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28 August 2020

Australian Competition & Consumer Commission
Consumer Data Right
Energy Rules Framework Consultation Paper

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Energy rules framework Consultation paper

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group or Powershop) thanks the Australian Competition and Consumer Commission (ACCC) for the opportunity to provide comments on the ACCC's Energy rules framework Consultation paper (the Paper).

Background on the MEA Group

MEA Group is a vertically integrated generator and retailer focused entirely on renewable generation. Powershop is an innovative retailer committed to providing lower prices for customers and which recognises the benefits to customers in transitioning to a more distributed and renewable-based energy system. Over the last five years, Powershop has introduced a number of significant, innovative and customer-centric initiatives into the Victorian market, including the first mobile app that allows customers to monitor their usage, a peer-to-peer solar trading trial and a successful customer-led demand response program.

Powershop has also been active in supporting community energy initiatives, including providing operational and market services for the community-owned Hepburn Wind Farm, supporting the Warburton hydro project, and funding a large range of community and social enterprise energy projects through our Your Community Energy program.

Please find below our responses to questions raised in the Paper.

Consultation questions: approach to data sets in energy rules

The ACCC has developed guiding questions for responses. You do not need to respond to each individual question and may decide to raise additional issues. Where possible, please explain your reasoning.

1. Do you agree with our proposed approach to data sets in the energy rules? Why or why not?

MEA Group agrees with the proposed approach to data sets in the energy rules. The ACCC has struck an appropriate division of datasets among relevant participants. MEA Group agrees that retailers are the appropriate data holder for the following datasets;

- Information about a customer or associate of a customer
- Billing information
- Information about an electricity or dual fuel retail arrangement as tailored to a particular person.

2. Considering the above discussion about potentially sensitive information, what data, if any, should be subject to specific arrangements (for example, during the consent process)? Should any particular sensitive data be explicitly excluded from the proposed data sets?

MEA Group would highlight that retailers hold particularly sensitive information about a customer's medical condition, through the life support registration process. Retailers also hold data on customers participating in a retailer's hardship program, or customers experiencing payment difficulties.

Furthermore, recent changes to regulation in Victoria require retailers to develop and implement a family violence policy. Processes associated with a family violence policy may result in a retailer holding especially sensitive information on a customer's circumstances. MEA Group consider that this sensitive data should be excluded from the proposed data sets, whether they fall under billing information or information about a customer or associate of a customer.

Consultation questions: approach to the Rules, standards and privacy safeguards to accommodate the gateway data access model

3. Do you consider the proposed approach to the gateway rules, standards and privacy safeguards appropriate for CDR in energy?

MEA Group considers that the approach to gateway rules, standards and privacy safeguards are appropriate for CDR in energy. Due to the nature of the way data is held and provided in the energy sector, the most logical approach is to use existing pathways to manage the provision and receipt of data. Further to this, model 1 proffered in the consultation paper is MEA Group's preference.

The balance between increased costs for retail businesses against the path of least resistance for customers is a fine line and with the retailer and the customer having an existing relationship, the CDR framework should leverage off this relationship as much as possible. MEA Group believes this framework must provide customers with more certainty in the process, rather than another customer-facing participant (AEMO in the case of model 2) requesting authentication.

7. How should any disclosure of voluntary consumer data work under the gateway data access model (see section 3.3.1 for discussion of voluntary data)?

The consultation paper does not provide examples of what 'voluntary consumer data' in the energy sector could include. As such, it is difficult to comment on how the disclosure of voluntary consumer data could work.

Consultation questions: eligible consumer

8. Do you agree with our approach to determining an eligible CDR consumer? Why or why not? What additional factors should we consider? In providing a response you may wish to address the following:

a) What are the risks and benefits of including minors as eligible CDR consumers? If minors are included, what additional safeguards are required (if any)?

MEA Group does not enter into contracts for the supply of energy with minors. MEA Group consider that there are likely to be inconsistencies in how market participants treat minors, which would lead to further complications under the CDR for the energy sector.

b) What use cases exist for retailer-held consumer data sets for inactive accounts? What changes to data holder obligations would be appropriate to facilitate this?

MEA Group does not believe there is a use case for the provision of retailer-held data sets for inactive accounts. MEA Group consider that the risk of providing incorrect or out of date information is high. MEA Group considers that inactive accounts should be excluded from a retailer's data holder requirements. Furthermore, different participants may retain different information. Under these circumstances, the provision of data on inactive accounts is likely unworkable.

d) Should any particular customers, such as large customers, be excluded from the initial scope of CDR in energy? How should our approach account for the spectrum of large customers (for example, significantly large customers versus mass market large customers)? What thresholds or definitions might we use in determining these customers?

State based thresholds already exist for determining a large customer. MEA Group considers that these thresholds are suitable and that large customers should be excluded from the initial scope of CDR. The datasets proposed are not fit for purpose for these consumers as they are likely in a bespoke contractual arrangement with their retailer, and the retailer held data sets for these types of customers is likely to vary from retailer to retailer.

Including large customers in the scope could also significantly increase system development costs given participants may maintain separate billing or customer relationship management systems for large customers.

