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Nova Energy Limited
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Submissions
Electricity Authority

By email: retaildata@ea.govt.nz

Improving retail market monitoring: amended information notice and updated analysis

Nova Energy (Nova) thanks the Electricity Authority for the opportunity to provide further feedback on this matter and welcomes the Electricity Authority's analysis to make clause 2.16 notice more workable.

A key point which Nova would like to highlight is that Nova opposes the inclusion of telecommunication services data. Nova believes that the Electricity Authority is overreaching its purview requesting this and requests its removal from clause 2.16 notice. Furthermore, Nova does not agree with the Electricity Authority's benefit assessment of including bundling as 'medium', given that the collection of telecommunications specific data is only for a small subset of users of these services. It would be more effective if the Electricity Authority's reporting and data collection focuses solely on electricity data.

Secondly, while Nova supports the Consumer Data Right (CDR) and recognises its potential benefits the Electricity Authority should ensure it allocates adequate resources and develops flexible systems to effectively align with a CDR in the electricity sector. Clear communication regarding how the data will serve the long-term interests of consumers will also be important.

Nova Energy's (Nova) specific responses to the Authority's questions are appended to this letter.

Nova also supports the submission by The Electricity Retailers' Association of New Zealand (ERANZ).

Yours sincerely



Tamiris Robinson
Regulatory Advisor

Nova submission: Improving retail market monitoring: amended information notice and updated analysis

Question	Response
<p>Q1. Are there any further adjustments you think should be made to amended clause 2.16 notice in Appendix A that would improve workability and cost for most retailers?</p>	<p>Nova appreciates the Electricity Authority's analysis to make clause 2.16 notice more workable.</p> <p>Nova's initial feedback was that data collection targeted to the more critical parameters would be a better approach and notes that the Electricity Authority has taken this on board and as a result will be more pragmatic and workable.</p> <p>However, Nova continues to disagree with the Electricity Authority's request for data on telecommunication services and request these fields are removed from the revised clause 2.16 notice. Nova believes this request is beyond the Electricity Authority's jurisdiction.</p> <p>The Electricity Authority itself has assessed the indicative benefits of including bundling as 'Medium,' which questions its inclusion in the data notice. Furthermore, Nova disagrees with this assessment for non-energy services for the reasons outlined below.</p> <p>Given that retailers may in future be invoicing customers for even more products and services, it would be better to settle on a methodology where retailers isolate the electricity data from the aggregate data set and report on electricity only to the Electricity Authority.</p> <p>As previously noted, electricity retailers hold a very small share of the overall telecommunications market. Nova therefore does not see how analysing a small subset of users will be useful, relevant or accurate. Since a small segment of the market bundles their energy and telecommunications services together, comparing this group to the majority of customers who purchase these separately could lead to inaccurate assumptions and results, as the Electricity Authority will not have the corresponding telecommunications service data.</p>
<p>Q2. Are there any changes you think should be made to the notice to better prepare for a possible Consumer Data Right in the electricity sector?</p>	<p>Nova supports the benefits of the Consumer Data Right (CDR) and believes it could be advantageous across the sector. Ensuring the Electricity Authority has systems and processes that are flexible enough to align with a possible Consumer Data Right in the electricity sector is critical.</p>

Question	Response
	The Electricity Authority should collaborate closely with the government and the wider industry to ensure that data regimes and compliance and monitoring responsibilities are properly aligned.
Q3. Is there further information you can provide that may improve the evidence base for our assessment of (a) costs (b) benefits?	-
Q4. Do you agree the benefits of the proposed information notice are likely to outweigh its costs? If not, please explain why not.	No. While Nova welcomes a longer implementation period and agrees that this would reduce costs, there will still be significant initial and ongoing costs for regularly reporting and preparing this extensive data request, especially since Nova's systems will need upgrades to gather, collate and quality check all the required information.
Q5. Do you think there are other ways the Authority can maximise the benefits of this data?	Nova's concern is that not enough resources are dedicated to this programme of work to ensure the data is utilised appropriately and for its intended purpose, particularly in light of the effort and costs involved for retailers. In addition, we question exactly how the data will be used to enhance the long-term interests of consumers.
Q6. Do you agree that the privacy implications of the proposed data collection have been adequately considered and addressed? If not, please explain why not.	<p>Somewhat. While the Electricity Authority's good intentions are acknowledged, it is essential to provide more specific actions to the sector. This request is reasonable, given retailers are guardians of their customers' personal information.</p> <p>Although the Electricity Authority has confirmed that it will consider the resources and commitment needed for the proposed monitoring work, that is all it has said. It will be important for the Electricity Authority (in due time) to demonstrate that it has appropriate resources in place to justify the collection of information.</p> <p>Nova noted in its previous submission on this matter that retailers risk cybersecurity breaches and data leaks when collecting customer data for the Electricity Authority, which also faces similar challenges in data management. This is also noted in 7.4 (b) (page 20) of this consultation as one of the notes from the OPC.</p>