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Australian Competition and Consumer Commission  
Consumer Data Right in Energy – Consultation  
[ACCC-CDR@accc.gov.au](mailto:ACCC-CDR@accc.gov.au)

Dear Sir/Madam

## **CONSUMER DATA RIGHT – CONSULTATION ON DATA ACCESS MODELS FOR THE ENERGY SECTOR**

The Western Australian Department of Treasury's Public Utilities Office welcomes the opportunity to comment on the Australian Competition and Consumer Commission's (ACCC) consultation paper on possible data access models for the energy sector.

The assessment of the proposed data access models against 'Criterion 6: Flexibility and Extensibility' is of particular interest to Western Australia, given the specific characteristics of the State's energy markets. In this context, Treasury provides the following comments on matters relevant to the application of the Consumer Data Right framework in Western Australia.

### **Adoption of Consumer Data Right in Western Australia**

While supporting the application of the Consumer Data Right to data sets related to National Energy Market (NEM) jurisdictions, the Council of Australian Governments Energy Council noted that the case for applying the Consumer Data Right regime in jurisdictions outside the NEM may vary because of differing local energy market arrangements. The Public Utilities Office supports this view.

The Public Utilities Office also notes that section 56AS of the draft of the Treasury Laws Amendment (Consumer Data Right) Bill 2018 states that the Consumer Data Right will not apply to State and Territory government-owned entities, unless otherwise agreed with the relevant State or Territory government. The large majority of Western Australian electricity consumers are supplied by government-owned corporations.

Although the need for improved access to energy data has been identified as a priority in eastern Australia, the case for similar action in Western Australia has not yet been explored.

There is no known significant impediments to customers, or authorised third parties, accessing electricity or gas data under Western Australia's existing arrangements.

Under current market arrangements, the Public Utilities Office is of the view that the extent of consumer benefits expected from the implementation of the Consumer Data Right in Western Australia, regardless of the access model utilised, is likely to be narrow, particularly in the electricity sector. The absence of retail competition for a large electricity customer segment presents limited utility in retail price data being captured by the Consumer Data Right regime.

There also appears to be little benefit in identifying interval meter data under a Consumer Data Right regime, given the very limited number of electricity customers who have access to advanced metering infrastructure. Western Australian customers who have advanced metering infrastructure are already able to access their interval data via their retailer's website or app.

In light of the above, the adoption of the Consumer Data Right in Western Australia at present would likely be costly, with few end benefits to consumers.

The Public Utilities Office looks forward to working with the ACCC and all Western Australian energy stakeholders to ensure that full consideration is given to Western Australia's energy arrangements in assessing the process and timing of a future adoption of the Consumer Data Right in the State.

**Attachment 1** provides further detail on Western Australia's energy market arrangements.

### **Proposed Data Access Models**

If the Consumer Data Right framework was to be applied to Western Australia's electricity data sets, the proposed data access Models One and Two would not be considered optimal, given the State's existing electricity market arrangements.

Model One, the Australian Energy Market Operator (AEMO) centralised model, is predicated on national energy legislation facilitating transfer of data to AEMO. The Western Australian regulatory framework would require amendments to support this model.

Model Two would see AEMO act as a gateway facilitating the exchange of data between data holders and accredited data recipients, leveraging the AEMO's existing data infrastructure. This model would also likely require regulatory amendments to support its implementation in Western Australia.

The Western Australian Government is yet to undertake a detailed assessment of the regulatory changes to existing market and regulatory frameworks that would be required under Models One and Two.

Model Three, a decentralised model, builds on the status quo whereby energy consumers or authorised third parties can receive data directly from their retailer or distributor, with additional system improvements being provided by the Consumer Data Right framework. It would be expected that this model would not present the same regulatory barriers as Models One and Two, as it builds on data exchange channels already in place in Western Australia.

The cost of applying the Consumer Data Right to energy data sets in Western Australia, regardless of the access model used, will be different to those expected under the NEM framework due to differing data management and sharing arrangements. Detailed analysis is required to understand the cost and benefits of applying the Consumer Data Right and any regulatory amendments to support its implementation in Western Australia.

