

Quick Wins for Increasing Access to Electricity Services

Making it easier for consumers to share their
consumption data with businesses they trust

Consultation paper

Submissions close: 5pm 11 June 2019

23 April 2019



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1 What you need to know to make a submission

- 1.1 This consultation paper is part of the Authority's ongoing Additional Consumer Choice of Electricity Services (ACCES) project. (ACCES is the new name for the Multiple Trading Relationships project.)
- 1.2 We want consumers to have greater choice in the electricity services they consume and offer for sale.
- 1.3 This paper outlines proposals intended to make it easier for consumers to share their historical consumption data with the businesses, or agents, they trust.
- 1.4 We expect that making it easier for consumers to share their consumption data will lead to them having greater choice of electricity services. In particular, we expect the proposals to make it easier for parties to develop products and services by reducing the transactions costs for a consumer's agent obtaining consumption data from the consumer's retailer.

We have other work underway to facilitate additional consumer choice

- 1.5 The proposals outlined in this paper complement other Authority work to facilitate additional consumer choice when buying or selling electricity services:
 - (a) later this year the Authority will ask if modifications to the market architecture and regulatory arrangements are needed to facilitate the uptake of additional electricity services¹
 - (b) the Innovation and Participation Advisory Group is considering a set of issues relating to service provider access to input services, specifically data, distribution and metering.²
- 1.6 Additionally, the proposals respond to concerns raised since 2016 about the effectiveness of the Code provisions introduced in that year to make it easier for consumers to share their data with businesses they trust. These concerns, and the impact, are described in our post-implementation review of the Retail Data Project.³

We propose to amend the Code and implement two market facilitation measures

- 1.7 The purpose of this paper is to consult with interested parties on the Authority's proposal to amend clause 11.32E of the Electricity Industry Participation Code (Code) and implement two market facilitation measures.
- 1.8 Consumers increasingly want to take control of their data and use this information to take advantage of the growing range of electricity services on offer. There are a number of hurdles facing consumers wanting to do this. We expect that removing these hurdles

¹ Electricity Authority, ACCES Project Interview summary and Presentation, 2019 Available at <https://www.ea.govt.nz/development/work-programme/evolving-tech-business/multiple-trading-relationships/development/>

² Electricity Authority, Request for advice. 2019 available at <https://www.ea.govt.nz/development/advisory-technical-groups/ipag/meeting-papers/>

³ Electricity Authority, Post implementation review of the retail data project, 2019 available at <https://www.ea.govt.nz>

will improve the efficiency of the industry, promote competition and provide consumers with additional choice of electricity services.

- 1.9 The three proposals set out in this consultation paper are to:
- (a) amend the Code to set out the information required for an agent request for a customer's historical consumption data to be valid and prohibit retailers from mandating the form a request must take or requiring other information
 - (b) develop an automated programming interface (API) for:
 - (i) an agent to communicate to a retailer they have a customer' authorisation to obtain that customers' historical consumption data
 - (ii) a retailer to accept or reject an authorisation and provide the reasons for any rejection
 - (c) alter the existing installation control point (ICP) connection data API to include three additional registry fields.
- 1.10 We believe there is merit in making the changes proposed in this consultation now, as they will address a specific existing problem faced by consumers who try to share their historical consumption data with businesses they trust.
- 1.11 Section 39(1)(c) of the Electricity Industry Act 2010 (the Act) requires the Authority to consult on any proposed amendment to the Code and corresponding regulatory statement. Section 39(2) provides that the regulatory statement must include a statement of the objectives of the proposed amendment, an evaluation of the costs and benefits of the proposed amendment, and an evaluation of alternative means of achieving the objectives of the proposed amendment.
- 1.12 The proposed development of an agent authorisation API and alteration to ICP connection data API are market facilitation measures and so do not require amendments to the Code. Therefore Section 39(1)(c) of the Act does not apply and the Authority need not provide a regulatory statement or consult on the proposals. Although we are not required to consult on the technical and non-controversial changes, we invite comment on the proposal, as set out below.

How to make a submission

- 1.13 The Authority prefers to receive submissions in electronic format (Microsoft Word) in the format shown in Appendix B. Submissions in electronic form should be emailed to submissions@ea.govt.nz with "Authorisation of third parties—Making it easier for consumers to share their consumption data with businesses they trust". If you cannot send your submission electronically, post one hard copy to either of the addresses below or fax it to 04 460 8879.

Postal address

Submissions
Electricity Authority
PO Box 10041
Wellington 6143

Physical address

Submissions
Electricity Authority
Level 7, Harbour Tower
2 Hunter Street
Wellington

- 1.14 Please note, the Authority wants to publish all submissions it receives. If you consider we should not publish any part of your submission, please:

- (a) indicate which part should not be published
 - (b) explain why you consider we should not publish that part
 - (c) provide a version of your submission that we can publish (if we agree not to publish your full submission).
- 1.15 If you indicate there is part of your submission that should not be published, we will discuss this with you before deciding whether to refrain from publishing that part of your submission.
- 1.16 However, please note that all submissions we receive, including any parts we do not publish, can be requested under the Official Information Act 1982. This means we would be required to release material we did not publish unless good reason existed to withhold it according to the Official Information Act. We would normally consult with you before releasing any material you said should not be published.

When to make a submission

- 1.17 Please deliver your submissions by **5pm** on 11 June 2019.
- 1.18 The Authority will acknowledge receipt of all submissions electronically. Please contact the Submissions Administrator if you do not receive electronic acknowledgement of your submission within two business days.

