

Electricity Authority
By email: submissions@ea.govt.nz

16 November 2017

To Whom It May Concern:

Data and Data Exchange for Market Transactions Consultation

Thank you for the opportunity to comment on the Data and Data Exchange for Market Transactions Consultation Paper.

We support the ERANZ submission. The Authority should focus on creating a fit for purpose regime for dealing with data and data exchange. We urge the Authority to consider the greater market impact any changes proposed to how data is managed or exchanged may have. We also agree with ERANZ that it is difficult to comment on privacy issues relating to back end systems without considering rules relating to data access, storage, and sharing. To this end, feedback on privacy issues should also be sought in the forthcoming Multiple Trading Relationships consultation.

Our specific responses to the Authority's questions are set out in the Appendix.

If you have any questions, please contact me on 09 308 8237 or at rebekah.mccrae@mercury.co.nz

Yours sincerely



Rebekah McCrae

	Question	Comment
1	What inaccuracies in data and data exchanges have you experienced, for what reasons, and with what impact?	<p>We agree with the Authority's identified issues around register content code in 4.9 – 4.12 of the Paper. There are often discrepancies in how networks have categorised the installation as controlled/uncontrolled with what the MEP has stated on the registry - this causes difficulty in getting the customer's pricing correct.</p>
2	What are the types of benefits and the costs of being able to reduce settlement periods between industry participants?	<p>Reducing settlement periods involve wider considerations than just data. We support the concerns raised in the ERANZ submission.</p> <p>Retailers should have the flexibility to choose how they want to bill and reconcile customers. We do not agree that costs will be reduced. Indeed, more data going through the system will increase cost to the business (and ultimately the cost-to-serve). A weekly billing/settlement requirement could be a significant cost burden for retailers (especially new entrants) that don't have a system in place to settle on this basis with no real benefit to the consumer.</p> <p>The Authority should be more concerned with data quality rather than frequency.</p>
3	What are the types of benefits and costs of more standardisation in data and data exchanges?	<p>Ideally we would like to see standardised format of data in invoices from networks. This may be something for the Authority to also address in the next forthcoming DDA consultation. This would mean retailers would not need two systems to accommodate the different formats currently used. Having two systems is particularly a cost burden for new entrant retailers.</p> <p>Para 4.28 to 4.31 of the Paper: What the Authority should be concerned with is good quality data rather than standardisation which will achieve no real benefit. If the Authority is to define certain formats, they should make it optional only.</p>
4	What are the types of costs and benefits of using more accurate available data for settling transactions?	<p>The significant costs involved in enabling systems to validate/estimate any missing or inaccurate half hourly data for settlement will increase cost-to-serve.</p> <p>Retailers should not be compelled to use half hour data. This will restrict the new entrants to the market as they will require more complex systems to achieve this.</p>



5	<p>What changes may be required to allow more buyers and sellers of products and services can access the industry's data systems in the future?</p>	<p>At this point, the requests we have had for data are either for consumption data or retail tariff data. We consider that these requests are dealt with in a sufficiently efficient and cost effective way. Consumption data contains personal information and so our process must comply with privacy law requirements.</p> <p>A P2P trading platform should follow the usual process for obtaining information via consumers' with their consent.</p> <p>Anonymised data may be provided to third parties but we note the Privacy Commissioner's concerns around re-identification being an issue.</p> <p>The Authority should bear in mind privacy implications in respect of any considerations around future access to data by buyers/sellers of products/services.</p> <p>Also, from a commercial/competition perspective, all retailers incur costs to both acquire data, to keep it secure and process it in a ways to improve its value to consumers. This entails costs which are currently borne equally across the industry and ensures the sustainability of the metering infrastructure required to collect consumer data. We would therefore be concerned if data was, via regulation, required to be made available without cost to third parties. In Mercury's view there are no impediments to the provision of data which can be obtained via commercial agreement and is available freely to consumers subject to appropriate verification to ensure compliance with the Privacy Act.</p>
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6	<p>What are the risks to security of data exchange and consumer privacy from more participants exchanging more data?</p>	<p>We agree having a robust system in place is important to mitigate risk exposure of cyber-attacks. No business is completely immune from cybercrime and cyber liability insurance is on the rise. We appreciate the Authority providing some international research. It is important that all participants holding personal information keep this secure, have robust systems, and follow good practice in accordance with the Privacy Act when exchanging data, to prevent malicious use. To this end, issues relating to privacy and security in our view cannot be answered simply by dealing with back end systems. Transparency and rules around use and exchange all come into play. We reiterate the points noted by ERANZ.</p> <p>There are risks of privacy breaches where a participant does not comply with the Privacy Act or contractual arrangements around the purpose of exchange and constraints etc. Transparency is paramount so the consumer knows why their data is stored, used, and exchanged. And, the consumer must provide consent and appropriate security checks must be carried out where the consumer has an agent acting on his/her behalf. There are also issues around industry participants utilising data for purposes other than for which the information was provided. There must be transparency around use, compliance with the Privacy Act, and mechanisms in place to ensure that consumer data is not used for unconsented commercial ventures by third parties.</p> <p>Anonymisation of data is another problem with technologies more easily enabling re-identification of data. The Privacy Commissioner has identified this problem and proposed law reform.</p>
7	<p>What is your view of the Authority's overall impact assessments of the potential problems facing the electricity industry today and in the future? Use the Impact Assessment template in Table 10 (Appendix A) to note any changes.</p>	<p>We support the Authority considering data as the sector changes with emerging technologies. Some of the issues the Authority identifies however, for example in relation to increased settlement periods, have a wider market impact than just how data is managed/exchanged.</p> <p>The desirable outcome is creating a fit for purpose framework which we don't believe will be achieved by considering data in isolation (and making any isolated changes to the Code) from the overall market impact.</p> <p>We also agree with ERANZ that the Authority should focus on 'data quality'. We believe that Authority should regulate to increase the data quality.</p>
8	<p>What other potential problems do you think impact data and data exchanges for market transactions? Use the Impact Assessment template in Table 10 (Appendix A).</p>	<p>Issues around privacy require wider considerations around the purpose of collection, storage, and exchange. We support the ERANZ submission.</p>

