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Dear Ms Coates

### **Facilitating Access to Consumer Electricity Data – Draft Report**

Origin Energy (Origin) appreciates the opportunity to comment on Houston Kemp's Draft Report to the Department of Environment and Energy on Facilitating Access to Consumer Electricity Data. Origin is supportive of the intent that consumers and third parties should be able to access data more efficiently and effectively so more informed choices can be made about when and how to use energy.

Origin views that the major roadblock for third parties to access data is primarily in relation to the verification of customer's consent and the authorisation that third parties have obtained the relevant consents to request the data. This arises given each entity in the supply chain applies their own interpretation of Privacy Laws in this respect. Addressing consent and verification should be the primary focus of this review with the source of data being addressed as a secondary issue. These views are discussed further below.

### **Context of the Draft Report**

There have been numerous Government and Industry Reviews into data availability with specific emphasis on increasing third party and consumer access to data. This includes consultations through the Productivity Commission (PC) Inquiry, Australian Competition and Consumer Commission (ACCC) Retail Electricity Pricing Inquiry as well as an Australian Energy Market Commission (AEMC) review into delivering affordability. This Draft Report has been developed based on findings and recommendations of these Reviews.

While this Draft Report was being finalised, the Treasurer, the Hon Scott Morrison MP, requested a Review into Open Banking. The aim of the review was to provide a recommended regulatory framework for the implementation of the Consumer Data Right in the Banking Sector<sup>1</sup>. The Open Banking Review taskforce was not commissioned to develop a framework to apply to all industries, however they were directed that other industries, such as energy, should be considered in the development of an optimal data sharing model<sup>2</sup>.

Given the two reviews address similar Consumer Data Right issues, we seek clarification as to the intentions of the Government in adopting the recommendations of the Open Banking Review and what this means for the proposals presented in Houston Kemp Draft Report.

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<sup>1</sup>Open Banking Taskforce, *Review into Open Banking – Final Report*, December 2017, pvii. The Review formed part of the Productivity Commission Inquiry recommendations that Consumer Data Rights should be introduced across all private and public sector industries.

<sup>2</sup> Ibid, pvii

Collaborative discussions need to occur between Departments and Industry to ensure a streamlined and efficient framework is developed and implemented in the energy sector.

### **Regulatory Framework**

It would appear that reviewing Commonwealth legislation may be important to overcoming the current shortfalls in the market regarding Privacy Law, and efficiency issues. In particular, the legislative amendments that are required to the *Privacy Act 1988* to support an accreditation framework where an entity can assume that the third parties have the appropriate authorisation from a customer and the entity can release the data without physically viewing this consent.

While there is merit in reviewing the Commonwealth legislation in terms of consent and verification, Origin believes that the Government should explore whether Guidelines could be developed under the National Energy Rules to provide guidance to entities on how they can satisfy Privacy Laws in terms of customer consent. For example, some entities require that they physically sight each and every customer consent before data is released to a third party. Other entities assume the onus is on the third party to ensure they have the appropriate consent and do not request the physical sighting of the consent. Guidelines would be a simpler and more cost effective solution to address the consent issues if under the Privacy Act this form of regulation was allowed.

Origin views that there are merits to the Open Banking Review recommendation that a new Commonwealth Data Sharing and Release Act (as proposed by the Productivity Commission) is not required. We are concerned that the introduction of such an Act may duplicate key protections already in the *Privacy Act 1988* and in other legislative instruments. Duplication will only cause ambiguities and uncertainties in the market.

### **Scope of Customers to be Captured by Scheme**

Origin believes the data sharing framework in the electricity sector should only apply to small customers (residential and small business customers). This is given the material differences between the energy use of small customers, who are generally restricted to a single premise (e.g a residential home), and large customers that may have a number of premises with individual consumption data.

For large customers, there are existing processes whereby customers have access to real time energy monitoring capabilities (ie via web portals, hand held devices, commercial energy displays) or they can request their data directly to a retailer or via a third party when seeking an energy contract from the market. These options are diverse and adequately provide a means for large customers to obtain information regarding their energy consumption.

### **Procedures for Accreditation and Verification**

Origin supports the development of a standardised accreditation process for third parties. This will reduce the cost to potential data recipients of obtaining data and improve the timeliness of data being provided to customers and third parties. This is discussed further in this response.

