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Consumer Data Right Division  
Australian Competition and Consumer Commission  
23 Marcus Clarke Street  
CANBERRA ACT 2601

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Dear Sir/Madam

### **Consumer Data Right in Energy – Consultation Paper**

Origin appreciates the opportunity to provide input into the ACCC's review of data access models to implement the Consumer Data Right (CDR) in the Energy Sector. This follows the Commonwealth's decision to establish a CDR in the energy sector to assist third parties and consumers in using their own meter and standing data to compare and select energy solutions and their providers.

In principle, Origin supports the proposed 'Gateway Model'. This model allows the energy sector to leverage existing systems and provides a single contact point for accredited third parties to seek data. This model will also improve the efficiencies in which third parties receive the requested data.

The ACCC has been tasked with determining the appropriate CDR data access model for the energy sector. The ACCC is seeking views on the merits of each of the following three potential models<sup>1</sup>:

- *Model 1: Centralised Model.* AEMO would be the sole data holder of a centralised set of data. Data holders would be required to provide regular (i.e. daily) uploads of all data sets.
- *Model 2: Gateway Model.* This model provides for a 'gateway' function whereby AEMO would seek CDR data from data holders (which may include retailers and potentially distributors), collating this data and providing the data to an accredited third party. The model has provisions to allow AEMO to also be a data holder (i.e. for data such as NMI standing data or meter data) for providing CDR data directly to accredited third parties.
- *Model 3: Economy-wide Model.* This model sets out that existing data holders would be responsible for providing CDR data directly to accredited data recipients and/or consumers. This is the model that has been adopted by the banking sector.

In principle, Origin supports Model 2 – the 'Gateway Model'. While Origin supports the Gateway Model, we have identified the following key issues that require further review and industry consideration:

- Certainty of the role of AEMO as to whether AEMO will be designated as either a 'data holder' or a 'gateway' for the differing data sets;
- Industry solution to how a cost efficient and streamlined process for authentication can occur;
- Data sets that will be designated under this model and the timeframes for designation; and
- Timing for commencement of the CDR framework in the energy sector.

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<sup>111</sup> ACCC, Consumer Data Right in Energy, Consultation Paper: data access models for energy data, p7.

The reasons we believe the Gateway Model is preferable for the energy sector is set out below as well as our views on the above-mentioned issues.

In addition, our response to specific issues raised in the Consultation Paper are provided at **Attachment 1**.

### **The Gateway Model - Preferred model in the energy sector**

The energy sector differs from the banking sector in that the unique identifier of a person's consumption data is a meter; which is not unique to the person themselves but the property at which they are consuming energy. The energy retailer is the only person in the market today who can match a meter number (National Meter Identifier or NMI for electricity) with the authorised person. However, across a year, the same person could have different retailers at a single house (NMI).

By contrast, in banking, a person's account only includes that person's transactions. If they move their account from one bank to another, the transactions stop at the first bank and then start up at the next. No-one new starts accruing new transactions in the closed account at the first bank. Energy is unique in how it requires a combination of verifications to identify both the authorised person and their meter number to access consumption data; at all relevant properties within a time period. If the economy-wide model (Model 3) was to be implemented in the energy sector, accredited parties may need to approach multiple retailers or other parties to collate data for a time period. This would not appear to be efficient nor provide for a streamlined customer experience.

It is not practicable for energy retailers just to transfer data to AEMO either. This is the proposal in Model 1- Centralised Model. Consumers churn (change retailers), move, and update contact and account details daily. If AEMO were to be the CDR data holder, then retailers and other market participants would be forever updating AEMO's records to keep them up to date; but there would always be a risk of a timing mismatch between that data update and processing a consumer data request. The result could be a consumer receiving consumption data for a property that is not actually theirs. Receiving incorrect data would not deliver a positive consumer experience and could have privacy law implications.

The most practicable way to avoid this mismatch of data and provide for a positive customer experience is for energy retailers (or other market participants) to provide data through a Gateway Model (Model 2). Upon request, AEMO can validate which retailer was financially responsible for a NMI for any defined period and direct a data request to each relevant retailer for the period the retailer was responsible. Validations would need to occur and, once confirmed, provide AEMO with their proportion of the data set. AEMO can then provide the various data sets to the authorised representative. If AEMO was already the data holder (i.e. for meter data), AEMO would validate with the retailer that the customer was in the premises for the time period for which the data was requested.