2 Additional consumer choice of electricity services requires the efficient sharing of data

- 2.1 Data is critical to the electricity sector. The electricity industry, and electricity markets, collect, process, store and exchange significant volumes of data each day. The data is essential for the physical exchange of electricity and the buying and selling of electricity services across the supply chain.
- 2.2 The current data system—the way data is collected, processed, stored and exchanged—is decentralised. All industry participants, such as retailers, generators and distributors, each collect and produce data as part of their everyday activities. They exchange data between themselves and through market operation service providers to enable transactions between participants.
- 2.3 Data is exchanged between parties according to a range of regulated and agreed terms which define things like: what data is being exchanged, between which parties, the format and process, and any assurance mechanism in place regarding how the data is stored and used.
- 2.4 The efficient sharing of data supports competition, reliability and efficiency across the supply chain. In particular, we expect the efficient sharing of data to lead to more participation in the electricity sector, greater innovation in products and services available to consumers, and to assist consumers to make more informed decisions.

Consumers can permit an agent to obtain their consumption data from a retailer

- 2.5 We want to make it easier for consumers to share their historical consumption data with businesses, or agents, they trust.
- 2.6 The Code was amended in 2016 to require retailers to treat a request for consumption data by an authorised agent as if it were a request from the consumer. This clause (11.32E) requires the agent to have written authority from the consumer or be otherwise properly authorised. It does not prescribe the form of the request or the authorisation, leaving that for participants and other agents to determine.
- 2.7 Alongside the 2016 Code amendments, the Authority established the ICP connection data API and the *My meter* portal on the Authority's website to allow users to access information about the consumer's ICP, such as metering type and network area.
- 2.8 A post implementation review found the establishment of the ICP connection data API was a successful and welcome initiative. However, it found the other changes have not been successful in achieving the stated aim of increasing consumer participation by making it easier for them to make choices about the products and services they consume.

Consumers cannot easily share their data with their agent

- 2.9 The Authority's post implementation review of the 2016 reform highlighted that authorised agents were still experiencing delays in being able to access of users' consumption data.

- 2.10 Also, the Electricity Price Review (2019) noted that agents have experienced delays and increased costs because retailers decide individually what criteria and processes to apply, and this lack of standardisation complicates or even hinders agents' access.⁴
- 2.11 Through our *Additional consumer choice of electricity services* (ACCES) project we interviewed stakeholders to hear their views on ways to increase customers' uptake of the growing array of electricity services on offer.
- 2.12 A recurring theme has been the Code's lack of detail on what represents a proper information request or a proper authority. This has led to the development of a disparate range of interpretations and practices within the industry.

The format and content of information requests is inconsistent

- 2.13 This absence of clarity on what constitutes a proper information request or authority has been the source of significant friction between agents and retailers. Agents have reported that authorisations and information requests are being rejected, because information is omitted or is in a format other than that required by the customer's retailer.
- 2.14 Retailers reported receiving authorisations and information requests in a multitude of formats, containing an inconsistent array of customer information.

Information request systems and processes are ad-hoc

- 2.15 In addition, we understand there is a range of processes and systems used by retailers and agents to manage and document information requests and to verify authorities. Agents have reported this lack of standardisation of information requests and authorities has resulted in unnecessary transaction costs and stymied innovation and greater consumer participation in the industry.

Unauthorised disclosure of personal information is an industry wide concern

- 2.16 We have also heard from the industry that unauthorised disclosure of personal information is of great concern. The design of any proposal must give careful consideration to potential privacy implications.
- 2.17 Personal information is defined by the Privacy Act 1993 as information about an identifiable individual and an individual as a natural person, other than a deceased natural person. The Privacy Act 1993 therefore does not generally apply to information about business or other organisations.

3 We have three proposals

- 3.1 The proposals set out in this consultation paper will aid consumers to make more informed choices by making it easier to share their data with businesses that they trust to help them get a better deal or use electricity more wisely. For vulnerable customers this may include sharing their data and getting advice from social agencies and not-for-profits (Consumer NZ, PowerSwitch or the Salvation Army).
- 3.2 The current arrangements create two apparent inefficient barriers to the increased uptake of additional electricity services:
- (a) Agents cannot efficiently access a customer's historical consumption data in spite of the customer's wishes.

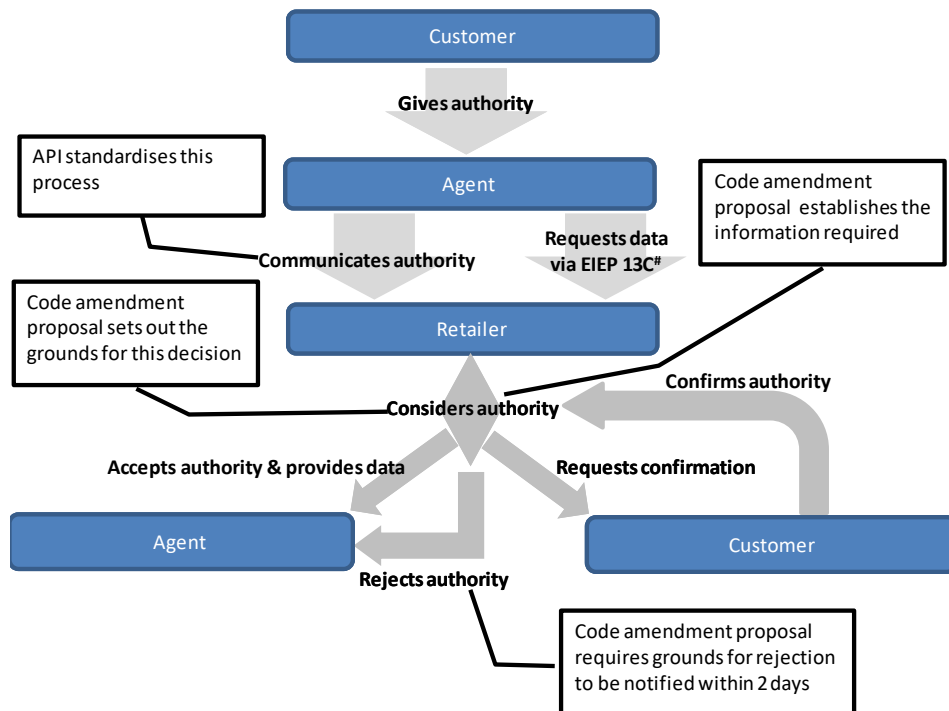
⁴ New Zealand Government, Electricity Price Review, *Option Paper*, February 2019. p15