## **Meter Data Scope and Format**

Origin believes data made available at the commencement of the scheme should be consistent with the current data specified by AEMO<sup>3</sup>. Data sets could be incrementally added as the scheme progresses.

We further believe that the obligation to provide data should only be extended to the information that is in digital form and not include any additional information collated as part of a verification process or value add data that an entity has developed about a customer. There are strong incentives on companies to collect data as a means of understanding their business to offer products and services that consumers require and value. Requiring data, such as this to be shared, would take away from product development and innovation.

## **Systems and Processes for Data Sharing**

Both centralised and decentralised data hubs are being recommended in the various reviews – decentralised in the Open Banking sector and a more centralised framework in the electricity sector. Unlike the banking sector the electricity sector has a number of parties that hold both metering data and customer account information (ie addresses, tariffs, products).

Origin thus suggests that the electricity industry maintains the same responsible parties for data delivery as per the existing AEMO Metering Data Provision Procedures (AEMO Procedures), being retailers and distributors. The use of accredited third parties supported by Shared Market Protocol (SMP) transactions will remove the existing delays that customers experience.

Origin believes this will allow full automation of the existing processes that were built in 2016 for AEMO's Procedures compliance and allow this initial investment to be leveraged. This also allows for a simpler implementation given both retailers and distributors are already compliant with the AEMO Procedures.

Further, AEMO, at this time, does not have all consumption data at the appropriate levels that customers require. The current decentralised model with existing distribution and retailers will provide for faster to market implementation times of the scheme and consistent data levels.

Accredited third parties could be allocated market participant identifiers and provided access to the energy markets ehub framework to allow the transmission of SMP transactions.

These SMP transactions would form a standard set of market data requests allowing a request and response to be created with known (and agreed) formats and data sets. Origin suggests that once the SMP transactions, formats and data sets are agreed the recipients can automate the delivery, data generation and responses reducing handling costs and timeframes.

For example, third parties could approach distribution business for data that is specific to distributors (consumption, tariff, agreed battery and solar connection information), or retailers for data specific to retailing businesses (ie consumption, customer data, retail tariff, contract/product information). This data could be delivered directly through SMP transactions and processes. This is no different to the transactions and data flows already in place in the energy market today.

Origin is of the view that data sharing frameworks should not mandate only one way for data to be shared. The framework needs to be sufficiently flexible to allow for competitive approaches and the development of innovative and value add products. Origin believes that it will be imperative that the

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<sup>3</sup> AEMO, Metering Data Provision Procedures – 1 March 2016

framework does not preclude customers from directly contacting their individual retailer or distributor for data or other parties developing their own innovative solutions for customers to access data.

### **Costs Recovery for Data Requests**

It is important to acknowledge that there are costs associated with collating and formatting data to provide to customers. The raw data that is downloaded often needs formatting into a user friendly format that can be used by customers. To help manage administrative resources to process customer request, we would encourage the Department to include a provision whereby the relevant party can apply a “reasonable charge” for providing the data. This forms part of the current AEMO framework for customer requests for data.

### **Questions Raised in the Draft Report**

The Draft Report raises a number of questions with regards to the design of a data sharing model. Origin provides specific comments to these questions below.

#### **Framework for facilitating access to consumers’ energy data**

1. Is the proposed objective for the consumer electricity data access scheme appropriate?

The objective of the scheme should not only be to facilitate on-demand access by customers or third parties, but it should be clear that the objective is to encourage innovation, be efficient and fair as well as to allow for other data sharing approaches to be developed. Origin believes that it will be imperative that the framework does not preclude entities from developing their own innovative solutions for customers to access data.

#### **Framework for facilitating access to consumers’ energy data**

2. Should AEMO or an alternative agency be given responsibility for developing the consumer electricity data access scheme?
3. Are there additional elements that the scheme should incorporate to facilitate access to consumers’ electricity data by authorised representatives?
4. What changes can be done in the short term without a rule change and what changes require a rule change to implement?

AEMO has a technical operational role in the electricity industry. Origin does not believe that AEMO has a role for developing a consumer’s electricity data access scheme where they would be playing a role in developing customer protection frameworks and AEMO providing services directly to customers.

