



**DATA AND DATA EXCHANGE FOR MARKET
TRANSACTIONS CONSULTATION PAPER**

**What changes to the data system might promote innovation
and participation?**

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Electricity Retailers' Association of New Zealand
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1. ERANZ was established in August 2015 to promote and enhance an open and competitive electricity market that delivers value to New Zealand electricity consumers. ERANZ represents Genesis Energy, Contact Energy, Mercury, Meridian Energy, Trustpower, Nova Energy, Pulse Energy, Prime Energy, Powershop, Black Box Power, Bosco, Energy Online, Just Energy, King Country Energy, Globug, Grey Power Electricity, Electra Energy, Powershop, Flick Electric Co., Wise Pre-pay and Tiny Mighty Power, equating to around 99% of the market by ICP count.
2. ERANZ welcomes the opportunity to comment on the Data and Data Exchange for Market Transactions Consultation Paper. We appreciate the Authority seeking input from industry before assessing whether change is warranted. We are pleased the Authority is thinking about data issues generally as the sector changes with emerging technologies.
3. The roll-out of smart-meters has provided for greater innovation and choice offerings in electricity retailing. To date, this has been to the benefit of end consumers. However, it has also raised privacy, security, commercial and access issues around data which, if not properly considered and addressed, could result in negative outcomes for consumers. Accordingly, the issues around data are of high importance for electricity retailers. In early 2017 ERANZ set-up an internal Data Working Group which focuses on issues involving the use, security and sharing of data with a view to improving sector-wide understanding and processes.
4. ERANZ understood that the purpose of the Data and Data Exchange consultation is to determine what changes could be made to the existing data and data exchange arrangements to promote innovation and more participation in the electricity industry. This fits within a suite of consultation by the EA related to data, on which retailers are actively involved:
 - the EIEP operational review which concerned itself with standardised data formats;
 - the proposal for Default Distribution Agreements which includes the contractual arrangements for the sharing of consumer data between retailers and electricity distribution businesses (EDBs);
 - the forthcoming Multiple Trading Relationships consultation which we understand will cover access to consumer consumption data; and,
 - the Data and Data Exchange for Market Transactions, the primary focus of which we understand is the “mechanics of exchanging data”.
5. However, several of our members and other interested parties have been somewhat confused by the intent and scope of this Data and Data Exchange consultation, and that it was going beyond the “mechanics of exchanging data”. The Paper touches on various topics including shorter settlement periods, utilisation of HHR data, standardisation, as well as privacy and security. Our concern is that the Authority may potentially make proposals for change relating to data and data exchange in the areas of privacy and security, without a consideration of the impact those changes may have on the overall market and other functions.

6. ERANZ believes that data quality should be the priority issue for this consultation. Standardisation of data and the frequency of data submission is important - but will be of no use if the data is not correct. Data quality needs to be addressed prior to tackling issues of standardisation and the frequency of providing data. For example, having settlement periods weekly or standardised formats would not necessarily result in a more efficient market. The Authority should carefully consider the costs to retailers to implement changes (which increases the cost-to-serve) where there may be no real benefit to consumers or market participants.
7. Finally, we do not think it appropriate to segregate privacy and security issues relating to 'back end systems' from a wider principle review of the rules relating to data access, collection, storage, and sharing. The Authority's concerns around privacy and security are timely as more data is stored, and increased participation and transactions means more data may be exchanged. We agree that it is important to have robust systems in place to mitigate risk exposure of cyber-attacks. However, questions about privacy and security interrelate with wider issues around the purpose for which the information is collected, stored, and shared - and the different constraints industry should have in place around internal and external access to customer data. Relevant considerations include but are not limited to transparency in customer contracts and obligations under the Privacy Act 1993. For example, malicious use of data is outside a retailer's control to the extent that data is provided to an authorised person or agent. This is where processes for verifying identity is paramount and must comply with the Privacy Act. Further, once a third party has the data it must comply within the bounds for which the data was provided – e.g. network planning or anonymised data should not be re-identified.
8. In conclusion, ERANZ suggests that the Authority refine the scope of issues covered by the Data and Data exchange consultation and clarify its objectives. We contend that the topic of privacy and security would be better addressed by looking at the reasons for which the information is collected, stored, and shared in addition to looking at the security of the actual systems. ERANZ believes that the issues around data are going to become of increasing significance to the sector – not just the metering of data, but also the system intelligence related to that data – therefore a holistic approach to those issues would be beneficial. Privacy and security should therefore be addressed in the Authority's forthcoming Multiple Trading Relationships and Default Distribution Agreement Consultations. ERANZ are currently engaged in extensive analysis on data related issues and look forward to providing detailed comment in future consultations.

Thank you for the consideration of this submission. We are happy to discuss any parts of this submission in more detail if required. If you have any queries, please contact Jenny Cameron: jenny.cameron@eranz.org.nz

Yours sincerely



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