

Electricity Authority  
via email  
policyconsult@ea.govt.nz

15 October 2024

## **Code amendment omnibus four: September 2024**

Thank you for the opportunity to submit on Code amendment omnibus four (“Consultation”).

We have no comment on the proposals set out at paragraph 1.1(b), (c) and (d) of the Consultation and set out our views in relation to the proposal at paragraph 1.1(a) to improve consumers’ access to their electricity information below. Given the volume of data related consultations that the Authority has underway at this time we have also taken this opportunity to share our views on the wider process.

### **1 Mercury supports improving consumer access to their electricity information**

Mercury is supportive of the Authority’s proposal to amend sections 11.32A and 11.32B of the Code to improve consumers’ access to their electricity information. We agree that current processes can take too long, potentially limiting customer access to their information, and lack clarity on what information can be requested.

### **2 Issues with piecemeal approach to improving access to data generally**

Whilst we support providing greater consumer access to data, we are concerned that the Authority has adopted a piecemeal approach to resolving data issues rather than strategically addressing the industry wide need for greater access to consumer and industry data and transparency for market monitoring purposes. This has several consequences.

#### **2.1 Need to clarify end goal for data access**

In addition to this Consultation, retailers are currently responding to the Authority’s second consultation on “Improving retail market monitoring” and MBIE’s “Exploring a consumer data right for the electricity sector”. We are also waiting for decisions from the Authority on the mandating of the Consumer Care Obligations and the Consumer plan comparison and switching consultations, all of which involve data access considerations. We understand from the Authority’s work programme that there are also consultations that will address access to industry data in the pipeline. For example, the Energy Competition Taskforce’s remit to increase competition and provide more options for electricity consumers will look at driving the faster uptake of demand flexibility and this will mean improving the flow of data between retailers, flexibility service providers, distributors and metering equipment providers. Each of these consultations overlaps in some way with one or more other consultation and necessitates significant technical and operational system change to the way retailers store, retrieve and export data. Despite these obvious overlaps, the



Authority has given no indication of its desired end goal in relation to data and little consideration to how the requirements of each of these consultations could be streamlined, coordinated, or timed to optimise efficiencies.

We submit that as a matter of regulatory best practice, the Authority should clarify its end goal for data access and re-assess whether the current data work programme is the most efficient and cost-effective way to achieve this goal.

Further, the Authority should confirm that achieving its end goal would result in a net benefit overall for consumers, recognising that the systems costs associated with enabling data access to consumers within short timeframes can be significant. We note that the Australian Energy Market Commission is currently exploring real time access to data for consumers in the National Electricity Market.<sup>1</sup> Their deliberations may reveal relevant considerations for the Authority in determining the end goal.

## 2.2 Set realistic timeframes with retailers

Retailers currently have no certainty over the detail or extent of changes that will be required to comply with the multitude of new data related compliance obligations that are in the regulatory pipeline. It is not possible to fully plan and prepare for these changes until the Authority has issued final decisions and implementation timeframes. There is the risk that retailers will be non-compliant with new regulations if the Authority provides inadequate timeframes for retailers to implement new processes and build the required technology. Although no timeframe has been set for this Consultation, we understand that it is seen as a quick win. This implies a short implementation period, and we believe this would be unrealistic if a robust high-quality solution is sought. To date, many retailers may have been complying with the five-business day timeframe through largely manual processes. Automation of the data retrieval process will require time, come at significant cost and impact other initiatives retailers want to develop for customers.

We request the Authority collaborate with retailers once technical requirements have been decided to gauge realistic timeframes to achieve compliance.

## 2.3 Avoid technical debt

The Authority's cost benefit analysis does not consider the numerous data related consultations running in parallel with this Consultation that are also imposing significant compliance costs. We are concerned that the technology changes required by any of these consultations in isolation might solve an immediate problem, but that solution may not be fit for purpose in the longer term. This is known as "technical debt" as it effectively becomes a technical burden that retailers will need to address at potentially greater expense in the future. For example, this Consultation makes no mention of MBIE's proposed consumer data right ('CDR') however the outcome of amendments to sections 11.32A and 11.32B will go a long way to enabling the data mobility that a CDR would hope to achieve. Are these changes pre-empting a CDR in electricity or will these changes be superseded or duplicated by future CDR requirements? The need for alignment with MBIE's work on a CDR was recently highlighted in the Government's Policy Statement to the Electricity Authority together with the need to work collaboratively with other agencies across the wider regulatory regime.<sup>2</sup>

Once the Authority has established its end goal, there would be potentially significant cost savings if the Authority consulted with retailers' technical experts to gain a better understanding of the merit order of the various steps required to achieve the end goal. We acknowledge that compliance by nature requires acceptance of regulatory change however it is ultimately in the best interest of consumers to enable retailers to achieve desired outcomes in the most cost-effective manner.

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<sup>1</sup> [Real-time data for consumers | AEMC](#)

<sup>2</sup> October 2024 Statement of Government Policy to the Electricity Authority under section 17 of the Electricity Industry Act 2010: New Zealand electricity industry, page 8



### 3 Need holistic view of data compliance and address changes in merit order

In summary, we urge the Authority to take a holistic approach to data access so that all participants in the electricity sector, including distributors and flexibility service providers have access to the data they need in the most cost effective and efficient manner. We encourage the Authority in collaboration with MBIE to:

- > define the end goal in relation to customer data and industry data including consideration of real time data access;
- > work with retailers to:
  - prescribe realistic timeframes for data compliance obligations; and
  - ensure that each step can be implemented in merit order; and
- > ensure that the Code amendments recommended by this Consultation and the Authority's overall data workstream will align with any CDR.

If you have any questions or would like to discuss any of the matters raised in our submission, please don't hesitate to contact me on 0212882276 or at [jo.christie@mercury.co.nz](mailto:jo.christie@mercury.co.nz).

Yours sincerely



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