy agrees that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective to promote competition in, and the efficient operation of, the electricity industry. However, Flick Energy does not agree that the proposed alternatives will necessarily meet these objectives. Flick Energy believes that the Authority's objectives are only able to be met if:
- (a) all relevant retail options are represented
 - (b) accurate and meaningful comparisons can be made that inform consumers of their best options
 - (c) innovative ways of retailing can be represented.
- 199 Genesis Energy does not agree that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objectives. This is because the proposals primarily benefit agents or other interested parties, not the consumer.
- 200 Meridian Energy/Powershop note that the consultation paper focuses on efficiency effects from reducing time and effort for consumers, retailers and other service providers to obtain relevant information. Meridian Energy/Powershop submit that having the information used

and provided in a way that works for consumers will be critical to this, and that market players need to be allowed the flexibility to determine how this can be best achieved.

- 201 MEUG agrees that the proposed objectives of both alternatives relate to the competition and efficient operation limbs of the Authority's statutory objective, with probably positive but minor reliability outcomes.
- 202 Mighty River Power agrees that the proposed objectives of both alternatives proposed are appropriate and consistent with the Authority's statutory objective.
- 203 Orion agrees in principle that the proposed objectives of both alternatives are appropriate and consistent with the Authority's statutory objective. However, Orion is not convinced that there is a material problem with the current arrangements. Orion submits that the Authority may be moving from a stance of promoting retail competition to one of directly influencing competitive direction.
- 204 Powerco agrees the objectives of the proposed alternatives appear to have the potential to promote greater competition and allow for more efficient operation of the industry.
- 205 Pulse Energy does not agree that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective. Pulse Energy submits that the proposal is likely to add costs to consumers, reduce or limit the scope for competition and innovation, and appears to be of primary benefit to agents or third parties.
- 206 Saveawatt agrees that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective.
- 207 Trustpower agrees that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective. However, Trustpower does not believe the outcomes will substantively achieve the objectives.

Question 8: Do you agree that the connection data which the Authority proposes to make publicly available is not personal information?

- 208 Twelve submissions comment on this question. Five submissions either make no comment or express no view on this question – Consumer NZ, Horizon Energy, MEUG, Nova Energy and Rabid Technologies.
- 209 Six submissions clearly agree that the connection data which the Authority proposes to make publicly available is not personal information – Cortexo, Electric Kiwi, Flick Energy, Pulse Energy, Saveawatt and Trustpower.
- 210 Six submissions think that making the connection data publicly available will, or could, raise some privacy concerns – Contact Energy, Genesis Energy, Meridian Energy/Powershop, Mighty River Power, Orion and Powerco.
- 211 Contact Energy submits that the Authority seek legal advice on whether the connection data that the Authority is proposing to make publicly available is personal information.
- 212 Cortexo agrees that the connection data proposed to be made publicly available is not personal information.
- 213 Electric Kiwi agrees that the connection data proposed to be made publicly available is not personal information.
- 214 Flick Energy agrees the connection data is not personal information, as that is defined in the Privacy Act 1993. However Flick Energy believes it is critical that the information is only used for electricity power comparison and not for any other purpose; in particular for any purpose whereby the data is linked to other information that is personal information.
- 215 Genesis Energy's view is that ICP information on the registry does not contain personal information as it does not identify an individual. However, Genesis Energy believes there might be a chance that consumers at ICPs with credit disconnections (current or past) may be disadvantaged if status data is made publicly available.
- 216 Meridian Energy/Powershop request the Authority to confirm with the Privacy Commissioner that it agrees with the Authority's privacy assessment, if the Authority has not already done so. Meridian Energy/Powershop consider the Authority's proposal to include address details should be a particular focus of these discussions/considerations.
- 217 Meridian Energy/Powershop also question whether the connection data to be made publicly available was obtained and would be made available to promote retail competition. Meridian Energy/Powershop submit that it is unclear whether consumers have been adequately notified that the information's purpose relates to retail competition. Meridian Energy/Powershop consider it is arguable that the purpose of the information is more closely linked with efficient operation of the electricity market.
- 218 Mighty River Power supports the Authority's proposal to make specified connection data held in the registry available to third parties, as long as the privacy of consumers is adequately protected. Mighty River Power considers that consumers might be sensitive about third parties linking them with data about the existence of any on-site electricity generation at their dwelling. Mighty River Power encourages the Authority to work with consumer representatives to determine whether consumers would be concerned by the release of this type of information to third parties.
- 219 Orion does not comment directly on whether the connection data is personal information or not, but considers that much of it is not needed for price comparisons. Orion suggests the

Authority may wish to consider whether historical information about a connection, in particular changes to it, may give the current consumers at the connection information related to a previous consumer.