- (b) Beneficial non-personal registry information is not available to users of the API.
- 3.3 To address these two barriers we have three separate but complementary proposals:
- (a) amend the Code to set out the information required for an agent request for a customer's historical consumption data to be valid and prohibit retailers from mandating the form a request must take or requiring other information
 - (b) develop an API for:
 - (i) an agent to communicate to a retailer they have a customer' authorisation to obtain that customers' historical consumption data
 - (ii) a retailer to accept or reject an authorisation and provide the reasons for any rejection
 - (c) alter the existing ICP connection data API and *My meter* website to increase readability and to include three additional Registry fields:
 - (i) address_property_name
 - (ii) ANZSIC Code
 - (iii) Switch Status (the "switch in progress" flag).

Two proposals address information requests and authorities

- 3.4 Clause 11.32E of the Code requires retailers to treat a request from an authorised agent for a customer's consumption data as if it were a request from the customer.
- 3.5 For this to occur, two actions have to take place. Firstly, the customer must authorise the agent to act on their behalf. Secondly, the agent must communicate the request to the customer's existing retailer. (Figure 1)

Figure 1: Authorisation and request process under Clause 11.32E



Notes: Electricity information exchange protocol (EIEP) 13C allows a consumer's authorised agent to request consumption information from a retailer. The agent may request consumption in either a half-hour consumption format, summarised non-half hour consumption format or both.

Source: Electricity Authority

- 3.6 The Code is silent on what information an agent needs to provide to show an information request or an authority to be valid. It also doesn't state how a request or authority is to be communicated by the agent to the customer's retailer. Proposals 1 and 2 seek to address these respective issues.
- 3.7 The proposals do not alter the current EIEP13C protocol for an agent to request consumption information on behalf of the consumer.

Proposal 1: Information to be contained in an information request

- 3.8 We propose to amend the Code to list the necessary information, to address the lack of clarity over what information is necessary for an information request and authorisation to be valid.
- 3.9 The proposed requirements are:
 - (a) ICP identifier
 - (b) address of the ICP
 - (c) the full name of the customer
 - (d) the signature of the customer
 - (e) the name of the third party to be authorised
 - (f) the period of the authorisation, which can be open-ended.
- 3.10 The proposed amendment prohibits retailers from requiring additional information.

- 3.11 To reflect the increasing digitisation of commerce, the use of electronic signatures will be explicitly permitted. We propose to apply the definition in the Contract and Commercial Law Act 2017.
- 3.12 The proposed amendment prohibits retailers from requiring that information be provided in a particular format. The proposed amendment does not prescribe the form the authorisation or request must take; just the information to be provided. We believe not mandating a format for requests provides scope for retailers and agents to develop fit-for-purpose processes and systems.
- 3.13 The final component of the proposed amendment is the establishment of a timeframe for the communication of the rejection or revocation of authority request for information. This ensures that requests are dealt with in a timely fashion.

Privacy considerations are important and have been taken into account

- 3.14 The Privacy Act 1993 (Privacy Act) establishes 12 Privacy Principles relating to matters including the collection, use and release of personal information.
- 3.15 The Privacy Act defines personal information as information about a natural person. Therefore information about businesses other than sole traders is generally not personal information and not covered by the Privacy Act.
- 3.16 Privacy Principle 11d requires that personal information not be disclosed to a person, body or agency unless the agency believes on reasonable grounds “the disclosure is authorised by the individual concerned”.
- 3.17 In its submission to the November 2017 *Multiple trading relationships* consultation paper the Privacy Commissioner noted obligations under the Privacy Act “should not be considered [a barrier] to innovation.”⁵
- 3.18 The proposed amendment is consistent with the Privacy Act and in our view does not create a barrier to innovation.
- 3.19 The regulatory statement, including an assessment of the costs and benefits of Proposal 1, is set out in the table below.

