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Sarah Court
Commissioner
Australian Competition & Consumer Commission
23 Marcus Clarke Street
Canberra 2601

Dear Sir/Madam

Submission: Consumer Data Right – Energy Sector Designation Instrument

InterGen Australia (**InterGen**) welcomes the opportunity to respond to the consultation on the draft *Consumer Data Right (Energy Sector) Designation 2020 (CDR Designation)*.

By way of background, InterGen is owned by InterGen N.V. and the China HuaNeng Group (**CHG**). InterGen and CHG are leading developers and operators of electricity generation facilities worldwide. In Australia, InterGen is the operator and majority owner of the 851 MW Millmerran Power Station and a 50% owner of the 840 MW Callide C Power Station, both located in Queensland.

Comments

InterGen's comments are limited to the definition of "customer" in the Designation. "Customer" has been defined in the Designation to give it the broadest possible meaning. It will capture any person (natural or otherwise) that purchases electricity. The Designation has not maintained the existing distinction in the energy sector between "small customers" and "large customers" (as those terms are defined under the National Electricity Retail Law).

InterGen supports the extension of the consumer data right (CDR) to the energy sector where it will enhance competition for consumers. However, it is not clear how a blanket extension of the CDR to capture all "large customers" (i.e. commercial and industrial businesses whose energy consumption exceeds the upper consumption threshold), or all retailers, will enhance competition or provide any benefit for certain customer types. For some customer segments, InterGen believes the extension of the CDR will simply give rise to additional costs for the retailer with no additional benefits.

Under InterGen's retail strategy, InterGen retails only to commercial and industrial users who are "large customers" with consumption significantly in excess of the 100 MWh "large customer" consumption threshold (Significantly Large C&I Users). InterGen's customers already have access to significant amounts of data (including real time data) and detailed reporting. InterGen's customers also typically engage brokers to manage their procurement process and usually their account for the term of their retail arrangements.

If the CDR is extended to all customers, InterGen is likely to incur significant compliance costs (initial and ongoing). There are also likely to be significant IT costs incurred to implement the IT system changes required to facilitate data transfers through the gateway to be operated by AEMO.

Extending the CDR to these large customers will however provide no additional benefits to this cohort or see any improvement to the energy data and reporting these customers already obtain.

InterGen is not alone in this retail space. InterGen is aware that there are several retailers who also retail only to Significant Large C&I Users on a similar basis to meet the needs defined by their competitive tender processes for energy procurement.

By defining “customer” as proposed, the application of the CDR to the energy sector will capture bespoke retailers such as InterGen who retail only to Significantly Large C&I Users. As stated above, such a broad-brush approach delivers no benefit to these customers but results in significant additional costs.

InterGen encourages Treasury to reconsider the definition of “customer” to limit it to customers below a specified consumption threshold. For consistency with the existing distinction in the energy sector, this threshold could be specified as the “large customer” threshold under the National Energy Retail Law. Alternatively, a higher consumption level may be specified, such as 1 GWh per annum, so that mass market C&I “large customers” can be afforded the benefit of the CDR if considered appropriate following the ACCC’s consultation on the Rules framework.

InterGen would welcome the opportunity to discuss this submission if you would find that helpful. If you have any questions on the issues raised on this submission, please contact Robert Pane on [REDACTED] or at [REDACTED].

Yours sincerely



Sam Bristow
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InterGen (Australia) Pty Ltd