If you would like to further discuss any aspect of this submission, please contact Ms Nerea Ugarte, Director, Public Utilities Office on 08 6551 4662 or email [nerea.ugarte@treasury.wa.gov.au](mailto:nerea.ugarte@treasury.wa.gov.au).

Yours sincerely



Zaeen Khan  
EXECUTIVE DIRECTOR  
PUBLIC UTILITIES OFFICE

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## WESTERN AUSTRALIAN ENERGY MARKETS

### Customer Base

The State Government-owned corporations, Western Power and Horizon Power, are responsible for transporting and distributing electricity in the South West Interconnected System (SWIS) and in areas outside of the SWIS respectively.<sup>1</sup>

There are approximately 1.1 million customers supplied by Western Power<sup>2</sup> and 48,000 customers supplied by Horizon Power.<sup>3</sup> In comparison, there are around 9 million customers in the NEM.

The State Government-owned corporation Synergy is the largest licensed retailer in the SWIS, while Horizon Power is currently the only retailer for customers in the area in regional and remote communities outside of the SWIS.

In the SWIS, electricity customers are classed as either contestable or non-contestable. Contestable customers have a choice of electricity retailer, while non-contestable customers do not. Non-contestable customers are small use business and residential customers who consume less than 50 megawatt hours per annum and can only be supplied electricity by Synergy. Contestable customers are able to choose their retailer.

In 2016-17, there was a total of 1,112,026 small-use customers<sup>4</sup> in Western Australia. Of these customers, 1,060,806 were supplied by Synergy and 47,992 customers were supplied by Horizon Power. The remaining 3,298 customers were supplied by other licenced retailers.<sup>5,6</sup>

There is limited advanced metering infrastructure within the SWIS, with approximately 10,000 communications-enabled advanced meters. Horizon Power has installed approximately 47,000 advanced meters across its service area and customers are able to access interval meter data sets via Horizon Power's website or app.

ATCO Gas Australia operates the main gas distribution system in Western Australia.<sup>7</sup> In 2016-17, there were approximately 750,000 connections, of which 718,483<sup>8</sup> were small-use gas customers.<sup>9</sup> There is full retail contestability in the Western Australian gas market.

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<sup>1</sup> There are several regional mining towns serviced by retail and distribution licence-exempt mine operators.

<sup>2</sup> Western Power Annual Report 2018, p.3.

<sup>3</sup> Horizon Power – Annual Report 2017/18, p. 2.

<sup>4</sup> Small-use customers consume less than 160 megawatt hours per annum.

<sup>5</sup> As at March 2019, there were 31 licenced electricity retailers in Western Australia.

<sup>6</sup> Economic Regulation Authority, *2017 Annual Performance Report – Energy Retailers*, p. 7.

<sup>7</sup> Kleenheat and EGDC also supply around 3,700 customers on three small distribution networks they own.

<sup>8</sup> Economic Regulation Authority, *2017 Annual Performance Report – Energy Retailers*, p. 10.

<sup>9</sup> Small-use gas customers are those customers who consume less than 1 terajoules of gas per annum.

## **Customer Access to Data**

Similar to the NEM, Western Australia has existing arrangements that enable energy consumers and their agents to access their data on their behalf. For example, the *Electricity (Industry) Metering Code 2012* imposes obligations on Western Power to provide customers energy or standing data. Furthermore, electricity and gas small-use customers can access data in accordance with the *Code of Conduct for the Supply of Electricity to Small Use Customers* and *Compendium of Gas Customer Licence Obligations* respectively.

Western Power, Horizon Power, and Synergy, who are the primary data holders of electricity meter, standing and personal data sets, have already invested in establishing processes that allow customers (and their authorised third parties) to access electricity data in accordance with existing regulatory arrangements.

## **Data Sets and Data Holders**

In Western Australia, electricity standing and meter data is held by either Western Power or Horizon Power, while ATCO holds the majority of gas customer standing and meter data. Unlike in the NEM, while AEMO has access to gas standing and metering data, it has very limited access to electricity data in Western Australia.<sup>10</sup>

Similar to the NEM, Western Australian electricity and gas retailers hold standing, metering and customer data, and are the only entities that hold customer and billing data.

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<sup>10</sup> AEMO holds gas standing and metering data via its Full Retail Contestability Hub; and limited electricity standing and metering data via its Wholesale Electricity Market System.