01- Information to be contained in an information request	
Relevant clause(s)	<p>Clause 1.1</p> <p>Clause 11.32B</p> <p>Clause 11.32E</p>
Problem definition	<p>Clause 11.32E of the Code requires retailers to treat a request for information about a consumer’s electricity consumption from an authorised agent as if it were a request from the consumer itself.</p> <p>The Authority has identified problems with the Code arrangements and the industry practice described above.</p> <p>These have resulted in unnecessary transactions costs and consequently stymied innovation and greater consumer participation in the industry.</p> <p>These costs stem from:</p>

⁵ Privacy Commissioner, *Submission to Multiple trading relations consultation paper 2017*, available at <https://www.ea.govt.nz/dmsdocument/23211-privacy-commissioner>

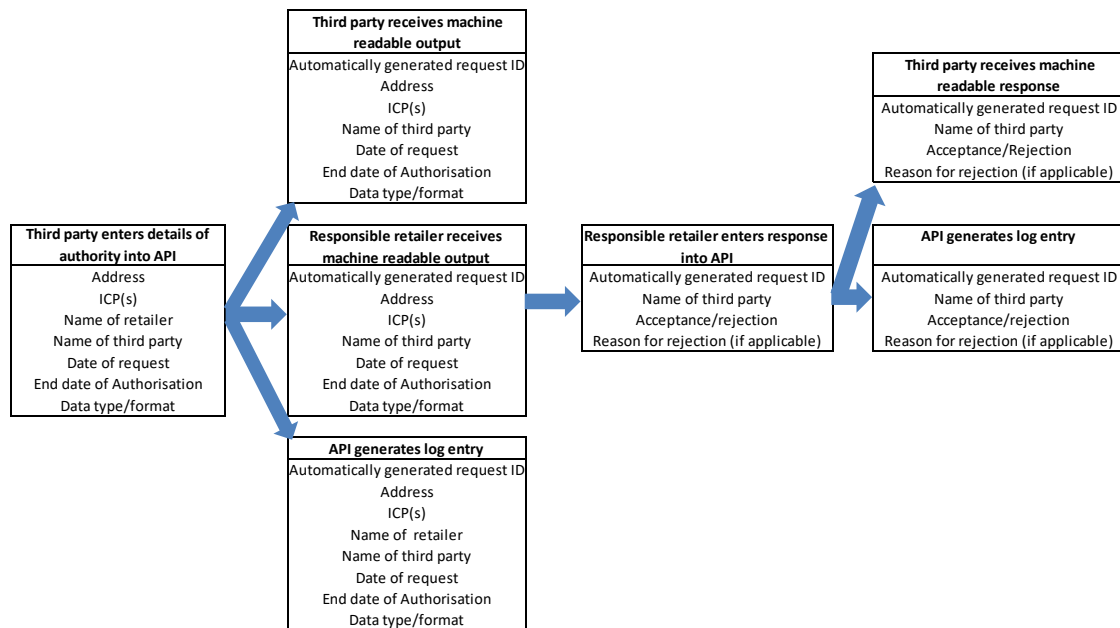
	<ul style="list-style-type: none"> (a) the Code being silent on what constitutes a proper request (b) a lack of standardisation in processes and systems.
Proposal	<p>To address the identified problem, the Authority proposes to amend clause 11.32E to:</p> <ul style="list-style-type: none"> (a) specify the information required for a request to be valid (b) explicitly permit the use of electronic signatures (c) prohibit retailers from requiring the information to be provided in a particular format (d) prohibit retailers from requiring additional information (e) require retailers to advise the agent within 2 business days if the retailer rejects a request because information is missing, or the retailer believes that information is incorrect or invalid (f) require retailers to advise the agent within 2 business days if a customer tells the retailer it revokes an agent's authority (g) require agents who are participants to notify the retailer within 2 business days if the customer tells the agent its authority is revoked.
Proposed Code amendment	The proposed Code amendment to address the problems identified above is set out in Appendix A.
Assessment of proposed Code amendment against section 32(1) of the Act	<p>The proposed Code amendment is consistent with the Authority's objective, and section 32(1)(c) of the Act, because it would contribute to the efficient operation of the electricity industry.</p> <p>It would improve the efficiency of the industry by removing unnecessary transaction costs and inefficient barriers. Reducing these transactions costs is expected to promote competition and efficiency in the retail market and related markets by:</p> <ul style="list-style-type: none"> (a) allowing consumers and their authorised agents easier access to their historical consumption data to compare retail offerings (b) improving the ability of retailers and agents to compete by offering an increased variety of more tailored retail products and services (c) facilitating the development of new service offerings by participants and third parties (d) increasing the availability of non-market services. <p>The proposed Code amendment is expected to have little or no direct effect on the reliability of supply.</p>
Assessment against Code amendment principles	The Authority is satisfied the proposed Code amendment is consistent with the Code amendment principles, to the extent they are relevant.
Principle 1: Lawfulness.	The proposed Code amendment is consistent with the Act, as discussed above in relation to the Authority's statutory objective and the requirements set out in section 32(1) of the Act.
Principle 2: Clearly	The proposed Code amendment is consistent with Principle 2 in that it

Identified Efficiency Gain or Market or Regulatory Failure	addresses an identified efficiency gain which requires a Code amendment to resolve.
Principle 3: Quantitative Assessment	Please refer to the assessment of costs and benefits in section 4 of the consultation paper.
Regulatory statement	
Objectives of the proposed amendment	The objective of the proposal is to reduce transaction costs, particularly compliance costs on participants, agents, customers and retailers, for obtaining and communicating the authorisation of agents. The removal of these costs and associated barriers will increase competition in and cost-efficiency of the industry and ultimately deliver net benefits for consumers.
Evaluation of the costs and benefits of the proposed amendment	<p>Benefits</p> <p>The proposal is expected to reduce the transaction costs faced by authorised agents in obtaining a customer's historical consumption data and consequently promote competition/innovation by:</p> <ul style="list-style-type: none"> a) allowing the standardisation and automation of the validation and processing of requests b) making the Code easier to understand. <p>We expect the observed impacts of the decrease in transaction costs and increased competition to be an increase in:</p> <ul style="list-style-type: none"> a) the number of consumers sharing their data with third parties b) the number of data request from third parties c) the number of third parties receiving consumers' historical data. <p>Costs</p> <p>No material costs have been identified in relation to the proposal.</p> <p>Process and system changes may be required for the limited number of retailers who have established systems for the collection and tracking of third-party requests for information, and authorisations.</p> <p>System changes for third parties who have established systems that tap into retailer systems and processes.</p>
Evaluation of alternative means of achieving the objectives of the proposed amendment	<p>We evaluated publishing guidance on the documentation required to meet the requirements of clause 11.32E. However, we concluded this would not provide the clarity and certainty required by participants and agents, and would likely lead to the continuation of the current disjointed and piecemeal approach to information requests.</p> <p>We have evaluated the option of establishing an accreditation regime for agents, including auditing requirements to ensure the agents were following all requirements. This would be more difficult to implement, and we have been unable to identify any additional benefits over those in the proposal.</p>