The sharing of data between the data holder and AEMO could be conducted through the use of Shared Market Protocols (SMP) transactions through the e-hub. SMP transactions allow a request and response to be created with known (and agreed) standards, formats and data sets. Once these standards have been agreed, the e-hub could be supported by web-based APIs that enable 'on demand' provision of various energy data sets to AEMO and then to accredited third parties.

An outstanding question with each of the models is the proposed authorisation process that will occur so that it is verified that the customer requesting the data is who they say they are and that they resided at the given residence for the defined period. Developing a streamlined and efficient process will be an important element to the operation of the model. Origin understands that authorisation will occur as part of the development of the CDR Rules.

### **'Gateway' versus 'Data holder' designated roles for AEMO**

The CDR legislation enables an entity to be designated as a 'gateway' to facilitate the transfer of CDR data between data holders and accredited data recipients. The same entity can also be designated as a 'data holder' for certain data sets. However, the same entity cannot be designated as a 'data holder'

and a 'gateway' for the same data sets. That is, AEMO could be designated as a 'data holder' for NMI standing data and also designated as a 'gateway' for data sets such as customer details and retail product data. With this example, AEMO could not be designated as both a 'data holder' and a 'gateway' for NMI standing data.

For roles in which AEMO has been designated as a 'gateway' it would source the CDR data that it does not already hold from data holders and act as a pipeline for the provision of that data to accredited data recipients. If AEMO is designated as a 'data holder' for its own data holdings (i.e. NMI standing data), it would be acting as a gateway in the sharing of this data to accredited data recipients and would not be sourcing this data from other market participants. The CDR obligations on a 'data holder' are more extensive than those that apply to designated gateways.

Given AEMO could take on various roles within the framework. It needs to be clear and transparent prior to the commencement of the CDR scheme the role that AEMO will take in the data access model. A concern arises that AEMO may be designated as a 'gateway' for meter data when the scheme commences and then the designation amended to designate AEMO as a 'data holder' for the same data set. AEMO is likely to hold meter data required under the scheme once global settlements is implemented.

If it is deemed that AEMO should be designated as a 'data holder' for certain data sets, the data should only become part of the scheme once the data holder has the relevant capabilities to provide the data. We do not support interim, short term changes to the framework that only provide 'band aid' solutions. Changes to systems and processes are timely and costly. This is particularly the case with the design and building of APIs for each of the data sets. Costs incurred will ultimately be passed onto consumers.

It is Origin's view that the roles of 'data holder' and 'gateway' should be made clear prior to the commencement of the scheme and data sets delayed from being part of the scheme until the ultimate data holder is able to take on this role.

### **Authentication Process**

There is an open question as to how the authentication process will occur in a CDR world. Authentication is the process of verifying that the customer did provide the accredited third party its consent to release the data.

Authentication is complex given the potential for multiple 'data holders' providing data and the potential for AEMO to be designated both as a 'data holder' and 'gateway' for different data sets. The authentication process as proposed under Model 2 may require a consumer to authenticate with multiple 'data holders' and for each 'data holder' to build authentication capabilities.

Origin questions whether greater efficiencies would be achieved through each of the 'data holders' providing the information required for verification to a central source at the time of each data request and then this central source conducting a coordinated authentication process. Another option would be for the Rules to provide for clear, simple steps that are required to authenticate with the customer requesting the data.

Origin believes that the authorisation process will be important to the efficient operation of the model and detailed consideration will need to be given to this as part of the development of the Rules framework.

### **Data Sets to be Designated**

There is an open question as to the data sets that will be designated under the scheme and the timeframe in which these will be designated. Proposed data sets include<sup>2</sup>:

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<sup>2</sup> ACCC, Consumer Data Right in Energy, Consultation Paper: data access models for energy data, p19-20.

