



28 August 2020

Australian Competition and Consumer Commission  
MELBOURNE VIC 3001  
Submitted online to: <https://consultation.accc.gov.au>

Dear Sir/Madam

### **Submission: Energy Rules Framework Consultation Paper**

CS Energy welcomes the opportunity to provide a submission to the Australian Competition and Consumer Commission (**ACCC**) on the *Energy rules framework Consultation paper (Consultation Paper)*.

#### **About CS Energy**

CS Energy is a Queensland energy company that generates and sells electricity in the National Electricity Market (**NEM**). CS Energy owns and operates the Kogan Creek and Callide coal-fired power stations. CS Energy sells electricity into the NEM from these power stations, as well as electricity generated by other power stations that CS Energy holds the trading rights to.

CS Energy also operates a retail business, offering retail contracts to large commercial and industrial users in Queensland, and is part of the South-East Queensland retail market through our joint venture with Alinta Energy.

CS Energy is 100 percent owned by the Queensland government.

#### **Large customers**

CS Energy's response is limited to the issues raised by the ACCC seeking stakeholder views on whether the rules should limit any particular customers from the initial scope of the consumer data right (**CDR**) in the energy sector.<sup>1</sup>

The potential scope of CDR in energy has been set out in a designation instrument<sup>2</sup>, with "customer" defined in the instrument to give it the broadest possible meaning. It captures any person (natural or otherwise) that purchases electricity. However, as noted in the Consultation Paper, the CDR will be of most value to mass market customers, including both residential and small to medium businesses.<sup>3</sup> The ACCC is seeking stakeholder

<sup>1</sup> ACCC, *Energy rules framework Consultation paper*, July 2020, section 4.2.3.5

<sup>2</sup> See *Consumer Data Right (Energy Sector) Designation 2020*

<sup>3</sup> Ibid, p27

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views on the costs and benefits of maintaining a broad approach to “eligible CDR consumer” under the rules.<sup>4</sup>

### Extension of CDR to large customers

CS Energy supports the extension of the CDR to the energy sector where it will enhance competition for consumers. However, CS Energy does not believe a broad extension of the CDR to capture large customers will enhance competition and, in the absence of an appropriate cost-benefit analysis, considers it will only deliver minor benefits to these customers.

CS Energy's submission to the consultation on the draft *Consumer Data Right (Energy Sector) Designation 2020*<sup>5</sup> provided details as to why large customers should not be included in the energy CDR. Relevantly:

- large customers have bespoke electricity arrangements with their retailers and already have access to significant amounts of data and reporting;
- large customers typically engage a third-party broker to manage their procurement process; and
- data and reporting requirements are generally driven by the customer during the procurement process (what is typically competitive); if large customers request certain data or reporting, retailers will provide.

Additionally, some retailers (including CS Energy) retail only to commercial and industrial users who are large customers, or retail only to large customers with consumption significantly in excess of the 100 MWh per annum “large customer” consumption threshold.<sup>6</sup> A broad extension of the CDR to capture large customers will only impose costs on retailers who deal only with large customers, without delivering any additional benefits to these retailer's customers.

For CS Energy, extension of the CDR to large customers will incur material compliance and IT costs (initial and ongoing) to implement, however CS Energy's customers will receive no additional benefits, or see any improvement to the energy data and reporting our customer cohort is already provided.

Additionally, the data sets proposed to be specified for CDR in energy do not translate to information that would be required by large customers or duplicate information already available to large customers. For example, CS Energy's customers:

- receive metering data (by NMI or individual meter) including if requested the raw metering data as provided by the metering data provider (which can be provided in real time);
- receive detailed reporting through CS Energy's customer portal which provides information such as daily/weekly/yearly consumption and demand data, meter data for embedded generation exported and load profiles;

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<sup>4</sup> Ibid, p27

<sup>5</sup> [https://treasury.gov.au/sites/default/files/2020-06/cs\\_energy.pdf](https://treasury.gov.au/sites/default/files/2020-06/cs_energy.pdf)

<sup>6</sup> Examples of the type of customer with the load size that CS Energy retails to include mines, ports, coal terminals, hospitals, mineral processing plants.

- have access to NMI standing data information via the customer portal and/or their monthly invoice;
- have individually negotiated, sophisticated pricing arrangements; there is no standard “energy plan” for CS Energy’s customers; and
- individually negotiate billing and payment periods, reflective of other commercial terms and conditions such as the pricing mechanism.

#### Differentiation of large customers

The Consultation Paper has sought stakeholder views on how to differentiate between large customers that are small to medium enterprises (but consume large amounts of electricity) and significantly larger commercial and industrial consumers.

Until an appropriate cost-benefit analysis has been undertaken, CS Energy encourages the ACCC to align the small/large customer differentiation with the existing distinction in the energy sector, being the “large customer” threshold used in each participating jurisdiction in the NEM.

If a cost-benefit analysis supports including in the initial scope of the energy CDR small to medium enterprises who consume above the “large customer” threshold, CS Energy recommends a distinction is made based on a higher consumption threshold. CS Energy considers a threshold such as 0.5 GWh per annum appropriate, as this threshold would exclude the significantly larger commercial and industrial consumers. Examples of consumers with consumption above this threshold include mines, ports, hospitals, coal terminals and mineral processing plants.

If you would like to discuss this submission, please contact Teresa Scott (Market Policy Manager) on [REDACTED] or [REDACTED].

Yours sincerely



**Teresa Scott**  
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