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Fiona Walker
Director
Consumer Data Right
Australian Competition & Consumer Commission
GPO Box 520
Melbourne VIC 3001

Dear Ms Walker

RE: Consumer Data Right in Energy – Data access models for energy data

ERM Power Limited (ERM Power) welcomes the opportunity to respond to the Australian Competition and Consumer Commission (ACCC) Consultation Paper: data access models for energy data, which seeks to identify an appropriate model for consumers to authorise data access by third party recipients.

About ERM Power

ERM Power is an Australian energy company operating electricity sales, generation and energy solutions businesses. The Company has grown to become the second largest electricity provider to commercial businesses and industrials in Australia by load¹, with operations in every state and the Australian Capital Territory. A growing range of energy solutions products and services are being delivered, including lighting and energy efficiency software and data analytics, to the Company's existing and new customer base. The Company operates 662 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland.

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General comments

ERM Power supports the fair and efficient operation of the energy market, where competition and opportunity creation is encouraged for the end benefit of the consumer. The stated focus of the Consumer Data Right (CDR) for the energy sector is to provide consumers with the right to safe access and transference of their energy data to trusted and accredited third party entities. As such, ERM Power supports the considered evaluation of data access models under the CDR to ensure participant usability, foster market competition and provide robust security safeguards for consumers. We believe measures to encourage consumer access to data has the beneficial potential to create data value for consumers and assist consumers in comparing complex pricing, as the market shifts towards a distributed model of increased behind the meter technology and demand response behaviour.

ERM Power provides further views in the following discussion on the preferred model for data access under the energy CDR, and additional points for consideration in the transition to implementation of a CDR access model. In summary, ERM Power holds the view that:

¹ Based on ERM Power analysis of latest published financial information.



- The access model whereby the Australian Energy Market Operator (AEMO) provides a gateway for data sharing is the preferred data access model of those presented in the consultation paper, contingent on the detail of the accompanying rules
- The 2020 implementation date should be flexible to ensure that comprehensive analysis and consultation on the implications of any data access model is undertaken, and participants are confident of efficient compliance with new system requirements and business obligations. This should be considered in the context of currently unreleased draft rules for consultation and the interaction with other market changes currently underway

Preferred model

The ACCC presents three primary data access models for energy data in the consultation paper.

1. AEMO as the sole data holder: AEMO would act as the centralised data holder, and share data with accredited data recipients via Application Programming Interfaces (APIs).
2. AEMO as the 'gateway' to data holders: Decentralised sharing of CDR data by data holders supported by an AEMO gateway. This model presents scope to leverage existing systems and data infrastructure, including the API gateway and API portal to support the e-Hub. Data holders would be required to develop APIs for AEMO access to on demand data, such as retail product and billing data.
3. Economy-wide model: Data sharing occurs via APIs between data holders and accredited data recipients. Data holders would be required to develop APIs for accessibility for accredited data recipients.

ERM Power believes that data access model 1 presents problematic implications for process efficiency and security. There is comparatively higher potential for data breach risk for consumers with a centralised data holder. It also creates inefficiencies by creating multiple data holders as data is required to be transferred from the data holder to a centralised location.

ERM Power's preferred data access model is the gateway access model (model 2), contingent on the comprehensive development and appropriate analysis of the accompanying draft rules. It provides assurance in the function of the market operator to ensure the accreditation of data recipients, and provides an efficient approach through the utilisation of familiar systems and existing API infrastructure currently in use by data participants.

Further assessment is required prior to 2020 implementation

ERM Power believes there is potential for the CDR to encourage innovation and competition. For this to be achieved, there are a number of factors that require considered analysis and deliberation. ERM Power believes that further analysis for implementation of the CDR data access models and associated rules and standards is appropriate to address complexities of developing new obligations on data participants. There are a number of complexities which require consideration through an extended consultation and implementation process.

The implementation of the CDR in the energy sector has been an accelerated process, with drafting of legislation, rules and data standards being conducted concurrently. An accelerated transition for implementation of data access models has the potential to increase costs for participants, who will be required to meet untested obligations to develop operational systems within a limited time period.

Progressive implementation of data access models should be encouraged, to allow industry and regulators to undertake testing of the new requirements and manage implications of the CDR for the market and participants. This includes questions regarding the maintenance of data consistency and standardisation across industry with



differing product and tariff offerings, and the management and protection of data as customers transition across providers and retailer contracts are terminated. Additionally, it is essential that consumer trust in the system is established through thorough analysis of privacy and security implications. Protection of data and new requirements for data sharing adds risk and exposure for data holders. Systems for consent verification must be robust to manage risk exposure for consumers and data holders. Failure to adequately assess consent mechanisms has the potential to undermine the intent of the CDR mechanism, which is to foster consumer control and trusted use of their energy data.

The application of the CDR should be considered in the context of broader market changes currently underway. Market participants are currently required to implement changes to their systems and infrastructure, driven by market changes, such as the Five Minute Settlement and Global Settlements frameworks. It is essential to coordinate new requirements from a CDR with the implementation of other market changes, to best minimise risk and ensure participant compliance.

For the successful operation of the CDR for energy, the appropriate development of the accompanying rules is essential. The date for implementation of the CDR should be dependent on the rigorous consideration of the draft rules, which are yet to be publicly released. ERM Power encourages the detailed analysis and consideration of these matters, and outcomes of analysis communicated with stakeholders for feedback, prior to the establishment of any new data access requirements by a 2020 deadline.

Conclusion

ERM Power supports increased functionality of consumer data access. We believe that the gateway access model presents the most efficient model for data sharing and transference, and provides a framework for establishing robust consent and security standards and requirements. This is dependent on the detailed consultation of the forthcoming draft rules. However, we believe that there are a number of aspects of the data access models and rules that require analysis and consideration before the CDR can be considered for implementation in the energy sector. We believe that the 2020 implementation date should not present a fixed deadline, and the date for implementation should not be constrained at the expense of robust assessment prior to implementation.

Please contact me if you would like to discuss this submission further.

Yours sincerely,

Emma White

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