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Response through ACCC consultation hub

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Response to ACCC consultation paper on data access models for energy data

Redback Technologies is a technology company focused on the development of advanced, low cost solar solutions for residential and commercial users. Redback's innovative hardware and software technologies assist customers to capture, store and manage solar energy, delivering an accelerated return on investment and enabling greater penetration of renewables on the grid.

We support initiatives which allow customers to make better, informed decisions on their energy use - either through accessing information directly, or through engagement of third party providers to assist them with decision making.

On this basis, there would appear to be merit in understanding the delta in costs between an AEMO gateway for existing NEM standing and metering data (all owned by AEMO) and the costs of additional information being passed through via API by retailers (billing and retail product data). To the extent that AEMO really aggregates data from existing retailers on standard formats, the inclusion of additional data streams from retailers may result in a decentralised model (model 3) being lower cost overall. Particularly where this can be a pull function from the customer/third party rather than a push function of all available data.

Moving forward, more needs to be done by the ACCC to ensure the lowest cost method is employed. Customers are the ultimate bearers of costs of any data access framework employed. Unlike the finance sector, the link between an increasing volume of data that is available and benefits that customers may receive through access to the data has not been fully developed.

We have some concerns that the development of substantive data tables are proceeding without first developing the customer use case or benefit. In our view this puts the cart before the horse. We firmly believe and want customers to benefit from greater direct or third party access to energy data. By focussing on the data that provides the greatest benefit, the ACCC can reduce the overall cost of compliance and deliver benefits to customers, sooner.

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?

The assessment criteria must consider current and future regulatory arrangements to ensure recommendations and timing are integrated with future reforms. In particular we note current consultation on retailer obligations, transition to 5 minute settlement, AEMO's DER register, VPP arrangements and Open Energy Networks. All of these consultations will change the data

flows between participants. The consumer data right cannot be developed in isolation of these reforms.

We also believe that there needs to be a clear fit for purpose criteria within the ACCC's criteria. With the advancement of technology, the energy sector is likely to record increasing volumes of data. Obligations to store and report information will come with a cost ultimately borne by consumers. On this basis there needs to be a clear link between the customer benefit and data subject to the consumer data right. Customers are less likely to pay for data for reporting or research sake only.

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

Subject to further analysis of costs, we believe the third model provides the best value in terms of cost and efficiency. This is the model most consistent with the banking sector and is likely to be the least cost, with costs more directed to those seeking benefit from the data.

Most of the data that would benefit customers is sourced by AEMO from retailers and meter data providers and is already provided in standardised form. However, there would be costs to AEMO developing a gateway functionality to expand the level of data requirements and specifications for an API for both data recipient and data holder. This would need to cover the information AEMO already receives but also addition information that retailers do not provide. Model 2 therefore not only creates a "double hop" it also creates a single point of failure in the process and additional cost by including a middleman in the data retrieval process.

Model 3 allows AEMO to focus on its core functionality as market operator but can operate as both a data holder and recipient under model 3. Regulation of the transaction flow can be undertaken by the AER or ACCC.

Energy data is likely to be more complex than arrangements for banking, meaning that access is likely to be made through specialised accredited data recipients rather than directly by customers. Motivated ADRs are likely to query the data holders in the same way they would query a gateway using a similar interface. Motivated ADRs will also likely develop systems to integrate different data sources at a lower cost to a gateway service which attempts to integrate all data sources for every customer.

While we express an early preference for option 3, the ACCC has not provided sufficient information to form a view on the merits of each of the models. As we outline in our response to question 3 below, more needs to be done to fully understand the costs of such a model.

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?

With such an important reform, it does not seem sufficient for the ACCC to merely consult the sector on their views of cost impacts and avoid a more in-depth independent analysis of the total supply chain cost to support its decision.

We recommend that costs and benefits should be analysed in more detail through direct discussion with retailers and AEMO to ensure the ACCC is clear on the relative costs of compliance. This would include information that AEMO already has at hand as well as new sources of information relating to billing and product data that would need to be transferred via API to the gateway.

It is unclear how other data would be incorporated at this stage. The preferred model has been influenced by recommendations from the ACCC's consultant that the incremental costs of designating AEMO as the only data provider would be around \$1.3 million to \$4.6 million in present value terms over the next 20 years. What is not clear is whether these costs were estimated in collaboration with AEMO or even if AEMO agrees that the costs are likely to be within this range. It is also not clear whether the costs of additional information being transferred to AEMO was considered in this incremental cost.

The risk is that, without properly understanding of the total sector cost of making data for each customer available through a gateway there is no ability for customers to make an informed view of how much information should be made available (and the appropriate party to which information should be made available).

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

We believe fit for purpose rules to need to be established for data provision and access, so that there is a clear link between the data and the consumer benefit. This ensures that focus is given to processes that provide direct and immediate customer benefits (given customers are the ultimate bearers of the costs) rather than placing a primary focus on accessing all types of data with or without a customer use case.

Sincerely

A handwritten signature in black ink, appearing to read 'Brendon Crown', with a long horizontal flourish extending to the right.

Brendon Crown
Director – Market Development