

Question	Comment
<p>Q1. What is your view of the potential competition, reliability and efficiency benefits of more participation?</p>	<ul style="list-style-type: none"> • Flick is supportive of the Authority’s aim to increase competition, it seems strange to focus on mass participation as an outcome or objective, rather than a strategy. Seeking greater participation would be better considered as one strategy toward the outcomes of improved competition, innovation, consumer service levels and improved consumer choices. • The ‘participant’ definition seems problematic in its use as the means of determining the boundary of the Code (p7.5 - 7.6). The generalisation no longer fits well. Need to accommodate prosumer households for example (as noted in para 7.6). They act as singular households or individuals who purchase or use a range of technologies, products and services in the electricity industry; rather than acting as distinct, multiple participants. • Growth in the numbers of participants will not be sufficient to cause or maximise the benefits noted (ref: para 2.12). The conditions for, and the interaction of, the participants must improve. For example, increased standardisation of default distribution agreements (ref 2.30) and other interfaces between retailers and network companies will lower the costs for participants and support innovation. • Notwithstanding the need to reposition mass participation as a strategy rather than a goal, we support the following assumptions: <ul style="list-style-type: none"> ○ Open access to distribution networks will promote competition ○ Peer-to-peer platforms could increase competition ○ More diverse sources of electricity supply and increased demand response could improve competition. • With respect to reliability prosumers of the future may see reliability as a performance attribute that they are prepared to trade or rank lower than other attributes, such as price or cost of supply, or reliability ‘signals’ that they may choose to accommodate. Effectively decoupling the requirement for “reliability” from competition. In many other industries worldwide, there is extensive evidence that the availability of <i>lower</i> reliability to consumers is the entry-point for low-end and new-market disruption and innovation, leading to lower prices and higher performance for all customer segments. For instance, the evolution of VOIP and brands such as ‘Skype’ in the telco and communications industry; the emergence of flash drives in the disk drive industry; the emergence of smartphone cameras as a more convenient, good-enough performance alternative to digital cameras. For one example in our own energy industry, this same rationale would predict that

	<p>consumer IOT sensor technology, and business models applying them, would eventually move upmarket and disrupt the market for small business energy management systems - despite initial trade-offs in reliability - leading to increased price competition, innovation on different performance attributes, more consumer choice and more efficient business models.</p>
<p>Q2. What is your view of the opportunities to promote competition and more participation in the electricity industry?</p>	<ul style="list-style-type: none"> • With respect to 26 and 2.27: While the goal of standardisation is supported by Flick, the current specific implementation of EIEPs and other exchange protocols will need to be monitored and improved to keep pace with competition and innovation. In its efforts to standardise and improve interfaces between participants, the regulations should allow for rapid technology change over the years ahead. (For example: <ul style="list-style-type: none"> ○ generally taking a “batch”, “file” or single-threaded approach to data exchange compared to a modern digital approach of multiple-threaded, high-scale design for high performance web & IOT services ○ specific rules such as a consumption period that can only span precisely one month; not span a month; ○ specific EIEP formats are outdated. identifiers need to shift to a more contemporary approach to identifiers, e.g. UUIDs rather than integers
<p>Q3. What other issues might inhibit efficient mass participation? Please provide your reasons.</p>	<ul style="list-style-type: none"> • Separate to the need for more efficient data exchange, and its opportunities to promote competition, we note the importance of work needed by regulators and participants to protect consumers’ privacy rights. • We also note the importance of maintaining a regulatory design that deters firms from using consumer data as a means to build or exert dominance in other markets - which lessens competition, rather than improves it. New technologies and connected device data will inevitably create new possibilities for firms to leverage asymmetric information advantages over new less dominant participants and new market entrants, lessening competition.
<p>Q4. What is your view of the opportunities for network businesses to obtain external help to provide aspects of the network service using competition or market mechanisms?</p>	<ul style="list-style-type: none"> • In terms of enabling efficient and effective load management and demand response, to reduce congestion and improve efficient utilisation of network assets (ref para 4.5 - 4.12), transparent, cost-reflective price signals are essential. This principle should not be limited to only spot pricing (ref para 4.12) but through all cost components faced by consumers, such as network tariff structures and range of options, as well as grid transmission. • Flick notes that sections 4.13 - 4.23 propose establishment of a ‘network support service market’. Generally, this would seem to open up opportunities for cost-efficiency, more competitive and better service at the network level. Flick would encourage transparent, cost-reflective price and service signals be available through the whole industry, directly to households and businesses for their benefit, their choice and under their direct control.

<p>Q5. What do you think are the main challenges to be dealt with to increase the use of competition in supplying network services? What are your reasons?</p>	
<p>Q6. What is your view on whether open access is required and what would be the elements for an effective open access framework?</p>	
<p>Q7. How effective are the existing arrangements for open access? What are the problems?</p>	
<p>Q8. What type of distributor behaviours and outcomes should the Authority focus on to understand whether changes are required to support open access?</p>	<ul style="list-style-type: none"> • To support open access, the Authority should focus on achieving consumer-focused outcomes such as improved service levels through efficiency and innovation, improved consumer choice through more innovation and selection, and lower prices through competition and business model innovation.
<p>Q9. What changes to existing arrangements might be</p>	<p>Flick is generally supporting the emergence of P2P services and the rise of the prosumer in a decentralised market. The Authority should act to ensure future consumer and prosumer choices in a P2P market are not inhibited by incumbent market design. The Authority should ensure that coordination costs are low, through</p>

<p>required to enable peer-to-peer electricity exchange?</p>	<p>standardisation and efficient exchange of data.</p>
<p>Q10. What are the costs and the benefits of enabling peer-to-peer electricity exchange?</p>	<p>As above</p>
<p>Q11. What is your view of the possibility for, and impact of, any current or future blurring of participant type? What are your reasons?</p>	<ul style="list-style-type: none"> • We should expect continued blurring of participant types as the industry evolves. It will be the outcome of increased innovation and convergence with adjacent industries such as communications, smart home and IOT technologies. The regulatory response should design accordingly (including applying ring-fencing and open access where appropriate to increase competition). • Clearly, the rulebook and its scope needs review and amendment, given the examples of apartment building owners being regarded as retailers, the need for supporting microgrids and electric vehicle charging networks being considered as electricity retailers under the code (ref para 7.13-7.15) • Generally, increased standardisation of interfaces between various types of participants in the electricity industry will lower costs, improve cost-efficiency, attract adjacent or third-party innovation and ultimately help increase competition and service levels for retailers and consumers.
<p>Q12. What types of participation are or might be prevented because the party is not recognised as a participant? What are the potential impacts?</p>	<ul style="list-style-type: none"> • Refer answer to Q1, re the problematic approach to participant definition. Ultimately all users of services in the market are participants - ie all its electricity consumers and prosumers.
<p>Q13. What challenges might new forms of generation, such as virtual power plants, or small and</p>	<ul style="list-style-type: none"> • Asymmetric info – those firms holding an information advantage that allows them to target services efficiently at the most valuable customers. • Inefficient or prohibitive interfaces with market players that they are dependent on.

dispersed generators, face in entering the market?	
Q14. What changes might be required to the rule book to facilitate the emergence of virtual power plants or demand response?	As above
Q15. Would the functioning of the market for PPAs and the availability of finance be improved if there were greater transparency of long-term prices and greater standardization of terms and conditions for long-term contracts.	