



**EnergyAustralia**

LIGHT THE WAY

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### **AEMO Consumer Data Right MSATS consultation – Issues Paper – PUBLIC**

EnergyAustralia is one of Australia's largest energy companies with around 2.4 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. EnergyAustralia owns, contracts, and operates a diversified energy generation portfolio that includes coal, gas, battery storage, demand response, solar, and wind assets. Combined, these assets comprise 4,500MW of generation capacity.

#### **Consumer Data Right**

We welcome the opportunity to respond to AEMO's consultation on MSATS changes for the Consumer Data Right. We recognise the overall intent behind AEMO's proposal which would enable more meter data for the customer to be shared (i.e. meter data from the time the customer was with a previous retailer, at the same premises).

AEMO is proposing an aseXML change to add a "Last Consumer Change Date" field to the CATS\_NMI\_DATA table, and to adjust the change requests (CR5054 and CR5055) to allow the current FRMP to explicitly maintain this data.

Our submission sets out:

- Governance issues with how this change has been progressed between the regulatory bodies and a way forward;
- Questions as to whether the CDR Rules actually require disclosure of data beyond the customer's relationship with their current retailer;
- Issues with AEMO's proposal, including issues around cost and complexity; and
- A potential alternative solution which could be lower cost and simpler, and would avoid the need to make MSATS changes altogether.

#### **1. Governance issues and Requirements under the CDR Rules**

There has been a lack of clarity around which regulatory body is responsible for undertaking consultation and making decisions on the issue of expanding meter data sharing to data related to a previous retailer. We expect that this is likely due to the highly technical nature of the proposal –



*protected. The Australian Energy Market Commission (AEMC) is currently exploring whether this issue can be addressed through potential regulatory changes, in light of the AEMC's current market review of the regulatory framework for metering services."*<sup>3</sup> (our emphasis added).

The AEMC's market review (referenced in the second paragraph above) did not explore the concept in its paper, it only explored general issues around a smart meter rollout providing more data generally for the CDR.

On 3 August 2021, EnergyAustralia published a slide pack on alternative options and relevant issues, as we recognised this was a highly technical area which would benefit from some industry support.

Retailers raised significant concerns with the concept generally, and supported Option 4 (the "do nothing" approach). Some Retailers identified concerns in response, particularly Origin.<sup>4</sup> There was no response to the concerns nor was there a written decision by Treasury to state that they would still progress the MSATS-based solution. In that slide pack, we also requested that Treasury undertake a Privacy Impact Statement to understand any specific privacy risks, but that was not adopted.<sup>5</sup>

There was no reference to disclosing metering data from a previous retailer, in Treasury's draft explanatory statement to the Draft Rules (published on 17 August 2021); or any indication that the final Rules would require disclosure of metering data from a previous Retailer. In the absence of clear direction on the issue, and a lack of consultation on the concept, an assessment of cost/benefit etc has not been done to date.

We are pleased that AEMO's consultation will explore alternatives, but it would seem inconsistent with AEMO's typical scope to be exploring alternatives that lie outside of MSATS changes and may not involve the Data Holder (Energy Retailer) i.e. impose obligations on Accredited Persons instead (see our Alternative Proposal below).

### 1.3 Insufficient guidance on Retailer obligations

Due to the lack of consultation and reference in the CDR Rules, industry have little guidance on the details of what they are expected to do to disclose metering data from a previous retailer under the CDR regime. E.g.:

- What interactions are expected with the customer to confirm whether there has been a customer change at the premises (i.e. a move in), to then populate the Last Customer Change Date Field? Verbally and digitally (online)?
- Confirmation around requests from ADRs, and the authentication process for data relating to a previous retailer.
- How should complaints about this data be handled?

We understand that AEMO's consultation is only considering matters around AEMO's retail and/or metering procedures; and any CDR implementation matters are being led by Treasury. AEMO's Issues Paper does not set out any upstream activities before the market transaction and so it is unlikely to cover the dot points above.

Our issue is that Treasury has not consulted on or specified those upstream activities either. It is important that these details are set out and documented, in AEMO's procedures, CDR Rules, or elsewhere, so Retailers have certainty over their obligations. This is particularly important where there could be privacy or other customer risks.

