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Australian Competition and Consumer Commission
Level 17
2 Lonsdale Street
Melbourne VIC 3000

Lodged via ACCC's Consultation Hub

RE: Consumer Data Right – Energy rules framework consultation

ERM Power Retail Pty Ltd (ERM Power) welcomes the opportunity to respond to the Australian Competition and Consumer Commission's (ACCC's) Consumer Data Right – Energy rules framework consultation.

About ERM Power

ERM Power (ERM) is a subsidiary of Shell Energy Australia Pty Ltd (Shell Energy). ERM is one of Australia's leading commercial and industrial electricity retailers, providing large businesses with end to end energy management, from electricity retailing to integrated solutions that improve energy productivity. Market-leading customer satisfaction has fuelled ERM Power's growth, and today the Company is the second largest electricity provider to commercial businesses and industrials in Australia by load¹. ERM also operates 662 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland, supporting the industry's transition to renewables.

<http://www.ermpower.com.au>

<https://www.shell.com.au/business-customers/shell-energy-australia.html>

General comments

ERM Power considers that the consumer data right (CDR) offers opportunities for innovation in the way certain customers interact with the energy sector, but these opportunities must be balanced with strong privacy and data security protections. In determining what data should be included in the CDR, it will be necessary to ensure that such information can be practicably obtained and forwarded by data holders, and that privacy concerns are appropriately addressed. It will also be important to ensure that the scope of the CDR is proportionate to the benefits available and does not create undue burdens that undermine the ability of data holders to serve certain customer segments.

Considerations around large energy users

We observe that many of the issues discussed in the consultation paper are framed in relation to mass market consumers, rather than large energy users. In this context, it should be borne in mind that requirements around eligibility, authentication, accreditation, and dispute resolution would likely need to differ between individuals and large energy users. For example, a large energy user may have multiple sites and/or share its site addresses with other business customers and may have various representatives listed on its account (e.g. account manager, procurement manager etc.).

¹ Based on ERM Power analysis of latest published information.



Intended benefits must be balanced against costs

In theory, there may seem to be benefit in the standardisation of large energy user data that can be the basis of new offers to these customers. However, we are concerned that the imposition of the sort of framework that is contemplated for mass market consumers to large energy users may impose an undue burden on data holders and potentially undermine efficient processes that optimise services provided to major energy users.

Large energy users, for which energy is a major business input and many of which are balancing twin objectives of reducing costs and meeting sustainability objectives, have very different drivers and requirements to mass market consumers. To meet these objectives, data holders have developed sophisticated processes and market insight to ensure that competitive offerings can be provided to large energy users in a timely manner.

We envisage that new processes and functions required for data holders to comply with a CDR in the context of large energy users are likely to be extensive and costly, and we question whether this new infrastructure could achieve an improvement on the already highly competitive offerings available to this customer segment. This is particularly relevant in view of any potential timeframes associated with CDR; for example, the provision of standardised customer data across a timeframe that could extend to 10 business days would effectively render this data redundant in the context of providing timely pricing quotes to major energy users.

If you would like to discuss this submission further, please contact Sarah Paparo on [REDACTED] or [REDACTED].

Yours sincerely,

[signed]

Libby Hawker
Senior Manager – Regulatory Affairs
[REDACTED]