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Submission on Energy rules framework consultation

About WATTeVer

Founded in 2017, WATTeVer is a whole of market online electricity comparison service for residential and small business consumers. We also provide a Retail Pricing Data and Analytics service to electricity and gas retailers and other businesses in the sector. Our comprehensive electricity comparison service includes all publicly-listed generally-available electricity plans from all retailers in contestable and non-contestable networks in Australia. We are also the largest publisher of retail pricing data for consumers to browse from general usage, time of use and controlled load rates to daily supply charges and solar feed-in tariffs.

We created WATTeVer in 2017 because neither the commercial nor Government comparison services supported the full range of electricity consumers, with solar owners being largely unsupported when it came to receiving accurate electricity comparisons. By valuing solar feed-in tariffs and concessions and supporting the broadest range of tariffs and plans including demand tariffs, VPP and electric vehicle plans we aim to support the widest range of consumers to find the best electricity deals for their circumstances.

The opportunity with Consumer Data Right for energy

It is from this consumer-oriented perspective that our service was built and continues to develop. We have provided plan monitoring and notification services but have been limited by the challenges of access to meter data history and legacy pricing of retailers. The Consumer Data Right for energy has the potential to allow us to provide new and innovative services that maximise the benefits to consumers through:

- faster and more accurate personalised electricity comparisons
- tariff optimisation; and
- integrated solar and battery saving features

Summary

To be able to unlock these consumer benefits we need to recognise that accessing and delivering these services needs to be as easy as possible for consumers and the ADRs (who will be the vehicle to deliver them). The biggest risk for Consumer Data Right is low ADR take-up. Looking at the submissions to date on the CDR for energy, it appears that there has been limited interest from potential ADRs in the energy sector. The absence of both large and small commercial comparison services (who are potential candidate ADRs) is concerning as consumers are reliant on their involvement to access the potential benefits of the Consumer Data Right.

To get these potential ADRs onboard, the CDR for energy needs to focus on enabling the high volume, high value use cases first - such as personalised energy comparisons - and enable that through authentication and authorisation processes that minimise complexity for consumers and minimise costs for ADRs and retailers. The proposed rules in the Consultation Paper require a high level of authentication, authorisation and retailer involvement to support the majority of use cases. That, in our view, is a recipe for low ADR take up and low consumer benefit. There needs to be support for lower levels of consumer authorisations in line with the less sensitive nature of the data required for key use cases including personalised comparisons. By adopting lower authorisation levels the CDR can unlock many benefits including:

- delivery phasing that provides greater consumer benefits sooner
- retailer development can be better targeted and informed based on consumer adoption;
- authorisation "dashboards" development can be deferred and limited to the smaller portion of energy use cases that require sensitive data.

Primary Use Case for CDR for Energy

The predominant use case for Consumer Data Right for energy is the provision of personalised energy comparisons, leveraging consumer's meter data history.

Currently dozens of comparison services in Australia require the manual entry of usage (and solar export) data in order to provide personalised comparisons. These services generally rely on usage information entered manually by the consumer from recent energy bills. Given the seasonal nature of energy usage, this approach can lead to suboptimal outcomes for consumers as the lowest cost plan for the last billing period may not be a good proxy for the next 12-24 month period.

Having access to a consumer's previous 12 months of usage and export history is key to providing more accurate comparison results with regard to likely future usage.

This capability is already supported by Energy Made Easy and Victorian Energy Compare through their exclusive access to meter data held by AEMO. Commercial comparison services are unable to access this meter data service. This provides an unfair competitive advantage to the Government comparison services. More importantly, the limited access prevents consumers from receiving the benefits of their meter data for comparisons including:

- higher comparison completion rates;
- time saving for consumers (versus manual usage entry); and
- more accurate energy comparisons.

It's important to acknowledge that the majority of consumers use commercial comparison services rather than Government comparison services for energy. And with the exception of this restricted meter data access feature, commercial comparison services including WATTever have led innovation in comparisons for consumers including fully-valuing solar feed-in tariffs (retailer and Government/premium), support for concessions, Australia-wide comparisons, broad publishing of plan pricing data, solar and battery saving integration into comparisons etc.

It is notable that these Government meter data driven comparison services only require NMI, postcode and current retailer in order to provide a data-driven comparison. There is no authentication of customer information and no involvement of retailers in providing this service. The Consumer Data Right should be able to support the same functionality without the authentication, dashboards, retailer authorisation etc that are proposed in the Energy Rules Framework Consultation Paper. Requiring consumers to setup and grant authorisations for ADRs to perform this function is unnecessary when no such authorisations exist for the Government comparison services. Imposition of the authorisation process for consumers will result in lower take-up by consumers and ADRs alike and will extend the competitive advantage that has already been afforded to Government comparison services. That would appear to conflict with the ACCC's strategy to "maintain and promote competition" and "support fair trading in markets".