- National Metering Identifier (NMI) Standing Data - contains a range of identifying information and information relating specifically to the connection including NMI, network tariffs, average daily load, the presence of controlled loads and metering installation. This is information returned in a NMI Discovery Search 2;
- Metering Data - metering data is a record of the actual energy use at the premises. Metering data is held by retailers, distributors and meter data providers. AEMO does not currently hold all metering data. Recent changes to the NER means AEMO will hold the data as part of global settlements implementation;
- Customer Provided Data - this is any data submitted by the customer themselves such as contact phone number and postal address;
- Billing Data - this data is in relation to historical billing data and is held mainly by the retailer;
- Retail Product Data - this is general information relating to energy products/plans; and
- Distributed Energy Resources Register - this relates to equipment like solar energy resources or batteries that are connected to the grid<sup>3</sup>.

Origin supports NMI standing data being a data source under the CDR scheme and for it to be included as an initial data set. Origin notes that it is proposed that the fields to be returned are those that can be found under a NMI Discovery Search 2 of CATS standing data<sup>4</sup>. In addition to these fields, Origin suggests that both the NMI and address should form part of the return data. It will be important to ensure there is a match between the data requested and the data returned.

The timing for which meter data is included under the scheme requires consideration. It needs to be decided prior to the commencement of the scheme as to whether this is a role the relevant data holder will take on or whether AEMO will be designated as a 'data holder' for metering data. Currently, AEMO does not have all consumption data at the appropriate levels that customers require for the scheme, but it is understood that AEMO will have the required data when global settlements is operational, if implemented. The role that AEMO will take with meter data will influence the timing as to whether it will form part of the initial data sets for CDR or whether meter data will be phased in once global settlements is operational.

The inclusions of other data sets require further consideration and investigation. The data sets to be designated need to be of value to the customer and the benefits and costs of each of the data sets analysed. It is noted that data sets, such as the distributed energy resources register, are only in the consultation phase of development.

### **Timing for commencement of the CDR in the energy sector**

The implementation timing of early 2020 for the energy sector is ambitious. Legislation has yet to be passed and rules and standards are still to be determined for the energy sector. Once these framework elements have been determined, system changes and testing need to be conducted. Origin believes that we should take the time to gather learnings from the banking sector (with implementation likely to be delayed) and make sure the energy model is operationally efficient.

### **Closing**

Origin supports effective competition and the implementation of a Gateway Model in the energy sector. However, there is currently a high degree of policy uncertainty and market change underway in the energy sector. It is important that these issues are carefully considered as part of the implementation of the CDR to provide consumers with a positive user experience while also promoting effective competition in the sector.

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<sup>3</sup> ACCC, Consumer Data Right in Energy, Consultation Paper: data access models for energy data, p19-20.

<sup>4</sup> ACCC, Consumer Data Right in Energy, Consultation Paper: data access models for energy data, p19.

If you would like to discuss any aspect of this submission, please contact Caroline Brumby on (07) 3867 0863 / [Caroline.Brumby@originenergy.com.au](mailto:Caroline.Brumby@originenergy.com.au) in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Greenup', written over a light grey rectangular background.

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## **Attachment 1: Responses to Specific Questions Raised in the Consultation Paper**

***Question 1: Are there any other assessment criteria or relevant considerations which the ACCC should use to determine a preferred model for consumers to access their energy data under the CDR?***

Origin broadly supports the criteria identified by the ACCC in assessing the appropriate CDR model for the energy sector. Key criteria for Origin in assessing the models include:

- Customer focussed;
- Ability to leverage or utilise current systems and processes;
- Low cost and cost efficient;
- Promotes competition;
- Encourages innovation; and
- Is efficient and fair for all market participants and consumers.

In deciding on the most appropriate market framework for CDR in the energy sector, the ACCC will also need to take into account the potential volume of data requests and flows. It is to the market's detriment if sophisticated systems are built for low volumes of data transfers. This will result in customers paying a premium for their right to access data.

***Question 2: Having regard to the assessment criteria, what are the advantages and disadvantages of each of the models?***

The policy preference is for consumers to have a single touch point to request their CDR data, which may come from multiple market participants including retailers, distributors or meter providers. Origin believes that the Gateway Model (Model 2) would best meet these criteria. The advantages and disadvantages of each of the suggested models are discussed below.

