



15 October 2024

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**To:** The Electricity Authority

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### Improving consumer access to their electricity information

Genesis Energy Limited (**Genesis**) welcomes the opportunity to comment on the Electricity Authority's (**the Authority**) *Code amendment omnibus four: September 2024* consultation paper.

With nearly 500,000 customers, Genesis is one of New Zealand's largest energy retailers. We acknowledge and support the Authority's vision of empowering consumers to take advantage of a dynamic, competitive energy market, and we support consumers having access to their own data, which is why Genesis enables customers to access their data (free of charge) via our website or using the Energy IQ app.

At present, Genesis manages consumer requests for electricity consumption manually; we understand this is typical among most retailers. We will automate our processes over time, but a certain amount of manual work will still be required. While it will be possible to shorten response times, consistent with the Authority's proposal, at current request volumes we do not think it feasible to both shorten response times and increase request volumes (e.g., from four to twelve per annum).

We do not believe that there is a compelling case to increase the free of charge annual requests from four to twelve (or to remove the limits). The Authority's own data,<sup>1</sup> and our experience, show that consumers and agents have largely chosen not to request consumption data under Part 11 of the Code.

For instance:

- (a) requests made to Genesis relate to less than 0.5% of Genesis's Installation Control Points (ICPs);
- (b) on average, Genesis receives requests from around 11 agents annually;

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<sup>1</sup>See: [https://www.emi.ea.govt.nz/Retail/Reports/CMYNSC?\\_si=v|3](https://www.emi.ea.govt.nz/Retail/Reports/CMYNSC?_si=v|3).

- (c) most requests come from a single government ministry agent, covering 300-400 ICPs quarterly. The remaining 10 agents typically request data for only 1-3 ICPs at a time.

This low engagement may be due to several factors:

- **No clear or compelling benefits:** The anticipated benefits and mooted use cases from improved access to data may not be evident or compelling or may be more challenging than anticipated.
- **Ready Access to Data:** Consumers have easy access to their consumption data from retailers, reducing the need for formal requests. For example, Genesis customers have access to our EnergyIQ app. This allows our customers to see their current and historical usage, an estimate of their next bill as well as other insights and energy management tips. This is complemented by weekly emails with forecast usage and cost for the week ahead, giving them information to take action if they wish to.
- **Lack of Awareness:** Consumers may have a low level of awareness of their ability to request information.

Because our system would need to be built and maintained to enable requests to be processed for *all* customers, particularly as some agents lodge requests to the maximum allowable frequency, the cost of the Authority's proposed changes will be excessive relative to the small number of customers and agencies who are likely to benefit. Moreover, given retailers are required to provide the last two years of data (or as much data as is held up to two years), allowing multiple requests will also likely result in duplication.

Certain agencies use EIEP13 data as inputs to for-profit services sold to consumers, for example carbon accounting services. The Authority's proposed change would allow such agencies to potentially increase their reporting frequency (and possibly their fees), while the additional costs for enabling this are borne exclusively by retailers holding the data. While these agencies service only around 1 per cent of our customers, the costs for Genesis of upgrading our systems will be significant, particularly for retailers like Genesis with a large number of ICPs.

The evidence to date does not justify the Authority's proposed changes. They would materially increase costs for retailers, some or all of which may be passed through to consumers, with no demonstrable benefit to consumers.

For these reasons, we ask that the Authority not proceed with the proposal to increase request volume limits.

Finally, we note MBIE is currently consulting on a potential consumer data right (**CDR**) for the electricity sector. This is aimed at, amongst other things, increasing consumer and third party access to consumer consumption and other data.

We have asked that MBIE consider a nuanced and phased approach to CDR implementation:

- (a) Leverage the existing data sharing framework under the Code and implement targeted improvements (such as prioritising the standardisation of data transfer and authentication).
- (b) Understand specific consumer needs and develop and promote compelling use cases, with benefits and costs explained, which demonstrate tangible consumer benefits.
- (c) Pursue industry-led standards development with strong Government support to ensure a CDR appropriate for New Zealand's electricity sector.
- (d) Carefully balance the costs and benefits of CDR implementation.
- (e) Recognise the critical role that consumer trust, compelling use cases, and an enabling ecosystem (e.g. a robust Digital ID system), play in a successful CDR.

We share the goal of improving data access in the electricity sector. We think that:

- (a) The existing framework under the Code could serve as a "sandbox" to test and refine an electricity CDR.
- (b) A targeted approach that builds on and enhances the existing framework and the Authority's work programme, and which addresses the underlying reasons for low consumer engagement gives us the best chance of avoiding the Australian CDR experience<sup>2</sup> and the cost, risks, and complexity of overlapping regulation.
- (c) Work could continue in parallel on the accreditation processes and compliance/penalty regime on the basis that when ready, we could "lift and shift" much of the current arrangements for the electricity CDR.

This will, however, require a concerted and collaborative approach by the industry, MBIE and the Authority. We encourage the Authority to coordinate with MBIE, to ensure this work is aligned and to avoid unnecessary duplication or inconsistency.

### **Remove the need for the Electricity Authority to consult on under-frequency events if the causer admits culpability**

Genesis supports the Authority's proposal to remove the need for consultation on under-frequency events where the causer admits fault and agree a consultation process is unnecessary where this occurs. We expect the proposed change will reduce costs for industry.

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<sup>2</sup> A recent review of the Australian CDR implementation in the banking sector reported that the sector spent circa \$A1.5bn on implementation and compliance, with very little uptake (0.31%). The cost was estimated at A\$3000 per customer and considered economically unsustainable. See *Consumer Data Right Strategic Review - July 2024*, Accenture / Australian Banking Association. High implementation costs and low engagement have also been observed in the Australian energy sector CDR rollout (based on our discussions with a leading Australian energy company).

Yours sincerely,

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