While authorisations may be appropriate for sensitive datasets such as previous billing information, as a whole of market comparison service we believe that such consumer authorisations are not required for many use cases (personalised comparison, tariff optimisations etc) and will preclude a seamless consumer experience and high utilisation of the Consumer Data Right data services.

Application of one-size-fits-all "top-level" authorisation and authentication processes will result in higher development, maintenance and compliance costs for ADRs and retailers. This needs to be weighed against the benefits that may accrue to ADRs from offering more personalised services using energy data. The Consultation Paper mentions informal estimates for ADRs in the banking sector of \$118,000 in start-up costs and \$75,000 in ongoing costs. I struggle to see how potential ADRs are going to make the thousands of additional referrals (or other revenue) to pay the upfront and ongoing costs of CDR adoption and compliance. As a comparator with ~300,000 site visitors per year comparing energy plans, those costs are impossible for us to recoup at our current scale. To put WATTeVer into perspective, we would likely be in the top 10 energy comparators by site traffic and number of electricity comparisons. If an established and experienced comparison service such as WATTeVer can't make the proposed CDR integration financially viable, that doesn't augur well for start-ups to come into this space and provide innovative services.

If authentication and authorisation models were greatly simplified for key use cases including personalised comparison, then ADR development and compliance costs for CDR integration could be dramatically reduced and allow innovative business such as WATTeVer to come onboard and deliver benefits to consumers.

Phasing

From a phasing perspective, delivery of meter data with lower levels of authentication (NMI, postcode and retailer name) provides broad functionality without any impost on retailers. Enabling access of the AEMO meter data service to commercial comparison services should be phase one, unlocking the benefits of CDR for energy.

The phasing proposed by retailer is largely unworkable for a comparison service such as ours. Being able to access meter data history only for customers of the largest 3, 5 or 10 retailers in the first phase will frustrate and annoy customers of other retailers who cannot use the service. If access to meter data history via the existing AEMO service (or similar) was provided in the first phase for all retailers, this brings forward the delivery of value to consumers of CDR while providing more time for retailers to support the more complex use cases that may require retailer authentication and sensitive personal data such as concession type or hardship status.

In regard to sequencing of data sets, generic product data (i.e. current general offers) should be made available first along with NMI, metering and DER data. Customer,

billing and tailored tariff data can come at a later time. It is unlikely we will take up those later datasets given the expected compliance costs associated with accessing sensitive data along with the complexity of working with retailer billing data.

Our preference would be to have access to all retailers pricing data in a format consistent with the generic product data i.e. where customers are on a legacy plan, we can access those legacy plan rates. We have limited interest in previous bills which are impacted by rate changes over time, under/overpayments, bill credits or one-off Government rebates etc. To be able to make a comparison for a consumer, we simply need to know the rates for their existing energy plan so we can compare with all current and generally-available plans in the market. If access to "legacy product data" set was available, then we would not have a need for billing data at all. We would just need to know the plan identifier of the consumer's current plans and we could look up against the "legacy product data" to get the rates.

Energy data sensitivity

It is our view that the data sensitivity of energy data is far lower than that for banking. There are a few limited data items that are of sensitive nature such as whether an account is in a hardship program. It has been suggested in forums that interval data is equally sensitive. I would disagree with that. Having access to a consumer's half-hourly interval data is of little benefit if taken and for nefarious purposes. It is not possible to conclusively determine when someone was home or not based on meter data history. While patterns of energy usage can be determined, they are also historical in nature.

Data sensitivity concerns such as these can be easily alleviated by removing the personally identifiable characteristics around that data. For example, authentication requests for meter data can use NMI, postcode and retailer. It is not possible for an ADR or citizen to determine an address from an NMI. This is the way that the Energy Made Easy data works today. If needed, the rules could stipulate that the interval data used under a lower accreditation tier not be stored and only used for the purposes of the current user session/comparison and not available to the consumer in raw form.

As an energy-only comparison service we have no need to access any banking or telecommunication data sets and subsequently no need for accreditation as an ADR beyond energy.

Use Cases

It seems that the Energy Rules Framework has been developed without a prioritised list of use cases for energy. I would strongly recommend that use cases in which energy data is used for the benefit of consumers be fleshed about before rules are set that will restrict them or make them cost prohibitive to deliver. The development of those use cases would, for example:

- prove the benefit of lower tiers of accreditation
- support better phasing approach based on consumer value (and frequency of use); and
- reduce the development and maintenance costs for ADRs and retailers alike for key use cases.

I'd also make the observation that CDR doesn't appear to support a consumer being able to access their own data without the involvement of an ADR. If a consumer wants to be able to access their billing history or interval meter data history they should be able to do that directly. To my knowledge, that is not supported by CDR.

Regards

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