### ***Model 1 – Centralised Model***

This model proposes that energy data holders (i.e. retailers, distributors and meter providers) would build systems to provide CDR data to AEMO for centralised storage of all the CDR data. AEMO would then be responsible for providing CDR data directly to data recipients. Origin does not support this model.

Origin does not believe that it is practical for multiple parties (i.e. retailers, distributors, meter providers) to consolidate data information into a single data repository. Data is constantly being updated, be it due to customers moving home, changing retailers, changing energy plans, changing the authorised person on an energy account, changing mailing address or the re-billing of an account. Establishing and maintaining a 'global' database and requiring a constant information flow between the data holders and a consolidated data repository to maintain an accurate database would be inefficient, expensive, time consuming and would have limited value.

Advantages and disadvantages of Model 1 are set out below.

#### Advantages:

- the model provides a single point of contact for accredited data recipients; and
- model would not require AEMO to be accredited as a data recipient.

#### Disadvantages:

- AEMO as the sole 'data holder' in the energy sector would be required to comply with all rules and standards. Compliance costs could be significant;
- each market participant would need to build capabilities to communicate/transfer the required information;

- AEMO would need to hold all data required to fulfil a request under the CDR. This includes customer contact data in order to verify consent;
- AEMO would need to build and somehow store consumer details for both residential and small business customers. It is unclear whether there are capabilities to do this through NMI standing data;
- system capabilities would need to be developed to be able to provide up-to date billing and retail product information on a daily basis;
- data transfers always have exceptions. Exceptions as meter data has been replaced, a transfer has been cancelled or incorrect matching of details. All these exceptions have to be manually actioned. There would be a nightly compounding impact to the number of exceptions that would need to be manually actioned;
- increased security and privacy risks with one party holding all data; and
- greater risk of AEMO providing incorrect data if a market participant has not updated the data to the central model in a timely manner.

### ***Model 2 – the Gateway Model***

Origin supports this Model. However, further consideration is needed on the authentication process as well which data sets and when these data sets will be designated.

This model requires that AEMO will build a 'gateway' through which AEMO, on behalf of energy data holders, would provide CDR data to accredited data recipients. This will require data holders to develop web-based APIs that enable 'on demand' provision of various energy data sets. The data holders may include energy retailers, distributors and potentially government-provided energy comparator services.

Under this model, AEMO could also potentially be designated as a data holder for some data sets. To the extent that AEMO was designated as a data holder for any of the data shared through the gateway, it would be subject to the CDR obligations that apply to data holders rather than the CDR obligations that apply to gateways. As discussed in our submission, the role of AEMO needs to be made clear.

Advantages and Disadvantages of Model 2 are set out below.

#### Advantages:

- single point of contact for accredited third parties;
- data holders only need to build a closed API with AEMO and not an open standard API for third parties to access. Open APIs have greater security risks; and
- leverage AEMO's IT capability, and potentially also leverage AEMO's existing IT B2B e-hub.

#### Disadvantages:

- further work is required to determine the infrastructure build as it is not clear the extent of system changes required. I.e. APIs will need to be built for the different data sets;
- potential that each data holder will need to authenticate with the customer prior to the data leaving the gateway. This may require additional system and process requirements to satisfy this requirement; and
- increased risk of a single point of failure.

### ***Model 3- the economy-wide CDR Model***

This model would involve accredited third parties directly contacting the data holder responsible for collection and management of relevant data sets. AEMO and accredited third parties may also

become 'data holders' under the scheme. All market participants would be required to build APIs for the delivery of data to accredited third parties. This is the model adopted for the banking sector.

Advantages and Disadvantages of Model 2 are set out below.

Advantages:

- retailers currently hold most of the data that would be envisaged under the CDR. So, it could be the case that only retailers need to fulfil this role.

Disadvantages:

- no single point of contact;
- relies on more than one party to authenticate and provide data directly to accredited data recipients;
- each designated data holder would need to develop an API interface for accredited third party to access the data;
- API interfaces would need to be designed to the open standard used for the CDR, and middleware may be required to connect the APIs to legacy systems; and
- an accredited party may need to request data from multiple parties in order to obtain a comprehensive data set. This potentially slows the data collection process.

