Consumer Data Right in Energy

Data access models consultation forum

Sydney

18 March 2019

This document is not a verbatim record of the forum but a summary of the issues raised by forum attendees.

The views and opinions expressed are those of the attendees and do not reflect the ACCC's views or position on the issues summarised here.

Venue

18 March 2019 11:00am to 13:00pm AEDT

Macquarie Graduate School of Management CBD

Level 24, 123 Pitt Street, Sydney

Attendees

Panel members

Australian Competition and Consumer Commission

Sarah Court (Commissioner), Scott Gregson (Executive General Manager), Bruce Cooper (General Manager), Fiona Walker (Director)

Interim Data Standards Body (Data61)

James Bligh (Lead of the API Standards Working Group for the Consumer Data Standards)

Interested parties

44 interested parties attended the forum.

Introduction

- Commissioner Court welcomed attendees, made introductory remarks outlining the purpose of the forum, noted the timing of the passage of legislation and provided an overview of how the forum would be conducted.

Presentations

- Ms Walker provided an overview of the three data access models described in the consultation paper, and described the criteria the ACCC will use to assess each model.
- Mr Bligh provided an overview of application programming interfaces (APIs), including a number of analogous examples of how they work.
- Presentation slides are published on the ACCC website.

Summary of issues discussed

Data access models

- Commissioner Court invited forum participants to give their views on the data access models proposed in the consultation paper.

Model 1

- No participants indicated support for Model 1, the centralised Australian Energy Market Operator (AEMO) model.
    - One participant suggested Model 1 could result in a single point of failure, is insecure and involves significant set-up costs and should therefore be discounted.

Model 2

- Several participants supported Model 2, the AEMO gateway model. Reasons given by them included:
    - consumers need a common API
    - Model 2 provides common ground, and while it may be more costly to establish initially, it will work well
    - the energy sector is in a state of change—Model 2 provides a better ability to manage 'version control'.
- Mr Bligh noted that several issues would need to be considered if Model 2 was adopted. This includes the issue of a single point of failure if AEMO's e-Hub becomes overloaded and unavailable. In addition, the e-Hub is not customer-aware and an identity stack would be needed to accommodate the consumer data right (CDR). A further issue to be considered is the move away from systemic consent to auditable consent.
- One participant noted Model 2 could still be made more resilient using load balancing and redundancy technology.
- One participant noted AEMO's e-Hub already handles significant load in managing the grid and the supply of energy to households. The participant considered that adding capability to accommodate the CDR would not overburden the e-Hub.
- One participant suggested the AEMO's ability to manage the market should give confidence that they could manage sharing of data under the gateway model.

Model 3

- Two participants noted their support for Model 3, the economy-wide CDR model.
    - One participant was concerned that adopting a sector-specific model would be a move away from an economy-wide CDR. The participant considered the ACCC would need a good reason to justify to consumers why different approaches are needed for different sectors.
    - One participant supported a model that provides consistency across sectors.
- One participant stated that Model 3 would require oversight of data holders' arrangements for data sharing to ensure they are conforming with API standards. Mr Bligh noted there will be conformance testing against the standards.

Other participant views on data access models

- Ms Walker clarified that the models in the consultation paper are not finalised and encouraged participants' views on modifications to the models in written submissions:
    - One participant considered that an alternative hybrid model should be adopted—a model under which accredited data recipients use economy-wide APIs which AEMO would translate to energy-specific APIs. The participant considered that the models in the consultation paper should be reframed as an economy-wide API model, an energy-specific API model that leverages off existing B2B e-hub infrastructure, and the participant's preferred hybrid model.