Origin believes AEMO could be given responsibilities for developing the technical standards for the data and transmission formats that will be shared or provided to third parties. This would need to be in conjunction with the already established Information Exchange Committee (IEC) which are tasked to develop technical and practical standards for B2B transactions of data. The IEC is supported by B2B Working Groups. Origin believes that these established groups could be utilised to provide technical input and duplicate bodies should not be established.

Origin does not support interim, short term changes to the framework that only provide ‘band aid’ solutions to the issues. Changes to systems and processes are timely and costly. Careful

identification and consideration of issues need to be undertaken to ensure the appropriate legal and regulatory solutions are implemented.

#### **Accreditation and Authorisation**

5. Are there alternative approaches to managing verification of consumer identity and third-party authorisation that should be considered and which are consistent with the scheme objective of providing on-demand access to data by authorised third parties?
6. Should AEMO or another agency be given responsibility for accrediting third parties?

#### **Accreditation**

A standardised accreditation process will reduce the cost to potential data recipients of obtaining data and improve the timeliness of data being provided to customers and third parties.

Origin does not believe that AEMO is the appropriate body to establish an accreditation framework given their technical and operational role in the market. A more appropriate body may be identified through the Open Banking Review.

Origin supports a Public Register of parties that have been accredited being maintained. This will provide transparency to the market on the parties that are seeking to access data.

Third parties should not be granted accreditation for an open period. Third parties should be required to demonstrate their credentials on a regular basis to ensure that data is being accessed and utilised as intended. Random audits should also be undertaken to ensure that appropriate procedures and consents are being obtained prior to accessing data.

It will be imperative that the accreditation process is not onerous, costly or provide barriers to entry for third parties.

#### **Customer Authorisation**

Origin believes that a customer's authorisation to a third party to access data should be for a set period of time (ie 6 months) and after that time, the customer would need to resubmit any required documentation to give the authorisation. This will ensure details remain current and relevant to the application. The authorisation, when developed, should allow for customers to revoke or change their authorisation at any time.

An industry solution will need to be developed to the situation whereby an account has joint authorisation. It is recommended that the authorisation to access data should reflect that of the set up of the account. If the account has been established such that two parties need to provide consent to adjust an account, then joint authorisation may be required to provide authorisation for a third party to access the account. If the account has two parties, but with only one primary account holder then only one authorisation would be needed. The various types of account set ups will need to be reviewed to ensure that there are clear rules in this respect.

#### **What Data Should be made available?**

7. Should authorised and accredited third parties be given access to more than just a consumer's metering data upon the commencement of the data access scheme?
8. What are the arguments for and against providing third party access to retail and/or network tariff data?
9. What changes are required to existing AEMO metering data formats to facilitate access by third parties to consumer electricity data?

Origin suggests, that at the start of the scheme, a standard set of market transactions be agreed by the industry including which parties are responsible for their receipt and data preparation whether Distributor or Retailer.

Market transactions include standard formats for requests (initiation and response) and a known and agreed set of market data.

The energy industry already contains an established data transmission platform in SMP that all market participants have as standard. Leveraging off this platform to support new forms of data requests is the most cost-effective mechanism to facilitate access by third parties.

#### **Handling Requests and Data Transfer**

10. Are the estimated costs for development and ongoing maintenance a centralised or decentralised implementation of the system reasonable?
11. What are reasonable timeframes for implementation under each of the options considered?

Origin believes that the implementation timing will be highly dependent on the outcomes of the Open Banking Review and the extent to which recommendations of the Open Banking Review are adopted in the electricity sector. For example, if the ACCC was to provide the accreditation criteria and framework for third parties, it will take time to develop this framework and then roll it out to other industries. The Department will need to be conscious of these dependant elements and adjust timeframes accordingly.

Origin does not support implementing an interim solution in the electricity sector with plans to update the framework once the Open Banking framework is implemented. This would be inefficient and lead to industry and consumer confusion.

#### **Closing**

Origin supports the development of a data sharing framework that promotes competition, encourages innovation, is efficient, fair and provides customers and third parties with the relevant data that they require to make more informed choices. We are of the view that the current data sharing framework in the energy industry achieves these objectives if consent and verification issues are resolved.

Origin would welcome the opportunity to work with the Department to further develop an optional data sharing model for the energy industry.

Should you have any questions or wish to discuss this information further, please contact Caroline Brumby on (07) 3867 0863.

Yours sincerely

A handwritten signature in blue ink, appearing to read "K. Robertson".

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