***Question 3: What are the likely implementation/compliance costs for market participants (including accredited data recipients) under each of the models, including costs associated with IT system changes or data storage?***

Origin does not believe that this can be estimated until scoping and capabilities of current systems are carried out and Industry has a sense of the scalability of current systems.

If current systems are leveraged, Origin anticipates that the costs are likely to be the least with Model 2 given that the model largely enhances current systems to allow for the transfer of the relevant data. The final authentication model is also likely to impact on costs.

***Question 4: What additional requirements should the ACCC consider including in the CDR rules for the energy sector if the gateway model is adopted?***

As discussed, the authentication process will form an important part of the chosen model. The Rules will need to consider and document a process for authentication as well as authorisation and consent.

Dispute resolution will also need to be considered in the Rules. It is not clear how complaints against accredited third parties and AEMO would be dealt with. This also needs to be considered in the event that AEMO are designated as a 'data holder'.

Current Energy Ombudsman Scheme members are energy retailers and distributors only. Energy retailers and distributors pay the costs of operating such a scheme. AEMO and other regulators are not part of such schemes and there is currently no ability in the Ombudsman mandate to include Government bodies.

Origin believes that if data complaints are to be dealt with by Jurisdictional Energy Ombudsman Schemes, the scheme would need to be extended to these additional parties. This is to ensure:

1. participation, enforcement of decisions and ensure customers receive the benefits of such a scheme. Without a mandatory membership of the Scheme, response 'opt in' levels will be low (or zero). This has been the case in both New South Wales and South Australia where, for example, embedded network membership has been optional; and



2. They become financial members of the Ombudsman Schemes. Non-memberships have the potential to lead to cross-subsidy issues where members will need to cover the cost of investigations for issues related to non-members.

**Question 5: What emerging technologies do stakeholders believe will have an impact on the energy sector with respect to the CDR?**

The final model should not preclude the emergence of new technology or parties developing their own solutions to deliver data to consumers.

Solar and batteries may impact on energy solutions and the value of the data. Solar and batteries may not rely on metering data and rather exporting and importing data may be more important.

**Question 6: What are the cost differences to participants of providing data once a day (to an AEMO repository) or on demand?**

We believe these will be significant. Once a day downloads of data requires system capabilities to be able to transfer a significant volume of data at the one time. Daily transfers will also result in a volume of exceptions that would require manual intervention. Exceptions may arise as the meter data a retailer is trying to transfer has been replaced with an actual read or a customer was due to transfer out and the transfer was cancelled. Manually responding to exceptions is extremely labour intensive and costly.

Responding on a “on demand” basis ensures the most relevant up to date data is provided. It would be a less labour-intensive process to match NMI’s and other details and allow for exceptions to be dealt with in a timely manner.

**Question 8: Are there any other issues that stakeholders wish to raise?**

**Designation of Data Sets to not include ‘value added’ data**

Origin raised concerns with the proposed definition of CDR data in the *Consumer Data Right Bill* given the definition included reference to ‘derived data’ and the potential for this definition to capture value added data. We appreciate in some industries derived data may be relevant from a CDR perspective, but we don’t believe derived data should be included in energy.

Data sets need to be specific and very clearly defined in the energy sector. The scope of derived CDR data should be limited to that derived as a result of work necessarily performed in delivering or providing a CDR consumer a particular product or service.

Limiting CDR data to well-defined data sets would provide the best level of clarity. Clearly defined data sets will open up businesses to continue to pursue innovation and product development without the concern that a competitor may end up with access to that underlying analysis and gain commercial insights at their expense. Given the objective of the CDR framework is to open up data access to promote competition and better outcomes for consumers, it would be unfortunate if the framework itself hindered that very innovation and market development.

**Timing for the commencement of the Scheme**

The implementation timing of early 2020 for the energy sector is very ambitious. Legislation has yet to be passed and rules and standards are still to be determined for the energy sector. Once these framework elements have been determined, system changes and testing need to be conducted. This will all take time and it should not be a process that is rushed.

A rushed implementation may hurt the reputation of the industry and result in a poor customer experience. The implementation of the Power of Choice reforms is an example of how a rushed

implementation did not deliver the desired benefits to customers. It has taken costly system and process iterations to work towards the desired benefits. We should take learnings from this process.