- 220 Powerco does not agree that the connection data proposed to be made publicly available is not personal information. Powerco considers connection data to have elements of personal behavioural information in it (eg, switching behaviour, connected capacity, price category, address information and metering information).
- 221 Pulse Energy agrees that connection data is not personal information, but notes that the connection status may provide certain indirect personal information.
- 222 Saveawatt agrees that the connection data that the Authority has proposed to make publicly available is not personal information.
- 223 Trustpower believes that the connection data proposed to be made publicly available is not personal information, but has not taken any legal advice or explored any unintended consequences.

Question 9: If you disagree, please give reasons and suggest a way to address the privacy issue(s) you have identified.

- 224 Seven submissions comment on this question – Contact Energy, Flick Energy, Meridian Energy/Powershop, Mighty River Power, Orion, Powerco and Pulse Energy.
- 225 Ten submissions either make no comment or express no view on this question – Consumer NZ, Cortexo, Electric Kiwi, Genesis Energy, Horizon Energy, MEUG, Nova Energy, Rabid Technologies, Saveawatt and Trustpower.
- 226 Contact Energy refers to its response to Question 8.
- 227 Flick Energy considers that access to connection data should be confined to specified purposes and should expressly not be able to be used for any other purpose.
- 228 Meridian Energy/Powershop refer to their response to Question 8.
- 229 Mighty River Power considers that, if any of the information in Appendix D of the consultation paper were personal information, then the best way to address the privacy issues would be for third parties seeking access to personal information to obtain authorisation from the consumer.
- 230 Orion submits that not making any more information available than is required for the retailer price comparison would be a way of addressing privacy issues.
- 231 Powerco submits that the provision of all personal information needs to be limited to the consumers that are seeking it. This can be done by consumers entering either their own ICP identifier or their address details to source the relevant information.
- 232 Pulse Energy refers to its response to Question 8.

Question 10: Do you agree with the assessment of gross benefits, costs and net benefits? If not, please explain your reasoning.

- 233 Eleven submissions comment on this question. Six submissions make no specific comment on this question – Genesis Energy, Horizon Energy, Nova Energy, Powerco, Rabid Technologies and Saveawatt.
- 234 Three submissions agree, or appear to agree, with the assessment of gross benefits, costs and net benefits – Cortexo, Electric Kiwi and MEUG.
- 235 Eight submissions disagree with the assessment of gross benefits, costs and next benefits – Consumer NZ, Contact Energy, Flick Energy, Meridian Energy/Powershop, Mighty River Power, Orion, Pulse Energy and Trustpower.
- 236 Consumer NZ refers to its response to Question 7.
- 237 Contact Energy does not agree with the assessment of benefits and costs. It submits that the assessment fails to account for the commission of third parties and therefore their incentives. Third parties have an incentive to ensure consumers are on the lowest price offer for which the third parties are remunerated, not the offer that may be the best value for the consumer, or the best offer overall.
- 238 Contact Energy believes the Authority has underestimated the likely costs. Contact Energy believes its costs under alternative 2 would exceed the maximum \$10,000 cost estimate put forward by the Authority. Contact Energy also notes that some distributors are indicating a move to ‘cost reflective’ pricing, which will add further complexity and cost in due course.
- 239 Cortexo submits that it understands the assessment of benefits and costs, and has no reason not to consider the assessment to be realistic.
- 240 Electric Kiwi agrees with the assessment of benefits and costs. Electric Kiwi believes there is a net benefit to consumers in allowing for retail tariffs to be compared in a more transparent manner. Information asymmetry in regard to retail tariffs is a cost which is currently being borne by the consumer. Electric Kiwi’s view is that the commercial costs incurred by retailers in providing better data to consumers are not as high as the Authority has estimated.
- 241 Flick Energy disagrees with the assessment of benefits and costs. It believes that some of the benefits may be overstated because, in Flick Energy’s experience, only a small number of people switching will switch to the cheapest provider on Powerswitch. Flick Energy also believes there may be additional costs and potential negative outcomes for consumers using a third party provider that is not mandated to represent all retailers and has no controls over the accuracy and relevance of information provided. Consumers may not be provided with the best tariff as an option. Consumers may also incur costs reviewing a number of cost comparison websites. Retailers may then have to incur costs in managing a presence on multiple sites, and in reviewing the accuracy of the sites.
- 242 Genesis Energy submits that it struggles to see any benefits to the consumer to justify costs spent on this issue, which implies that it disagrees with the assessment of benefits and costs. However, Genesis Energy then goes on to say that it cannot comment on the assessment because it does not understand the figures projected or the reasoning behind them.
- 243 Meridian Energy/Powershop disagree with the assessment of benefits and costs. They consider the Authority’s analysis overstates the benefits and potentially underestimates the