Proposal 2: We will establish an API to communicate an agent's authorisation to the customer's retailer

- 3.20 The second proposal is to implement a market facilitation measure. This would also aim to address the issues related to agents communicating that they have been authorised under clause 11.32E. It is complementary to Proposal 1 but is not dependent upon it.
- 3.21 The means for communicating an authorisation between a customer's agent and their retailer has been left to the industry to resolve. This has led to a piecemeal approach, with each retailer and agent developing their own process.
- 3.22 A limited number of retailers have developed systems and processes that require significant intervention and action by the customer and their agent, while others deal with authorisations on an ad-hoc basis.
- 3.23 This piecemeal approach has resulted in the duplication of processes and effort, and it has given rise to unnecessary transactions costs and stymied innovation and greater consumer participation in the industry.
- 3.24 To address these concerns we propose to establish an Agent Authorisation API within our existing API infrastructure. The proposed Agent Authorisation API would provide a means for agents to notify a customer's retailer that they have received a valid authorisation and for a retailer to communicate to the agent its acceptance or rejection of the authorisation.
- 3.25 The agent would be required to submit the following information about the authorisation to the portal:
- (a) address of ICP(s)
 - (b) ICP identifier(s)
 - (c) name of third party
 - (d) date of request
 - (e) end date of Authorisation
 - (f) data format (EIEP type).
- 3.26 To enable the tracking of each authorisation, the API would generate a unique authorisation ID and log the details of the notification including its time and date.
- 3.27 The Authority will monitor and publicly report on the total number of requests, the number accepted and rejected, and stated reasons for rejections.
- 3.28 The API would utilise the existing EIEP transfer hub architecture. It would provide details of the authorisation in a standardised, machine-readable format to the responsible retailer and send confirmation receipt to the authorised agent.
- 3.29 The flow of information via the API is shown in Figure 2.

Figure 2: Agent Authorisation API information flows



Source: Electricity Authority

- 3.30 To mitigate privacy risks, the Agent Authorisation API would not collect or hold any personal information about the customer.
- 3.31 The party being authorised must ensure each authorisation complies with the Code. The retailer responsible for an ICP may request a copy of the original authorisation from the agent.
- 3.32 The Authority will use the API's logs to monitor and report quarterly on the frequency and reasons for the rejection of requests.
- 3.33 If a user of the Agent Authorisation API abuses the API including if they are found to have submitted a false authorisation, they will have their access to the API revoked and may be referred to the relevant authorities.
- 3.34 Proposal 2 is a market facilitation measure that does not require amendments to the Code. However, we are considering mandating the use of the API. Mandating the use of the API would ensure that standardisation of the process. An opt-in approach would risk the continuation of the current, disjointed approach should all retailers not opt-in.
- 3.35 Mandating the use of the API would create a central record of all agent authorities as well as those rejected by retailers and the reasons for their rejection.
- 3.36 The regulatory statement for Proposal 2 is set out in table 2 below.

02- Establishment of authorisation application programming interface (API)	
Problem definition	<p>The piecemeal approach to communication of an authorisation has resulted in the duplication of processes and effort and has given rise to unnecessary transactions costs. These inefficient transaction costs have stymied innovation and greater consumer participation in the industry.</p> <p>Anecdotal evidence also suggests some authorisations are being rejected by retailers because they are not provided using that retailer's proprietary</p>

	format or system.
Proposal	<p>The Authority proposes to establish an API for the communication of the receipt of authorisations between a customer's authorised agent and their responsible retailer.</p> <p>The Agent Authorisation API will create a portal for communicating the receipt of an authorisation by an agent to the retailer.</p> <p>The Agent Authorisation API will provide the responsible retailer notice of the authorisation in a machine readable format.</p> <p>The Agent Authorisation API will utilise the Authority's existing API infrastructure and will require agents to subscribe and agree to the Authority's standard terms and conditions.</p> <p>In line with the Authority's existing API protocols, subscribers will be limited to submitting up to 100 authorisations in one API call.</p> <p>The Agent Authorisation API will not replace the responsibility of the agent to obtain proper authorisation from the customer in compliance with the Code, Privacy Act and other legislation.</p> <p>The Authority may amend the Code to mandate the use of the agent authorisation API, if this consultation process indicates that the benefits of the proposal would not be realised if the use of the API was voluntary.</p>
Regulatory statement	
Objectives of the proposed amendment	<p>The primary objective of the proposal is to improve the efficiency of the market by removing unnecessary costs, including transaction and compliance costs stemming from the communication of an agent's authorisation under Clause 11.32E of the Code.</p> <p>A secondary objective is to increase standardisation and reduce the barriers faced by customers and agents in making use of existing Code provisions.</p>
Evaluation of the costs and benefits of the proposal	<p>Benefits</p> <p>The proposal is expected to reduce the transaction costs faced by authorised agents in obtaining a customer's historical consumption data and to promote competition/innovation by:</p> <ol style="list-style-type: none"> a) standardising and automating the communication of requests b) eliminating the costs associated with retailers setting up systems for the receipt of agent authorisations. <p>We expect the observed impacts of the decrease in transaction costs and increased competition to be an increase in:</p> <ol style="list-style-type: none"> a) the number of consumers sharing their data with third parties b) the number of data request from third parties c) the number of third parties receiving consumer historical data. <p>Costs</p>

