

Multiple trading relationships: Format for Submission

Submitter	Energyshare Ltd
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Question		Comment
Q1.	How material are the constraints to consumers establishing multiple trading relationships at a single connection identified above?	<p>Energyshare agrees with the points noted in section 3 and believes these are significant constraints to consumers accessing innovative and cost effective energy products and services.</p> <p>Enabling consumers to access multiple trading relationships at a single ICP would</p> <ul style="list-style-type: none"> For a residential scale site, the meter, admin and operational costs of an additional ICP will negatively impact potential margin of offering a new service.
Q2.	Are there other constraints that prevent multiple trading relationships from efficiently occurring? If so, please describe them.	<p>In addition to the points raised in Section 3 of the Consultation paper, possible perceived constraints are</p> <ul style="list-style-type: none"> Without an explicit ICP Multiple Trader industry structure, consumers would likely be wary of implementing a secondary ICP as this may be seen (feared to be) as contrary to incumbent retailer / industry expectation. An explicit industry protocol for multiple trading relationships would normalise the practice for consumers. Without an explicit ICP Multiple Trader industry structure,
Q3.	What do you consider to be the benefits of multiple trading relationships?	<p>Energyshare agrees with points outlined in Section 4 of the consultation paper. In addition,</p> <ul style="list-style-type: none"> We see that there are high barriers to market entry for lower resourced electricity retailers who don't have the ability to cover large financial requirements for prudential reserves and other market requirements. Multiple Trading relationships would enable smaller retailers to create niche energy products to enter the market with lower (semi controllable) exposure to market price risks. (4.9) <i>Enabling new retailers to offer focused products / services to consumers via multiple trade relationships allows lower risk market entry for new retailers.</i>

<p>Q4. What other services could be enabled by reducing or removing the barriers to multiple trading relationships?</p>	<p>With potential for hydro storage risks due to a global changing climate, NZ can benefit from new services such as distributed PV generation to mitigate hydro dry year risk.</p> <ul style="list-style-type: none"> Companies that would like to offer distributed energy generation services and purchase the exported electricity volume aren't easily able to manage market price risks for an entire customer ICP consumption (particularly commercial scale) but these energy products can assist to mitigate dry year high market price fluctuations. Multiple trading relationships would enable distributed generation products to be provided which could lower the risk of high market price volatility due to constrained electricity supply or distribution constraints. <p>New high energy efficiency services are not currently implemented as the associated electricity and distribution retail tariff profile from incumbent electricity provider doesn't enable the customer to access the total cost benefit of new service.</p> <ul style="list-style-type: none"> Example; Provision of a Domestic / Commercial Hotwater service instead of just the equipment supply. The service provider would not be only competing on equipment cost; the service could comprise electricity efficiency and loadshifted (ToU) savings in the overall product offer. This would allow potentially higher cost and efficiency Hotwater equipment to be utilised by offsetting against electricity cost savings included in the total offer. Example; load shifting HVAC and Refrigeration energy use using technologies that are currently cost prohibitive without including ToU electricity savings could have positive cost benefit if distribution ToU savings were included when moving loads to early AM low network tariff. This could encourage investment in higher efficiency innovative technologies due to the electricity component margin (currently inaccessible by incumbent retailer) offsetting the additional expense of higher quality assets. (4.15c) <p>New retailer product innovation which reduces their market price risk via distributed generation / load shifting / ToU not only enables lower risk market entry via multiple trading relationships, it can also provide lower market price volatility for all market participants.</p>
<p>Q5. What changes, if any would be needed to the switching and</p>	<p>-----</p>

	disconnection/reconnection processes if a consumer were able to have multiple retailers?	
Q6.	What other data exchange processes that have not been identified in this paper need to be changed to accommodate multiple trading relationships?	-----
Q7.	How could the data exchange processes be modified to accommodate multiple trading relationships?	-----
Q8.	What other services, if any, would have to share costs between multiple users?	-----
Q9.	How could the cost of these services be shared amongst multiple users?	<p>Q9. If the Distribution company offers multiple tariff structures, do all retailers have to use the same tariff structure for a single ICP?</p> <p>A 'Intermediate Service' seems like a good idea to apportion costs to multiple retailers. To allow Multiple Trading Relationships to operate with intended outcome, costs should be prorated on basis of electricity volume attributed to the retailer service + additional processing overhead.</p> <p>If MEP has to provision new ICP meter registers to allow for metering of additional services, should this be included in the overall MEP ICP charge and prorated to Retailers based on electricity volume per register</p>
Q10.	Could consumer data be more efficiently shared with service providers that have a legitimate claim for access to their consumer's data? If so, how?	
Q11.	How much value is there in making it easier for appropriately authorised firms to access information such as a consumer's tariff structure, the smart meter functionality that is used by the consumer's MEP, a consumer's controllable appliances?	

Q12.	Are there other industry participants that may need to amend their systems to operate in an environment with multiple trading relationships?	
Q13.	What are the costs of the above changes recognised in questions 10-13?	
Q14.	What other obligations need to change if multiple traders can serve an ICP?	
Q15.	How could the obligations discussed above be amended to accommodate multiple traders at an ICP?	
Q16.	What costs would be involved in amending consumer-related responsibilities to accommodate multiple traders at an ICP?	
Q17.	What additional matters would need to be considered if we were to introduce multiple trading relationships? What amendments would need to be made to the Code to facilitate multiple trading relationships?	
Q18.	What is the cost of the changes needed to enable multiple trading relationships?	