costs. The Authority's estimate of benefits in the region of \$1.8 million - \$5 million presumes the proposals will encourage at least 5% of consumers that do not typically switch to do so, and to achieve savings of at least \$160 from their switch. Meridian Energy/Powershop believe this is optimistic because New Zealand's switching rates are estimated to be the highest in the world, and because many consumers do not appear to have an interest in power-related information. Meridian Energy/Powershop accept it is difficult to quantify the dynamic efficiency benefits. However, they consider that the overseas case studies referred to in the consultation paper, determining that benefits will be in the 'many millions', are of tangential relevance.

- 244 Meridian Energy/Powershop consider the Authority's estimate of \$505,000 - \$1.7 million for the collective cost of retailers implementing alternative 2 will significantly underestimate the cost, if the information to be disclosed is to be disclosed more frequently than monthly. The Authority's analysis also does not account for third party providers charging fees to consumers for their services.
- 245 MEUG submits that the initial quantitative estimate and qualitative discussion of benefits and costs is reasonable. However, a more informed estimate will be possible after the Authority considers feedback from its consultation. MEUG considers that provision may be needed under alternative 1 for costs to monitor retailers' compliance with the requirement to provide all of their generally available retail tariff data in formats they choose, in case practices develop which are contrary to the proposal's intent. MEUG also submits that the Authority should have an archive of all tariff plans provided by every retailer, for possible but currently undefined research.
- 246 Mighty River Power believes the costs of alternative 1 are understated. It considers the cost for a third party to develop a standardisation tool is likely to be more expensive than the Authority's estimate of \$250,000-\$500,000, and would require significant ongoing support. Mighty River Power believes that alternative 1 does not require this expenditure to achieve the desired outcomes. Mighty River Power considers that the costs of alternative 2 are significantly understated. Alternative 2 would require all retailers to undertake significant and complicated systems work on their websites. Mighty River Power believes this work is much better undertaken on comparator websites where the systems work only needs to be done once for all retailers.
- 247 Orion believes the benefits are overstated. Orion considers the Authority has not demonstrated that the competitive market has failed, or that the proposed intervention will not harm the competitive provision of price comparison information.
- 248 Pulse Energy does not agree with the assessment of benefits and costs. It considers the analysis is seeking to justify a solution looking for a problem. Pulse Energy believes the proposals would result in scarce capital being allocated to developing price data provisioning systems, rather than to product development, innovation and competition.
- 249 Trustpower does not agree with the assessment of benefits and costs. With regard to alternative 1, Trustpower:
- (a) does not believe that the reduction in customer effort resulting from the proposed changes will significantly impact switching rates
 - (b) believes that the addition of the seven retailers not currently participating on Powerswitch is unlikely to make a significant difference

- (c) believes third parties utilising Powerswitch data will endeavour to make a profit from providing the service, reducing customer savings
- (d) considers that Australian evidence shows that third party aggregators will choose a single (or small number of) retailer(s), and as a result many consumers will end up paying more than the best market offer
- (e) considers that overall the net benefit is likely to be within the margin of modelling error.

250 Trustpower submits that alternative 2 has higher transaction costs and is likely to result in a net cost.

Question 11: Do you have any comments or suggestions about whether the additional gross benefits of alternative 2 outweigh its additional costs vis-à-vis alternative 1?

Please give reasons with your answer.