	<p>No material costs have been identified in relation to the proposal.</p> <p>The Authority expects agent Authorisation API development costs to be less than \$50,000.</p> <p>Process and system changes may be required for the limited number of retailers that have established processes and systems for the collection and tracking of third party authorisations.</p> <p>System changes may be required for third parties that have established systems that tap into retailer's authorisation systems.</p>
<p>Evaluation of alternative means of achieving the objectives of the proposal</p>	<p>The Authority investigated the potential development of a centralised, web-based portal for data requests. Through this portal a customer could: request their historical consumption data from their retailer; authorise an agent to access their historical consumption data or revoke an authorisation of an agent.</p> <p>After consideration of this alternative we concluded this approach is not appropriate for addressing the specific issues discussed in this paper. The development and implementation of this alternative would be a time-consuming and resource-intensive process.</p> <p>This approach would also place the Authority in the position of collecting customers' personal information and having to verify each customer's electronic signature while having no existing or prospective future contractual relationship with them.</p>

Proposal 3: Increase the data available via the existing ICP connection data API

- 3.37 In 2016 we established the ICP connection data API to make connection data publicly available and enable consumers or their agents to compare the applicable tariff plans of competing retailers.
- 3.38 The ICP connection data API and web portal are extensively used by the industry and the general public. On average the ICP connection data API is used to access the connection data of approximately 890,000 ICPs per month. The web portal is used to access ICP connection data approximately 10,000 times per month.
- 3.39 The uptake of the ICP connection data API shows it provides value to customers, their agents and retailers.
- 3.40 We have received feedback from users of the ICP connection data API that it would be useful to add further fields to the API and web portal.
- 3.41 Of these potential fields, three stand out as having the potential to deliver value to consumers and other users of the API and web portal:
- (a) address_property_name,
 - (b) Australian and New Zealand Standard Industrial Classification (ANZSIC) code
 - (c) switch status.
- 3.42 We support inclusion of the address_property_name field as it will provide ICP connection API and web portal users with greater confidence and assure the information returned refers to the correct ICP. The property name field is a subset of the ICP

address which is already publicly available via the API, and therefore there are no privacy issues with the inclusion of this additional field in the API and web portal.

- 3.43 Including the switch status field would allow a customer (via the web portal), agents and third parties (via the ICP connection API) to track if a switch is in progress at an ICP. This information is not personal information and therefore publication would have no privacy implications. The addition of this field to the ICP connection API and web portal is therefore supported.
- 3.44 The ANZSIC code field captures information about the type of business operating at an ICP. This information is not likely to be considered personal information as the ANZSIC code only describes any commercial or industrial activity undertaken on the property not related to “a natural person”. Therefore this information is not subject to provisions of the Privacy Act 1993.
- 3.45 The inclusion of the ANZSIC code field in the ICP connection API would be most beneficial to retailers and agents so as to offer more tailored service offerings to prospective customers based on their industry type.
- 3.46 The addition of this field would likely be little value to customers as they know the nature of their business.
- 3.47 We believe that on balance the inclusion of ANZSIC code field to the ICP connection API and web portal is likely to benefit customers through the increased availability of tailored service offerings.
- 3.48 Proposal 3 is a market facilitation measure and does not require amendments to the Code. The regulatory statement for Proposal 3 is set out in the below.

03- Inclusion of additional fields to the ICP connection data API and <i>My meter</i> portal	
Problem definition	Users of the ICP connection data API and web portal have requested that they be expanded to include a number of additional Registry fields.
Proposal	The Authority proposes to add the following Registry fields to both the ICP connection data API and <i>My meter</i> portal: (a) address_property_name (b) ANZSIC code (c) switch status
Regulatory statement	
Objectives of the proposal	The objective of the proposal is to provide users of the Authority’s ICP connection data API and web portal with greater access to non-personal information contained in the Registry. The ultimate objective of the proposal is to increase the quality of service offerings available to customers.
Evaluation of the costs and benefits of the proposed amendment	Benefits Making more non-personal Registry information publicly available via the ICP connection API will allow for more tailored and diverse offerings. The inclusion of the address_property_name field will reduce the number of switching errors due to miss-identified ICPs.

	<p>Costs</p> <p>No material costs have been identified in relation to the proposal.</p> <p>API and website development costs expected to be less than \$10,000 will be funded from existing appropriations.</p> <p>Minor system changes may be required for API users who have established systems that directly import data from the API.</p>
<p>Evaluation of alternative means of achieving the objectives of the proposal</p>	<p>We considered alternative approaches to increasing the availability of non-personal Registry information including providing public, read-only access to the entire Registry. However this approach was ultimately rejected as it would require significant redesign of the Registry systems. This would come at material cost which would be borne by all users.</p>