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<sup>3</sup> [Peer-to-peer data access model in the energy sector \(treasury.gov.au\)](https://www.treasury.gov.au/peer-to-peer-data-access-model-in-the-energy-sector)

<sup>4</sup> [Decision Proposal 195 - Candidate Usage End Points · Issue #195 · ConsumerDataStandardsAustralia/standards · GitHub](https://github.com/ConsumerDataStandardsAustralia/standards/issues/195)

<sup>5</sup> [Decision Proposal 195 - Candidate Usage End Points · Issue #195 · ConsumerDataStandardsAustralia/standards · GitHub](https://github.com/ConsumerDataStandardsAustralia/standards/issues/195)

We submit the above dot points should be explored before AEMO consults on the MSATS procedures, but in the interests of being constructive and supporting the progression of this issue, we respond to AEMO's Issues Paper in detail below.

## 2. AEMO's proposal

Our issues with AEMO's proposal are around:

- risks to customers (the previous resident) where a current resident requests the disclosure of the previous resident's data to the Accredited Person, and Retailers cannot verify that this request is not correct
- implementation costs and effort, and
- timing.

Specifically:

- **Retailers would have to accept the customer's answer as to whether they have moved in, as being accurate.** There is no means by which Retailers can verify the accuracy of the customer's answer. Requiring the customer to evidence previous residence before they changed to the current Retailer (i.e. that they have *not* moved in) would be highly cumbersome, result in customer drop-outs, and call backs; with a possibility that the query will remain open for a protracted period of time. There is the further issue that evidence can be falsified. If customers provide incorrect information to the Retailer (intentionally or unintentionally) and indicate that they have not moved in and resided at the premises previously when this is not correct, Retailers will disclose metering data associated with a different person (the previous resident) to the Accredited Person.
  - This may cause customer confusion and data quality issues where an Accredited Person bases its services on irrelevant data. Where the use case is a comparator service one, this could possibly mean that a plan that does not suit the customer's consumption is recommended to the customer.
- **Risks to the customer** - Treasury referred to a "privacy" issue in its April 2021 paper, referring to AEMO's MSATS solution and stating the customer change information would "ensure the privacy of previous residents of a property remains protected". However, the success of AEMO's MSATS solution still depends on the customer providing correct information to the Retailer. As above, we would have no means to verify the accuracy of the customer's answer, and so this "privacy" issue (identified by Treasury) has not been addressed.

We have been unable to identify any specific customer harm that could arise through a customer obtaining metering data (via their Accredited Person) relating to a previous resident. However, this does not conclusively mean that there is no possibility of customer harm. It is extremely difficult to anticipate every way a customer may misuse data and combine it with other sources of data, particularly in a family violence context. **We submit the onus should be on Treasury to undertake a privacy impact assessment and broader customer risk assessment, to assess any adverse customer impacts that might arise from sharing metering data linked to a previous retailer; and more specifically, the risks around AEMO's proposal. As this risk arises under the CDR regime, Treasury needs to accept this risk.**

The CDR Rules and AEMO MSATS procedures need to also clarify that Retailers will not be liable for any adverse customer impacts that flow from following the requirement to disclose data relating to a previous retailer (where the relevant rules are followed and the wrong data is disclosed), under both the CDR regime and the relevant energy legislation. Treasury

should also confirm that there would be no liability under any privacy law. However, given Retailers would have disclosed the metering data, Retailers are likely to wear any reputational damage from disclosing metering data relating to a previous resident. This is one of the main reasons why Retailers might oppose the proposal.

- **Implementation cost/effort** – In addition to the customer facing issues above, AEMO’s proposal requires implementation of adjustments to Change Reason Codes 5054 and 5055, to populate the new Last Consumer Change Date field. This will require Retailers to change their systems to populate the Last Consumer Change Date field, when the change date is confirmed both in call centre and digital (online) customer journeys. This would require a system change to peg the new transaction to a system flag change in the customer journey which indicates that there is a change of retailer *and* a move in by the customer. We will provide a cost estimate of our system changes to AEMO shortly.

Today, EnergyAustralia confirms that a sale is move in via the call centre and digital (online) journey, but this would need to be reviewed, to ensure that the importance of the question is relayed i.e. customers are unlikely to think the question is significant.

