

16 April 2018

Dr Kerry Schott AO
Independent Chair
Energy Security Board

Via email: info@esb.org.au

Dear Dr Schott,

RE TasNetworks Response to Data Strategy

TasNetworks welcomes the opportunity to make a submission to the Energy Security Board (**ESB**) on the National Electricity Market (**NEM**) Data Strategy Consultation Paper. As the Transmission Network Service Provider (**TNSP**), Distribution Network Service Provider (**DNSP**) and jurisdictional planner in Tasmania, TasNetworks is focused on delivering safe and reliable electricity network services while achieving the lowest sustainable prices for Tasmanian customers. This requires the prudent, safe and efficient management and development of the Tasmanian power system. In this regard, TasNetworks is supportive of the ESB's efforts to implement a national data strategy for the NEM consistent with the Finkel review recommendations.

TasNetworks supports Energy Networks Australia's (**ENA**) submission on the NEM data strategy and would like to make several further comments with a particular emphasis on the Tasmanian context.

Intent and Objectives

TasNetworks agrees with the ESB and the Finkel review that data will play an increasingly crucial role in supporting the future security, reliability and affordability of the energy system. As the system moves to more variable and decentralised generation, improved collection, access and dissemination of data will create a more efficient and innovative market which can only benefit customers. In this regard, TasNetworks considers that the objectives listed within the consultation paper are relevant and appropriate.

Principles and Protections

In general, TasNetworks considers the principles governing the design and delivery of the data strategy are reasonable. TasNetworks notes, however, that there are inherent tensions between them. For instance, in terms of a right to privacy versus information transparency; administrative

burden versus informational granularity; and access and consent versus security and control considerations.

In this manner, TasNetworks considers that costs incurred by an organisation may be a reason for not collecting and sharing data. Particularly, for regulated businesses where any increased costs of data collection are likely to flow through to higher prices for customers and in those cases where the majority of benefits may accrue to other parties such as aggregators. TasNetworks suggests that the cost effective principle be supplemented with a cost recovery principle that allows for recovery of the costs of collecting and providing data where other third parties, not customers, are the primary beneficiaries.

With respect to security considerations, TasNetworks notes that the Australian Cyber Security Centre (ACSC) has identified the energy sector as being amongst the top three Australian industries targeted for malicious cyber activity over the last two financial years¹. Given the potentially significant consequences of unauthorised access to energy infrastructure and controls, TasNetworks suggests that cyber security be given greater consideration as part of the NEM data strategy.

In terms of customer protections, TasNetworks suggests a guiding principle should be that information should only be collected at the minimum granularity necessary to fulfil the purposes of collection. If this crosses into the realms where it is possible to identify individual or household behaviour or information, then customer consent would need to be obtained.

Regulatory Overlap and Administrative Impact

TasNetworks notes that there several other ongoing and recently completed reviews which are relevant to the NEM data strategy consultation. The Australian Electricity Market Commission (AEMC) is currently consulting on a register of Distributed Energy Resources (DER). The Victorian Government, in conjunction with EY, recently released findings on the utility of an energy data hub for Victoria. In addition, the COAG Energy Council has engaged HoustonKemp Economists to make recommendations for allowing third party service providers access to customer consumption data. TasNetworks suggests that monitoring these developments for consideration as part of the NEM data strategy consultation process would be beneficial.

TasNetworks also notes that there is much ongoing work stemming from previous reviews that are relevant to the NEM data strategy. This includes information requirements relating to five minute market settlement and ring-fencing guidelines amongst others. TasNetworks trusts that these developments are appropriately considered as part of the NEM data strategy, particularly with respect to the forward work program and implementation efficiencies that could result. TasNetworks considers that flexibility in meeting obligations including staged rollouts, extensions and waivers, where appropriate, would be useful in crystallising such efficiencies.

Informational Audit Questions

TasNetworks questions the utility of providing detailed answers to questions 3 to 9 at this time. Without agreement on the overarching strategy, principles and objectives of the NEM data strategy, an informational audit of this kind runs the risk of being irrelevant, unnecessary and administratively burdensome. TasNetworks considers that refining these questions in light of the feedback received on the first stage of consultation, and allowing sufficient time to provide considered deliberation in answering them at a later stage, would be beneficial.

¹ https://www.acsc.gov.au/publications/ACSC_Threat_Report_2017.pdf

TasNetworks would welcome the opportunity to discuss this submission further with the ESB. Enquiries can be directed via email to tim.astley@tasnetworks.com.au or by phone on (03) 6271 6151.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim Astley', with a horizontal line extending to the right from the end of the signature.

Tim Astley
Team Leader, NEM Strategy and Compliance