

23 October 2024

Submissions  
Electricity Authority  
Wellington

By E-mail: [retaildata@ea.govt.nz](mailto:retaildata@ea.govt.nz)

## **RE: Consultation on Improving Retail Market Monitoring - Amended Notice**

2degrees welcomes the opportunity to provide feedback on the amended notice proposed to provide the framework for retail market monitoring.

1. We support in principle the Authority's intention to move to a single comprehensive notice to collect retail data. However, we remain concerned about the overall scope of the request, the customer privacy implications, and the cost associated with timeline for implementation.
2. In our view, some elements of the proposed notice are overly broad, and the Authority has not sufficiently explained how the benefits of collecting the information would outweigh the costs and privacy risks. In particular, the collection of half hourly consumption information from every customer. Building the required platform to supply this data this data will be expensive, and time consuming, we have significant privacy concerns about providing such granular information about every consumer's electricity profiles, particularly given that the Authority has not meaningfully explained how it will use the data to produce specific benefit to consumers and/or the industry. We would urge the Authority to consider whether there is a legitimate purpose for collection of this information as required by the Privacy Act.
3. If, the Authority considers that there is a legitimate benefit to collect this information, 2degrees considers the proposed implementation period of five-to-six-month from early 2025 to be unreasonable and insufficient in terms of the required time to properly design, build, develop, and test such data provisions, particularly given the need to ensure the data provided is accurate, complete and reliable. 2degrees has assessed the work required to completely this activity to be reasonably substantial and as yet not fully scoped.
4. To the extent that the Authority decides to proceed with the request in its current form, we recommend the implementation dates should be staggered. The section relating half hourly data should have an implementation period of 12-24 months and that the Authority provide an opportunity to consult on the exact processing expectations and initial accuracy tolerance levels. For example, it is unclear exactly how much work retailers are expected to perform to "clean up" the data compared to what it receives from metering equipment providers, where it does not already use the data for reconciliation settlement such as estimations for where there are gaps in



supplied data, and validations for variances. The amount of work involved in processing this data would depend on what type of processing retailers are expected to perform, and that has not been addressed in the consultation.

5. We respond to your specific consultation questions below:

Questions	Comments
<p>Q1. Are there any further adjustments you think should be made to amended clause 2.16 notice in <b>Appendix A</b> that would improve workability and cost for most retailers?</p>	<p>If the Authority decides to proceed with its notice as drafted, the Authority should provide a longer implementation period, especially for complex data requests such as half hourly consumption.</p> <p>The Authority could stagger the data requirements and implementation periods, so it can start receiving benefits of the easily accessible data while providing some time for retailers to work through the more complex requirements such as half hourly consumption information.</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>We believe the Authority should work with the industry generally to establish appropriate technical standards to support CDR, but we do not believe this notice will meaningfully impact the implementation of CDR.</p>
<p>Q3. Is there further information you can provide that may improve the evidence base for our assessment of (a) costs (b) benefits?</p>	<p>We do not dispute the Authority’s estimation of costs – however we would note that a retailer’s ability to comply has a time element which cost itself (even a very high cost) could not necessarily mitigate. An unduly short implementation period is more likely to result in less accurate data.</p>
<p>Q4. Do you agree the benefits of the proposed information notice are likely to outweigh its costs? If not, please explain why not.</p>	<p>We do not believe the Authority has meaningfully articulated how receiving the half hourly consumption information for every electricity consumer in New Zealand will deliver clear benefit for consumers relative to the risks and costs, particularly considering the industry cost and the privacy implications of providing such granular information about customers electricity usage; and the risks that would be associated with aggregating such a large amount of data, in the event of a data breach.</p>
<p>Q5. Do you think there are other ways the Authority can maximise the benefits of this data?</p>	<p>We believe the Authority should provide a clear roadmap of the reporting and analysis that it intends to perform and engage with the industry further as it progresses its work program, so that the industry can support the Electricity Authority to identify meaningful insights with the data it will now hold.</p>
<p>Q6. Do you agree that the privacy implications of the proposed data collection have been adequately</p>	<p>No. 2degrees is very concerned that the Authority seeks to collect such a large amount of personal data but has not provided any tangible or clear purpose for which the data will be used</p>

considered and addressed? If not, please explain why not.

The benefits associated with collecting pricing information, and information supporting the Consumer Care guidelines are clear, however the benefit of collecting half hourly consumption information has in our view not been adequately articulated.

We believe collating such a large quantity of information, tied to connection information which could be used to attribute that information to a physical address, would necessitate the Authority providing much clearer and more substantial customer or market benefits to justify the risks.

2degrees appreciates this opportunity to provide feedback on the final consultation.

**Regards,**

[Redacted signature]

2degrees