- 251 Eleven submissions comment on this question. Six submissions make no specific comment on this question – Consumer NZ, Horizon Energy, Nova Energy, Powerco, Rabid Technologies and Saveawatt.
- 252 Two submissions consider that the additional gross benefits of alternative 2 outweigh its additional costs compared with alternative 1 – Cortexo and Electric Kiwi.
- 253 Four submissions consider that the additional gross benefits of alternative 2 do not outweigh its additional costs compared with alternative 1 – Flick Energy, Meridian Energy/Powershop, Mighty River Power and Trustpower.
- 254 Five submissions make comment but do not specifically state whether they think the gross benefits of alternative 2 outweigh its additional costs compared with alternative 1 – Contact Energy, Genesis Energy, MEUG, Orion and Pulse Energy .
- 255 Contact Energy submits that if the Authority pursues alternative 2, it must undertake a robust cost benefit analysis.
- 256 Cortexo believes that alternative 2 will ultimately have the best outcomes and benefits for consumers and the market as a whole. It believes costs can be managed by implementing alternative 1 immediately, and then implementing alternative 2 following analysis of the outcomes of implementing alternative 1. This would enable refinement of the outcomes for alternative 2 as well as enabling services to develop that may make implementation of alternative 2 more cost effective for the majority of retailers.
- 257 Electric Kiwi considers that a voluntary standardised file format will not increase retail competition because it will not generate the required improvement in consumers' ability to compare tariffs. Under alternative 2 the gross benefits identified will not be achieved if the standardised file format does not require retailers to provide half-hourly tariff data. This is because the format will incentivise less pricing innovation rather than more.
- 258 Flick Energy believes alternative 1 is the better option and that the additional benefits of alternative 2 are unclear and do not outweigh the additional cost.
- 259 Genesis Energy refers to its response to Question 10.
- 260 Meridian Energy/Powershop favour the Authority's alternative 1 tariff data proposal. They believe it is more in line with the small scale/'trial and error', market-type solutions the Authority's Code amendment principles give preference to. Meridian Energy/Powershop's view is that the sizeable net benefits claimed by the Authority are highly uncertain and that the costs of alternative 2 may have been understated.
- 261 MEUG refers to its response to Question 10.
- 262 Mighty River Power considers the gross benefits of alternatives 1 and 2 would effectively be the same because the two alternatives provide consumers and third parties with equivalent access to tariff data. Likewise, the alternatives provide third parties with equivalent access to connection data.
- 263 Orion considers that the question of whether the additional gross benefits of alternative 2 outweigh its additional costs compared with alternative 1 depends on the format and completeness of the existing pricing information provided to Consumer NZ. Orion does not

know if this allows mapping to connection information. If it does not then alternative 1 will not work.

264 Pulse Energy refers to its response to Question 10.

265 Trustpower does not believe that the additional gross benefits of alternative 2 outweigh its additional costs.

Question 12: Do you agree that both of the proposed alternatives are preferable to other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective.

- 266 Sixteen submissions comment on this question. Rabid Technologies makes no specific comment on this question.
- 267 Seven submissions agree, or appear to agree, that both of the proposed alternatives are preferable to other options – Cortexo, Electric Kiwi, Horizon Energy, Meridian Energy/Powershop, MEUG, Mighty River Power and Saveawatt.
- 268 Nine submissions do not agree that both of the proposed alternatives are preferable to other options – Consumer NZ, Contact Energy, Flick Energy, Genesis Energy, Nova Energy, Orion, Powerco, Pulse Energy and Trustpower.
- 269 Consumer NZ does not support option 1 or option 3, and does not think that alternative 1 or 2 or option 2 offer the best approach as presented. Consumer NZ would support an approach that requires retailers to:
- (a) publish tariffs on websites (proposed under alternative 2)
 - (b) publish tariff plan information in a standardised format (proposed to be voluntary under alternative 1 and compulsory under alternative 2)
 - (c) provide access to connection data (proposed under alternative 1 and alternative 2).
- 270 Contact Energy does not agree that the proposed alternatives are preferable to other options. Contact Energy's preferred approach would be to see the following:
- (a) Powerswitch's funding to be reinstated and for Powerswitch to be connected with the registry in order to provide connection data for consumers
 - (b) Powerswitch to be targeted at consumers who may not otherwise have access (eg, providing site access at libraries and community centres)
 - (c) a review of changes already undertaken in the retail space, before any further changes are made.
- 271 Contact Energy submits that if the Authority does proceed down this track, it must develop a standard file format, for voluntary adoption in conjunction with the industry. Contact Energy notes the need to avoid a repeat of the issues that arose when the Authority regulated the requirement for distributors to use standard tariff codes for all network tariff rates from 1 July 2012. While the Authority's intention was to achieve more consistency in codes and tariff descriptions, it achieved the opposite, resulting in the Authority revoking the requirement in late 2013.
- 272 Cortexo agrees the proposed alternatives are preferable to the other options considered. However, Cortexo considers option 3 (centralised retail tariff plan database) should be an ultimate goal because it would provide the most efficient service. Cortexo believes the most efficient solutions evolve and are part of a journey. It therefore considers the most effective approach would be to implement alternative 1 immediately and then assess the outcome prior to implementing alternative 2. Option 3 would be an ultimate goal (or not) based on outcomes of an evolving and continually assessed/validated process.
- 273 Electric Kiwi agrees the proposed alternatives are preferable to other options. It submits that there is no need to establish a retail tariff database (option 3) if tariff data must be provided on request in a common format.