- Q1. Do you agree with the Authority proposal to amend the Code to establish the contents required for an information request to be valid? If so why? If not why not?**
- Q2. Do you agree with the Authority proposal to amend the Code to prohibit retailers from requiring additional information and from requiring the information to be provided in a particular format? If so why? If not why not?**
- Q3. Do you agree with the Authority proposal to amend the Code to establish timeframes for communicating a rejection or revocation of an authority? If so why? If not why not?**
- Q4. Do you agree with the Authority proposal to establish an Agent Authorisation API? If so why? If not why not?**
- Q5. Should use of proposed Agent Authorisation API be mandatory for both agents and retailers?**
- Q6. Do you agree with the inclusion of the three additional registry fields into the ICP connection data API and *My meter* web portal? If not why not?**
- Q7. Do you consider that there are other fields that have not been identified that should be added to the ICP connection data API and *My meter* web portal? If so why?**
- Q8. Do you agree that the proposals do not breach the obligations imposed by the Privacy Act of 1993? If not why not?**

4 We have conducted a qualitative assessment of costs and benefits

- 4.1 We must consider the costs and benefits of the proposals discussed in this consultation paper before determining any changes to be made.
- 4.2 To assist with assessing costs against benefits, this paper seeks information from participants on the nature and likely level of:
- (a) change-related costs to comply with each proposal
 - (b) change-related benefits that each proposal will provide.

- 4.3 In the regulatory statements above we have set out our qualitative assessment of the expected benefits and costs of the each of proposals. We have compared the costs and benefits of the proposals against those associated with the status quo arrangements.
- 4.4 We have adopted a qualitative approach to the assessment of the cost and benefits due to the incremental scale of the proposed change and difficulties in establishing an accurate estimate of the future costs of the status quo.

Each proposal will deliver benefits to customers, retailers and third parties

- 4.5 As a result of the proposals consumers will benefit from being able to choose products and services tailored to better meet their needs and wants. This will improve the efficiency of and promote competition in the electricity industry.
- 4.6 The primary objective of Proposals 1 and 2 is to reduce the barriers to consumers accessing the electricity services they desire. The current piecemeal processes for documenting and communicating the authorisation of agents place unnecessary transaction costs on all involved. These transaction costs are ultimately passed on to customers, either through higher prices or services not being offered.
- 4.7 As a direct result of the Proposal 1 and 2 we expect there will be an increase in:
- (a) the number of consumers sharing their data with third parties
 - (b) the number of data request from third parties
 - (c) the number of third parties receiving consumer historical data
- 4.8 Proposal 1 will benefit both retailers and agents through reduced transaction costs. Retailers will no longer need to develop individual systems or forms. Agents and third parties will now be able to develop a single authorisation process and will no longer have to tailor each customer's authorisation to meet the unique requirements of their existing retailer.
- 4.9 The removal of the duplication of effort will lower transaction costs and improve the efficiency of the industry, as well as increasing the level of competition to the benefit of consumers.
- 4.10 The reduction of these transaction costs will promote competition and innovation by reducing the barriers to entry.
- 4.11 The proposal provides customers with increased access to and control over their historical consumption data.
- 4.12 Proposal 2 will reduce costs for retailers by eliminating the need for them to establish individual systems for the collection of authorisations. Agents and third parties will avoid costs associated with the development of systems and processes to interact with the systems developed by the 30-plus retailers.
- 4.13 We expect that Proposals 1 and 2 will facilitate an increase in the number of agent authorisations from their low base. The conversion rate of these agent authorisations into either retail switches or the uptake of non-retail services (that is, photovoltaic installations, enrolment in demand-response or energy management programmes) is difficult to forecast.
- 4.14 We recognise that the matter of the authorisation of an agent under clause 11.32 of the Code will not be a consideration for vast majority of New Zealand electricity customers.

As a result the impact of Proposals 1 and 2 will be limited to a small subset of the market: those customers who actively manage their electricity costs. Businesses for which electricity is a significant input cost make up the bulk of this market subset.

- 4.15 Nonetheless, we believe the direct benefits to consumers (through lower cost services) will be in excess of the limited costs associated with the implementation of the proposals.
- 4.16 The primary economic benefit identified above is a reduction in transaction costs across the electricity industry. This is a productive efficiency benefit.
- 4.17 By improving the clarity and operation of the Code, the proposed amendment could also deliver dynamic efficiency benefits. A clear, predictable and up-to-date set of industry rules is good regulatory practice and can promote increased participation in the electricity market. This in turn might be expected to facilitate the achievement of our statutory objective and provide both static and dynamic efficiency benefits to the economy.

The costs of each proposal will be low

- 4.18 We expect the three proposals may impose minor costs on industry participants when compared with the status quo arrangements.
- 4.19 The proposals do not alter the privacy obligations or privacy-related costs borne by agents or retailers.
- 4.20 Where costs arise in relation to establishing processes and systems tied to implementing Proposals 1 and 2, these will be significantly less than the costs associated with developing such systems in the absence of the proposals.
- 4.21 Our post-implementation review of the retail data project found only a small minority of retailers have established systems for dealing with the authorisation of agents by customers.
- 4.22 We are not privy to the details of retailers' customer relationship management (CRM) and billing systems. Therefore we are unable to quantify the cost of altering these systems as a result of the proposals for the small numbers of retailers with existing systems for receiving and tracking agent authorisations. These retailers may choose to use low-cost manual entry of accepted authorisations into CRM and billing systems or to adapt existing systems to accept the machine readable outputs from the API.
- 4.23 Under the status quo those retailers without existing systems will eventually need to establish processes or systems to deal with information requests. As a result of the proposals, these retailers will be spared the cost of establishing a system as Proposal 2 will create an automated system for the communication of the authorisation of an agent.
- 4.24 For those retailers who have established systems for information requests there may be minor costs required to adapt these systems to handle the machine-readable outputs from the Agent Authorisation API.
- 4.25 Proposals 1 and 2 do not affect the way historical consumption data is shared between the retailer and the customer or their agent (as per Clause 11.32F), thereby limiting the cost impost.
- 4.26 Proposal 3 will have no cost impact on retailers, agents or consumers. The minor API development costs will be borne by the Authority from existing appropriations.

