

26 March 2018

Sarea Coates
Director, Energy Data and Consumer Analysis
Department of the Environment and Energy
PO Box 787
Canberra, ACT 2601



Dear Ms Coates,

Submission to facilitating access to consumer electricity data

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon disadvantaged and marginalised people. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to respond to the draft report prepared by HoustonKemp and notes the overlap of issues with the Open Banking report published by the Australian Government.

All consumers should have the opportunity, but not the obligation, to access energy data.

PIAC supports greater engagement in the electricity market by those customers who wish to, and therefore, supports changes to facilitate improved access to useful electricity data for consumers and their agents. There are numerous benefits from this, ranging from making it easier for consumers to accurately compare different energy retail products, including different tariff structures, to optimally sizing a distributed energy system with regard to particular usage patterns and characteristics.

However, greater engagement must not be an obligation on consumers. Disadvantaged and vulnerable consumers who less engaged, either by choice or circumstance, must not be penalised for lack of engagement, and should still receive fair and reasonable energy services.

Opportunities to access information and compare products and services need to be as straight forward as possible. In PIAC's view, it should be no more complicated or time-consuming for a consumer to access information from a trusted third party than from an energy retailer, and this should be reflected in the arrangements for that third party accessing customer energy data.

In developing a data access scheme for the electricity sector and, more broadly, in implementing the Consumer Data Right, it is essential that:

- the benefits possible from having a consumer's actual data to make offers and quotes are passed through to consumers;
- there are appropriate protections in place against the potential misuse of data, especially from aggregating multiple data sources; and
- consumers provide explicit informed consent to what their data will be used for and where their data is going.

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The benefits of access to electricity data

The AEMC's 2017 Retail Energy Competition Review found that while over 90% of those surveyed in NEM states with retail competition were aware of their ability to change retailers, less than half of respondents had done so in the past five years.¹ Consumers who are not engaged in the competitive retail market are at risk of paying more than they need to for essential energy services. These factors disproportionately impact disadvantaged and vulnerable consumers who are often least able to effectively engage with the complexities of the competitive retail market and also experience the greatest impact from unnecessarily high prices for essential energy services.

The concerns and difficulties of vulnerable and low-income households point to a failure of the retail electricity market to enable effective interaction by customers who are most in need. Removing barriers for a consumer to compare energy offers, such as by providing consumers with a 'green button' on the Energy Made Easy website to access their historical consumption data, will help consumers enjoy the benefits of competition.

Types of electricity data to be available

PIAC appreciates that there is a wide range of possible electricity data streams and that making all of these available may add cost and time to the implementation of the data access scheme. PIAC considers that it may be practical and efficient to develop a set of priority data streams to be implemented initially, with the ability to include additional data streams in the future. We suggest that consumption data, meter configuration and retail price data should be considered as priorities.

This approach would allow customers to realise the benefits these priority data streams as soon as possible. It also helps to make the scheme future-proof as new data streams may be included as metering technology advances or conditions change such that different data streams become more significant. The introduction of 5-minute settlement in the wholesale energy market, for example, is one future development that may give rise to the need for such a change.

Cross-sectoral data access and the Consumer Data Right

The Consumer Data Right envisages a scheme which would apply across multiple sectors of the Australian economy. Under this proposed model, an accredited third party could access consumer data from multiple sources.

Aggregating and correlating multiple data streams can reveal more of a customer's preferences than any one data stream or multiple data streams taken separately, and the value of the whole may be greater than the sum of its parts.

This could benefit consumers by finding more holistic solutions and better offers. However, it can also lead to greater consumer harm by exploiting the insights provided by this data.

Therefore, it is essential that in accrediting third parties, the ACCC and other relevant regulatory bodies remains cognizant of the multiplicative effect that having multiple data streams on a customer can provide. This is particularly important as a third party may apply for accreditation in multiple sectors one at a time or through mergers and acquisitions. Therefore, PIAC recommends that an application for accreditation not be considered in isolation but in terms of all the data streams available to the applying party.

¹ AEMC, *2017 Retail Energy Competition Review*, 2017, pg. ii.

Explicit informed consent of consumers

As consumers must authorise a third party to access their data on their behalf, it is essential that the consumer understands exactly what they are agreeing to. Currently many contracts do not facilitate effective consumer understanding – instead burying the details and implications in pages of legalese or fine print.

To ensure that the schemes designed for data access are trusted by consumers and protect their interests, PIAC recommends that there be an obligation to obtain explicit informed consent from a consumer, in plain language, of the types of data they are authorising the third party to access and the limitations of its use. This should also include the intended use of the consumers data, retention of the data and limitations on the on-selling of the data.

The permissions approval used in installing smartphone apps may provide a useful starting point for communicating clearly and simply the types and levels of access being sought.

Continued engagement

PIAC would welcome the opportunity to meet with the project team and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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