- **Unknown customer edge case** - There are also edge cases which increase the complexity and cost of any solution. For example, unknown customers. In the energy sector, Retailers supply customers that move in and do not sign up to a Retailer (unknown customer). The Designated Retailer that supplies the unknown customer is either the last Retailer that supplied a customer at that connection point (the Financially Responsible Market Participant), or where the premises is a new connection, certain default Retailers (Local Area Retailers). In this scenario, the customer would have not engaged with a Retailer and so there would be no opportunity to ask them if they have moved in to populate the Last Customer Change Date. As a result, the Retailer might supply data back to the last time a move in was recorded which could pre-date the unknown customer’s move in date. This edge case will need to be worked through.
- **Timing** – AEMO proposes that the effective date for the amendment of the Standing Data for MSATS will be 30 May 2023. We recommend that the commencement date for any changes required by Retailers **be deferred to 15 May 2024**, when the second tranche of Retailers go live with their Large customers, completing their full customer base. It makes sense to wait until more Retailers are participating in the CDR, as the benefit of the expanded data sharing enabled by AEMO’s proposal, would increase with the number of Retailers sharing CDR data.
- **Exemption for Retailers that the CDR does not apply to** - AEMO will also need to consider whether small Retailers that will not have Data Holder obligations as of 15 May 2024 need to comply with the CDR MSATS changes. Although we note that there would seem to be benefits because those Retailers could be the previous Retailer and the field would mark the date the data will go back to.

### 3. Alternative proposal

An alternative and simpler approach, which does not seem to raise any new risks compared to AEMO’s MSATS-based solution, would be for the Accredited Person to ask the customer to confirm whether they have been at the premises for at least two years. If the answer is yes, then the full period of data would be provided. If the answer is no, the customer can then input how many months they have resided at their premises. The Accredited Person would then only request data for the period the customer resided at their premises. The Accredited Person could also provide an option for the customer to indicate when they are unsure of the date they moved in, which if selected, would mean the data sharing should be limited to the current Retailer.

This front-ended process would mean that any Retailer system and MSATS changes will not be necessary, as the customer's engagement with the ADR would determine whether there has been a move in and the relevant period of metering data. This solution is also ideal because it means that the customer and the ADR that will benefit from the data are required to provide the necessary information/implement the change, compared to AEMO's proposal which impacts the sale/onboarding of every energy customer regardless of whether they ever request CDR data or whether the Retailer has CDR obligations. In this way, overall it is a more efficient solution.

The same issues arise where the customer provides incorrect information (as above), but we do not see this risk to be greater than that associated with AEMO's proposal (Note: We could not identify any specific customer harms from AEMO's proposal, but this does not mean there aren't any). Both AEMO's proposal and our alternative ultimately rely on the customer to provide accurate information, but:

- at different times (when the customer onboard with their new energy retailer vs when they engage with the ADR to access the CDR); and,
- to different entities (Energy Retailer vs ADR).

This alternative proposal will need to be tested with industry and Accredited Persons.

#### 4. Specific comments on Scenario 5 and 6

While we consider our alternative proposal is better and if adopted, AEMO's further consideration of the individual scenarios will not be required, we still comment on Scenarios 5 and 6 below for completeness.

##### 4.1 Scenario 5 – Change of account holder, no move in (e.g. share house)

In this scenario, responsibility is transferred from one consumer to another (without a move in) during the request period. For example, in a share house, where the responsible tenant moves out and a remaining tenant assumes responsibility for the account.

We agree with AEMO's view that different Retailers will have different arrangements, i.e. some retailers will set up a different account (resetting the LastConsumerChangeDate field), while other retailers will just change the account holder linked to the account (no completion of LastConsumerChangeDate). We also agree with AEMO's proposal to accept the Retailer's existing protocols to minimise the cost of implementation. This is in line with the Data Standard Body's general approach to the data standards which is to acknowledge existing retailer practices.

##### 4.2 Scenario 6 - Change of Account Holder – Authorised Party for a business customer

If you have any questions in relation to this submission, please contact me (Selena.liu@energyaustralia.com.au or 03 9060 0761).

Yours sincerely,

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