Consumer identity, consent and authentication

- Participants shared concerns on the consequences if appropriate consent and authentication models are not implemented.
    - In particular, one participant considered that the energy consent model needs to be different to the consent model proposed under the banking CDR as that model does not reflect the needs of the energy sector.
    - One participant stated that it is very important to ensure consent to share a consumer's energy data is given by that consumer. The participant referred to concerning and potentially dangerous instances of parties trying to access energy data, for example a landlord seeking access their tenant's usage data or ex-partners seeking the usage data of their former partner's premises.
- Mr Bligh noted the standards developed for the initial sector are industry best practice, are based on existing standards and protocols and are not specific to financial services.
- Commissioner Court confirmed that the ACCC has not made any decisions on the consent and authentication models in energy. The ACCC will consult on these issues and will not simply adopt the banking CDR approach. Commissioner Court noted that the ACCC is aware of concerns about the risks in sharing energy data without appropriate consent, particularly in domestic violence situations.
- One participant queried whether the authentication model could appear the same to consumers, but the background process is tailored to different levels of risks.
- Mr Bligh responded and stated a common identity stack does not exist. The existing arrangements rely on credentials that the customers already have:
    - Model 1 requires consumers to create an identity stack to sign up with AEMO
    - Model 2 has a similar limitation – signing up to AEMO creates a new identity or AEMO can proxy through and obtain the identity from data holders. This implies data holders are able and willing to proxy it through. How this can be done is still an open question. The sharing of names in plain text is a problematic aspect of that model.
    - Model 3: It would be straightforward if the customer already has a digital identity with a data holder (and where this exists, it could also be used for Model 2). However, if retailers do not have a digital relationship with their customers then this needs to be introduced (as with Model 2).
- Mr Bligh confirmed no data access model is precluded from consideration based on authentication issues.
- Mr Bligh noted that where there is 'out of channel interaction' (e.g. a customer has to make a phone call to authenticate themselves), the customer is less likely to engage.
- Mr Cooper noted both data holders and accredited data recipients would have a role in the banking CDR to confirm identity of an individual. He acknowledged that the banking sector has more developed protocols for establishing identity digitally than the energy sector.
- One participant noted the Commonwealth Digital Transformation Agency's (DTA) work on digital identity frameworks.

User experience of authentication process

- Several participants noted the importance of considering the user experience of the authentication process.

    - One participant noted that as many consumers may not have a digital identity with their energy retailer, the ACCC should consider whether the user experience of having to undertake multiple authentications will be prohibitive to consumers engaging with the CDR.
- Mr Cooper noted the ACCC is engaging with Data61 to test the consumer experience in relation to the banking consent model. Consumer experience testing will similarly be conducted for the energy CDR.

Other issues

- Several participants noted the importance of putting the consumer at the centre of the CDR by ensuring the CDR is easy for consumers to use.
    - One participant queried how the ACCC is seeking consumer input to develop the CDR. Commissioner Court confirmed the ACCC is engaging with a number of consumer groups.
    - One participant noted differences between the issues faced by consumers in different sectors. For example, the complexities in the new demand tariffs being proposed means energy consumers are facing pricing structures that are significantly more complex than those faced by banking customers when trying to decide on a mortgage interest rate.
- Several use cases for the CDR in energy were mentioned:
    - To facilitate tools for consumers to compare complex energy pricing, noting that large numbers of consumers are disengaged consumers and are more likely to call around for price comparisons rather than accessing a price comparison website.
    - Distributed energy resources, solar panels and demand response are a very different world, and will require an identity confirmation process.
- Concerns were expressed that using common identities could result in consumers being denied services rather than accessing services.
- One participant queried whether metering data providers would be considered data holders under the CDR, and if so, whether they would need to support APIs. Ms Walker confirmed that metering data providers would not be data holders under the transitional provisions in the CDR Bill as they are not registered participants.

Closing

- Commissioner Court invited participants to make a written submission to the consultation paper by 5pm 22 March 2019 and noted:
    - The ACCC expects to have a position on the preferred data access model by May, however timing may be subject to change due to the federal election. The position will be communicated to stakeholders by newsletter.
    - Once a position has been reached on the preferred data access model, the ACCC will work on issues such as consent and authentication arrangements, development of rules and standards, and external dispute resolution.