5 Our proposals protect the privacy of personal information

- 5.1 The privacy of the personal information is a critical imperative for retailers, metering equipment providers and all other holders of personal information. We agree with the Privacy Commissioner that the obligation of the Privacy Act 1993 “should not be considered barriers to innovation”.⁶
- 5.2 In developing each of the above proposals we have given detailed consideration to their privacy implications. Specific design features of the proposals to protect the privacy of personal information include:
- (a) the exclusion of all personal information from the Agent authorisation portal
 - (b) minimising the information required for a request to be valid.
- 5.3 We have also sought and received advice from the Privacy Commissioner to make sure the proposals are in keeping with the provisions and intent of the Privacy Act.

Q9. Do you agree with the costs and benefits of each of the proposals? If not, why not?

Q10. Are there any other costs or benefits we have not identified?

⁶ Privacy Commissioner, *Submission to Multiple trading relations consultation paper 2017*, available at <https://www.ea.govt.nz/dmsdocument/23211-privacy-commissioner>

Appendix A Proposed amendment

A.1 The Authority proposes to amend the Code to insert the following into Part 11: Registry information management.

11.32E Agents

(1) If a **consumer** authorises an agent to request information under clause 11.32B, a **retailer** must treat the request from the agent as if it were a request from the **consumer**.

(2) Subclause (1) applies only if the agent provides the **retailer** with a written authority from the **consumer** to obtain the information or otherwise provides evidence to the **retailer** that the agent is properly authorised by that **consumer** to obtain the information.

(3) Each written authority, for the purposes of subclause (2), must contain the:

- (a) **ICP identifier(s)** of the ICP(s) for which the agent is authorised to request information;
- (b) location address of the **ICP identifier(s)**;
- (c) name of the **consumer**;
- (d) **electronic signature** or physical signature of the **consumer** or on behalf of the **consumer**;
- (e) name of the agent; and
- (f) period of the authority.

(4) Each **electronic signature**, for the purposes of subclause (3)(d), must meet the requirements of sections 226 and 228 of the Contract and Commercial Law Act 2017.

(5) A **retailer** may not require an agent to provide information other than that listed in subclause (3) and must not require that information is provided in a particular format.

(6) A **retailer** may only reject a written authority if any of the information required by subclause (3) is not provided or if the **retailer** believes on reasonable grounds that any of the information required by subclause (3) is incorrect or invalid.

(7) If a **retailer** rejects an authority under subclause (6), it must advise the agent within 2 **business days** and give detailed reasons for the rejection.

(8) If a **retailer** receives notification from a **consumer** that the **consumer** has revoked an authority, the **retailer** must notify the agent within 2 **business days** that the authority is revoked and:

- (a) if the **retailer** has not yet provided the requested information to the agent, the **retailer** must not do so; or
- (b) if the **retailer** has provided the requested information, the **retailer** must not provide any further information to the agent.

(9) If an agent that is a **participant** receives notification from a **consumer** that the **consumer** has revoked the agent's authority, the agent must notify the **retailer** within 2 **business days** that the authority is revoked and:

- (a) if the **retailer** has not yet provided the requested information to the agent, the **retailer** must not do so; or
- (b) if the **retailer** has provided the requested information, the **retailer** must not provide any further information to the agent.

A.2 The Authority's proposal is also to insert the following interpretation into Part 1 :
Preliminary provisions:

1.1(1)

electronic signature has the meaning given to it in section 209 of the Contract and Commercial Law Act 2017.

Q11. Do you have any comments on the drafting of the proposed amendment?

Appendix B Format for submissions

Submitter	
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Question	Comment
Q1. Do you agree with the Authority proposal to amend the Code to establish the contents required for an information request to be valid? If so why? If not why not?	
Q2. Do you agree with the Authority proposal to amend the Code to prohibit retailers from requiring additional information and from requiring the information to be provided in a particular format? If so why? If not why not?	
Q3. Do you agree with the Authority proposal to amend the Code to establish timeframes for communicating a rejection or revocation of an authority? If so why? If not why not?	
Q4. Do you agree with the Authority proposal to establish an Agent Authorisation API? If so why? If not why not?	
Q5. Should use of proposed Agent Authorisation API be mandatory for both agents and retailers?	
Q6. Do you agree with the inclusion of the three additional registry fields into the ICP connection data API and <i>My meter</i> web portal? If not why not?	
Q7. Do you consider that there are other fields that have not been identified that should be added to the ICP connection data API and <i>My meter</i> web portal? If so why?	
Q8. Do you agree that the proposals do not breach the obligations imposed by the Privacy Act of 1993? If not why not?	
Q9. Do you agree with the costs and benefits of each of the proposals? If not, why not?	
Q10. Are there any other costs or benefits we have not identified?	
Q11. Do you have any comments on the drafting of the proposed amendment?	

Glossary of abbreviations and terms

ACCES	Additional Consumer Choice of Electricity Services
Act	Electricity Industry Act 2010
ANZSIC	Australian and New Zealand Standard Industrial Classification
API	Automated Programming Interface
Authority	Electricity Authority
Code	Electricity Industry Participation Code 2010
CRM	Customer Relationship Management
EIEP	Electricity Information Exchange Protocol
ICP	Installation Control Point
Regulations	Electricity Industry (Enforcement) Regulations 2010