- 274 Flick Energy does not agree that the proposed alternatives are preferable to other options. It believes the current tariff comparison tool provided by Consumer NZ is the best tool for enabling better access to tariff information for consumers. Flick Energy submits that Powerswitch already provides standardised annual cost estimates and can be improved by linking it to the registry and enabling access to usage information to assist with the cost estimation. Flick Energy sees no viable alternatives that will yield better outcomes for the market and consumers at lower cost, provided the ongoing costs of development and maintenance of Powerswitch are managed through market competitive processes.
- 275 Genesis Energy does not agree that the proposed alternatives are preferable to other options. Its preferred option is maintaining the status quo. Genesis Energy thinks access to tariff data should be voluntary, as well as any formats and procedures. If the Authority decides to regulate, then alternative 1 can be achieved at less cost than alternative 2 and would not have adverse long term consequences on competition in the sector. Genesis Energy considers that any Code amendment should require publication of standard and low fixed charge user tariff plans only. Formats and procedures for publication should also be unregulated. Genesis Energy believes the better way to provide access to connection data is through a Code amendment removing the restriction on using the registry for marketing purposes and adding a non-participant category for access to the registry.
- 276 Horizon Energy suggests the Authority consider further options as part of the proposed alternatives, so that distributors are provided with outage information from advanced meters in a standardised file format. This would be to promote operational efficiency, such as where outages could be repaired before a consumer becomes aware of a problem. Horizon Energy also suggests the Authority lists distributors as an authorised agent for electricity consumer information under section 11.32E of the Code, so as to avoid inefficient duplication of systems and equipment for capturing detailed load information on the distributor's network.
- 277 Meridian Energy/Powershop agree the proposed alternatives are preferable to other options. They favour alternative 1, subject to it being amended to remove the references to Consumer NZ and Powerswitch. Meridian Energy/Powershop prefer that alternative 1 does not preclude alternative providers from doing the same as Consumer NZ and retailers from supplying the tariff information on their website rather than via Powerswitch. Meridian Energy/Powershop do not consider a centralised dataset of tariff information to be a viable option due to the number and variation of tariffs on offer across the electricity industry. They note however that such a centralised dataset has its appeal as a concept.
- 278 MEUG agrees that the proposed alternatives are preferable to other options.
- 279 Mighty River Power considers that alternative 1 is preferable to options 1 and 2, but that options 1 and 2 are preferable to alternative 2, which will have significantly greater costs for no additional benefits. Mighty River Power considers that option 3 would have significantly higher costs and delayed benefits when compared with the proposed alternatives.
- 280 Nova Energy does not respond specifically to Question 12. However, in its general comments it submits that making a tariff format compulsory, or disclosure of tariffs mandatory, has no merit. Nova Energy believes retailers may have an incentive to adopt a voluntary standard tariff format promulgated by the Authority if it results in new customer connections.