9. Is our characterisation of energy joint accounts and energy nominated persons accurate?

MEA Group believes the characterisations applied in the Paper are not correct. Energy industry participants approach joint account holders differently depending on the participant, system capability, risk appetite and privacy positions.

Requiring industry to characterise joint accounts in the same way may have a range of unintended consequences which include but are not limited to additional system developments to better capture multiple account holders, redrafting of market contracts and terms and conditions.

10. Is our proposed approach to facilitating data sharing for joint accounts appropriate for the energy sector?

Please refer to our response to Question 9.

11. Should nominated persons or certain nominated persons be eligible CDR consumers?

MEA Group believes the criteria for a nominated person needs to be narrow. Financial counsellors, those with powers of attorney and others in similar circumstances, should be able to act on behalf of their client. However, commercial businesses who seek to profit off a dataset should be excluded to protect consumers privacy and avoid negative consequences for vulnerable consumers.

12. What particular arrangements exist for nominated persons who are able to transact on business accounts? Please refer to our response for Question 8(a). For the same argument with minors, retailers are likely to have their own approaches for the access that nominated persons have regarding business accounts.

Consultation questions: authentication

13. Do you agree that strong consumer authentication based on a redirect model is the correct authentication model for CDR in energy? If not, please set out your preferred alternative model, and the risks and benefits of that approach.

MEA Group considers that the strong consumer authentication, based on a redirect model is the correct authentication model for CDR in energy. Given the level of customer information that relevant data holders collectively hold, MEA Group agree that strong authentication will foster trust in the CDR.

15. What are the risks and benefits of allowing customers to engage with a redirect-based authentication model offline (for example, by telephone)?

MEA Group believes the key risk with an offline model is the lack of accountability and audit trail capability. It is vital that the risks of allowing customers to engage with a redirect-based authentication model offline are fully considered. MEA Group consider that a risk with an offline model is likely lack of consistency and alignment between different market participants for an end-user.

17. Do you agree with our preference to implement Model 1 as the authentication model for CDR in energy?

Please refer to our response for Question 3.

Consultation questions: dashboards

20. Of the three options for data holder dashboards, which do you prefer and why?

MEA Group's view is that option 3 would be the more desirable option as it will limit the already substantial system develop costs retailers and consumers will incur as a result of this change.

24. What consumer experience factors should we take into account with respect to how dashboards should be presented to CDR consumers?

MEA Group believes key consumer experience factors that should be adopted for dashboards are simplicity and ease of use. The process for a dashboard cannot be another complicated toolkit that erodes the ability of customers to engage with the wider industry.

Consultation questions: internal dispute resolution

25. Do you agree with our proposed approach to energy sector IDR? If you are an energy retailer, to what extent do you consider your current IDR processes as required under the Retail Law or Energy Retail Code meet Schedule 3, Part 5 of the Rules?

MEA Group's view is that dispute resolution procedures for energy market participants must remain as they are for they are energy sector specific in content and application. MEA Group believes it is unnecessary in this instance to align the CDR framework for energy procedures with the rules for banking, a materially different industry.

26. How important do you consider consistency of IDR approaches across sectors at this stage of the CDR regime?

With the material differences between the implementation of CDR in banking and the proposed framework for energy, consistency of IDR approaches across sectors is not a key consideration in MEA Group's view.

Consultation questions: phased implementation

28. What do you consider is an appropriate measure of retailer scale to justify being brought within scope of CDR in energy?

MEA Group consider that option 1 presented in the consultation paper is suitable. AEMO, the largest incumbents and local incumbents are an appropriate first tranche. MEA Group does not have a view on how to separate out both tranche 2 and other excluded data holders.

29. Should we apply a different measure of retailer scale for retailers serving large customers?

MEA Group consider that large customers should not be included in the CDR framework for energy.

31. Which of the options for the phasing of data holders do you prefer? Why? Do any of the above options present any significant issues that we should be aware of?

Please refer to our response to Question 28.

32. What are the costs and benefits of phasing in retailers for the purposes of facilitating authentication only, in particular if this occurs at an earlier date than the date at which they must be able to fully participate by serving data into CDR?

MEA Group consider that the phased approach put forward in the consultation paper provides smaller retailers with the flexibility required to implement such a major reform. While some smaller retailers may find it prudent to fully participate from the earliest date, the cost of requiring full participation from the earliest date could be significant, depending on the scale and sophistication within each retail business.

33. Do you agree with our proposals to permit data holders to come into the regime early on a voluntary basis, and to phase data holders into the regime earlier than scheduled if they become accredited?

Yes, for data holders who are ready and willing to participate early, the staged implementation should not act as a barrier to entry.

Consultation questions: issues relating to accreditation

Energy data

34. Do you agree that energy data sets are less sensitive than banking data sets?

Please refer to our response for Question 2.

35. Should any energy data sets, or subsets of those data sets, be treated with a higher degree of security (due to potential sensitivities), similar to banking data?

Please refer to our response for Question 2.

We look forward to working with the ACCC on further consultation for the energy rules framework before a draft determination is provided. If you have any further questions, please do not hesitate to contact me.

Yours sincerely,



James Ell
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