- 281 Orion submits that the consultation paper and some previous papers imply the Authority believes Powerswitch is not fit for purpose and that alternate suppliers of such a service are faced with inappropriate barriers to entry. Orion notes this might be true, but it has not seen any evidence that it is. Orion trusts that the Authority raises any concerns it has about Powerswitch with Consumer NZ. Lastly, Orion reminds the Authority that the original funding for promoting retail competition had a limited statutory life and a specific levy, both of which have expired.
- 282 Powerco considers that both of the alternatives have merits and ultimately the introduction of both would be preferable to a single option. Option 1 enables the benefit to be derived from consumers directly comparing offers across retailers. Option 2 allows consumers to compare all offers across a single retailer.
- 283 Pulse Energy does not agree that the proposed alternatives are preferable to other options. It prefers the status quo.
- 284 Saveawatt agrees that the proposed alternatives are preferable to other options.
- 285 Trustpower does not agree that the proposed alternatives are preferable to other options. It considers alternative 2 will result in a net cost. However, alternative 1 has elements that favour enhanced competition, although it is unlikely to achieve a significant net benefit. Trustpower agrees that alternative 1 is preferable to option 3, which will be hugely expensive to create and maintain, for no more benefit than alternative 1.

Question 13: Do you agree with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Electricity Industry Act 2010 (Act)? Please give reasons if you do not.

- 286 Eleven submissions comment on this question. Six submissions make no specific comment on this question – Consumer NZ, Horizon Energy, Mighty River Power, Nova Energy, Rabid Technologies and Saveawatt.
- 287 Five submissions agree, or appear to agree, with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Act – Cortexo, Electric Kiwi, Flick Energy, MEUG and Powerco.
- 288 One submission partially agrees with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Act – Trustpower.
- 289 Five submissions disagree, or appear to disagree, with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Act – Contact Energy, Genesis Energy, Meridian Energy/Powershop, Orion and Pulse Energy.
- 290 Contact Energy is unconvinced that a mandated approach will promote retail competition.
- 291 Cortexo agrees with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Act.
- 292 Electric Kiwi agrees with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Act.
- 293 Flick Energy agrees with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the Authority's requirements in Section 32 of the Act. Flick Energy notes that how it is implemented will determine whether it meets the Authority's requirements.
- 294 Genesis Energy is not convinced that the Authority's proposals are the best way to increase competition among retailers. It considers that consumers can already make an informed decision on the best price option for their needs, because tariff data is already available to them. However, Genesis Energy does not object to agents or brokers setting up price comparison websites to assist in the consumer choice process, provided this is a commercial venture with information provided to the websites on a voluntary basis.
- 295 Meridian Energy/Powershop refer to their responses to Questions 7 and 10.
- 296 MEUG agrees with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Act.
- 297 Orion does not agree with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Act. This is because the proposal imposes a regulatory solution in place of commercial solutions. It may harm both competitive provision of price comparison services and wider competition, by misconceiving what retailers are competing for.
- 298 Powerco notes that it questions the cost/benefit trade-off in its response on Question 3, but states that the Authority's analysis seems to confirm there is a net benefit.

- 299 Pulse Energy does not believe the Authority's proposals are the best way to increase competition in the electricity industry. It considers that the constant addition of regulatory requirements by the Authority is an impediment to competition.
- 300 Trustpower agrees that alternative 1 is broadly consistent with Section 32 of the Act.

Question 14: Do you agree with the Authority's assessment of the two proposed alternative options against the Code amendment principles? Please give reasons if you do not.

- 302 Ten submissions comment on this question. Seven submissions make no specific comment on this question – Consumer NZ, Horizon Energy, Nova Energy, Powerco, Pulse Energy, Rabid Technologies and Saveawatt.
- 303 Three submissions agree, or appear to agree with the Authority's assessment of the two proposed alternative options against the Code amendment principles – Cortexo, Electric Kiwi and MEUG.
- 304 One submission partially agrees with the Authority's assessment of the two proposed alternative options against the Code amendment principles – Contact Energy.
- 305 Six submissions disagree, or appear to disagree, with the Authority's assessment of the two proposed alternative options against the Code amendment principles – Flick Energy, Genesis Energy, Meridian Energy/Powershop, Mighty River Power, Orion and Trustpower.
- 306 Contact Energy partially agrees with the Authority's assessment of the two proposed alternatives against the Code amendment principles. Contact Energy does not agree with the Authority's assessment of the alternatives against Code amendment principle 2. It does not believe a market failure has been clearly identified, and it queries the Authority's assessment that there are efficiency gains for the long term benefit of consumers. Contact Energy does however agree with the Authority that alternative 1 fits with Code amendment principles 4 and 5.
- 307 Cortexo agrees with the Authority's assessment of the two proposed alternative options against the Code amendment principles.
- 308 Electric Kiwi agrees with the Authority's assessment of the two proposed alternative options against the Code amendment principles.
- 309 Flick Energy notes the economic analysis undertaken but believes further work is required to understand the effect on how each alternative would be implemented and what impact (positive and negative) there might be on levels of innovation, competition and on consumers.
- 310 Genesis Energy refers to the body of its letter, which contains its general comments on facilitating access to retail tariff plan data and connection data.
- 311 Meridian Energy/Powershop refer to their response to Question 11.
- 312 MEUG agrees with the Authority's assessment of the two proposed alternatives against the Code amendment principles, subject to one caveat. The caveat is that the definition of uninvited direct sale agreement in the proposed Code amendment covers the situation of very small retailers, or retailers supplying themselves, that do not have publicly posted offers for any interested party. MEUG agrees with the statement in the consultation paper that it is unclear what the relative net economic benefits of each of the proposed alternatives are. MEUG believes that consultation feedback should inform the Authority on the relative net benefits.
- 313 Mighty River Power refers to its responses to Questions 8 and 9 when commenting on the Authority's assessment of the two proposed alternatives against Code amendment principle 1. Mighty River Power does not consider that the Authority has adequately

demonstrated that alternative 2 meets the requirements of Code amendment principles 2 and 3.

- 314 Orion does not agree with the Authority's assessment of the two proposed alternative options against the Code amendment principles. Orion believes the alternatives do not pass the Section 32 test and therefore the Code amendment principles are not applicable.
- 315 Trustpower does not agree with the Authority's assessment of the two proposed alternative options against the Code amendment principles. It does not believe there is evidence of market failure. Trustpower feels that, outside of the connection data changes, the alternatives will not lead to greater competition or a clearly identified efficiency gain. Trustpower believes the costs have been understated and the benefits overstated, and that alternative 2 will reduce the flexibility for current and future innovation.

Appendix A Consultation paper questions

	Question
Q1	Do you agree that the current arrangements for accessing retail tariff plan data and connection data mean that consumers face higher-than-necessary transaction costs identifying electricity-related offers available to them? Please give reasons with your answer.
Q2	Do you agree that a Code amendment would lower consumers' transaction costs more quickly than would market forces? Please give reasons with your answer.
Q3	Under alternative 1 do you have any comments or suggestions about all retailers being required to provide retail tariff plan information to Consumer NZ, and having to provide that same retail tariff plan information to any person who requested it?
Q4	Under alternative 2 do you have any comments or suggestions about retailers being required to publish information about their generally available retail tariff plans on their websites?
Q5	Under alternative 2 do you have any comments or suggestions about the requirement to supply retail tariff plan information using standardised file formats and structures?
Q6	Under both alternatives do you have any comments or suggestions about making publicly available the connection data held in the registry that is set out in Appendix D?
Q7	Do you agree that the objectives of the proposed alternatives are appropriate and consistent with the Authority's statutory objective? Please give reasons if you disagree.
Q8	Do you agree that the connection data which the Authority proposes to make publicly available is not personal information?
Q9	If you disagree, please give reasons and suggest a way to address the privacy issue(s) you have identified.
Q10	Do you agree with the assessment of gross benefits, costs and net benefits? If not, please explain your reasoning.
Q11	Do you have any comments or suggestions about whether the additional gross benefits of alternative 2 outweigh its additional costs vis-à-vis alternative 1? Please give reasons with your answer.
Q12	Do you agree that both of the proposed alternatives are preferable to other options? If not, please explain your preferred option in terms consistent with the Authority's statutory objective.

	Question
Q13	Do you agree with the Authority's assessment that the proposed Code amendment for each of the proposed alternatives meets the requirements of Section 32 of the Act? Please give reasons if you do not.
Q14	Do you agree with the Authority's assessment of the two proposed alternative options against the Code amendment principles? Please give reasons if you do not.