

10 October 2024

MBIE

By email: energyuse@mbie.govt.nz

Exploring a consumer data right for the electricity sector

Meridian appreciates the opportunity to provide comment on the Ministry of Business, Innovation and Employment's (Ministry/MBIE) discussion paper on the merits and potential scope of designating the electricity industry under the consumer data right (CDR) regime that is to be established by the Consumer and Product Data Bill (Bill).

Meridian supports outcomes that promote the interest of consumers

Meridian supports the overall intention of the Bill and the designation of the electricity industry to enable consumers to better access and share their data and make informed decisions about their electricity consumption and services. Meridian supports the introduction of a CDR regime as an opportunity to implement a more consistent approach to sharing consumer and product data across the industry that will – if implemented effectively – provide a simple, secure and standardised way for consumers to control who can access their data and to utilise innovative products and services which leverage that data. Ultimately, such a regime will promote the long-term interests of consumers.

Applying lessons learned from overseas

The implementation of a CDR regime in both the United Kingdom and Australia over the last few years can provide New Zealand with valuable insights for developing a similar regime. Despite a low uptake of the CDR by Australian consumers, a few key lessons from Australia can be applied to support a successful implementation of the CDR in New Zealand. These include ensuring that the consumer consent process is accessible and easy to understand, finding ways to reduce the cost to implement a CDR regime, and ensuring that all overlapping regulatory requirements have been harmonized or removed prior to the implementation of the CDR. Taking the learnings from Australia, Meridian supports the implementation of a simple process to access and share data that is secure and provides near real time access to new products and recommendations so that consumers are free to choose the option that serves them best.

Government to lead industry change

To ensure the success of the regime, the development of regulations and standards should be done in a coordinated and consistent manner. Meridian recommends that the Ministry should lead the industry change in close consultation with the sector to ensure that simple and workable processes are implemented at the outset.

Concluding remarks

This submission is not confidential and can be published in full. I can be contacted to discuss any of the points made.

Nāku noa, nā



Debby Abrahams
Senior Legal Counsel

Appendix D Submission in respect of consultation questions

Submitter	Meridian Energy Limited
------------------	--------------------------------

	Question	Submission
Status quo and problem definition		
1.	What are your experiences of accessing consumer and product data for electricity under the status quo?	<p>Meridian currently supports consumers to directly access their consumption data via both the Meridian and Powershop websites and apps. If available, consumers can select half hourly, daily or a summary of their consumption data over a selected period.</p> <p>Meridian also shares consumption data with third parties (such as energy efficiency service providers and solar installers) that have been authorised by the consumer via the processes prescribed in clauses 11.32E to 11.32G of the Electricity Industry Participation Code (Code) and shares its generally available retail tariff plans with third parties on request in accordance with the process set out in clause 11.32G of the Code.</p> <p>Developing systems and processes to enhance access to consumer data will require effort on the part of all parties in the electricity sector. Meridian considers that a consistent and coordinated approach to doing this is the most appropriate way in which to ensure that such efforts are not wasted.</p>
2.	Do you agree with our summation of the status quo and problem definition? Is anything missing or incorrect in your view? And please provide any evidence you may have to support your views.	While consumers have benefited from the current regulatory regime for sharing consumer data, Meridian agrees that these services could be enhanced through the introduction of a well-considered CDR regime that supports consumers to have better control of who can access their data and to make informed decisions about the energy service offerings that best suit their needs.
3.	Do you think that regulatory options are necessary to unlock better access to consumer and product data?	<p>The current way in which data requests are made and the form that data responses take is a result of non-standard and often manual processes across the industry. This makes it difficult for consumers and third-party agents to easily and quickly understand and compare options across retailers.</p> <p>We agree that a well-considered CDR regime should result in a more efficient, digitised and standardised way to share consumer and product data and unlock greater value and better services for consumers.</p>
4.	What do you consider to be the likely outcomes for access to consumer and product data in the absence of a CDR for electricity?	<p>In the absence of a CDR for the electricity sector, there is a risk that consumer data access will become more fragmented, inconsistent and inefficient, albeit that improvements might still be made through the Electricity Authority's (Authority) own work programme.</p> <p>As noted above, Meridian considers that standardising and automating the manner in which data is accessed and shared under a CDR regime, if implemented well, should lead to efficiencies and improved services for consumers.</p>

What a consumer data right for electricity could look like		
5.	Who else may be impacted by a designation of the electricity sector? Should particular groups or classes of entities be explicitly included or excluded from a potential designation?	Meridian does not have a view on this at this stage.
6.	What consumer data do you think is the most important? And what else (now or in the future) would be important? And why? What are the benefits from consumers having ready access to this data?	Meridian considers the most important data to share is consumption and product data. However, data created by retailers based on consumer behaviour/usage and used to gain insight and develop services and products should not be included in designated consumer data as this is proprietary to each retailer.
7.	If access to consumer data is designated for all consumers (residential, small business, large business and large consumers) what are the potential benefits, risks or costs associated with each type of consumer? And why?	Meridian considers that under a CDR regime, all consumers (residential and business) should have equal access to their data and be able to share it with whomever they choose, in a manner that ensures their privacy, and the security of their data is appropriately maintained. The CDR consent and authentication requirements will also need to cater for both business and residential consumers that may have more than one person with authority to access (or to provide third party access to) data on the account.
8.	What product data do you think is the most important? And what else (now or in the future) could be important? And why? What are the benefits from this data?	Meridian supports the Ministry's list of product data to be designated. Meridian considers that bespoke product plan data (e.g. special arrangements made between a retailer and large business/commercial consumers) should not be included in the list of designated product data as it is commercially sensitive and only relevant to a single consumer.
9.	Are there any other issues with product data we should be aware of? And why? Please provide examples.	Meridian does not have a view on this at this stage.
10.	What factors should be considered when identifying who the best data holder is under a potential CDR regime? And how might contracting agreements affect the application of a CDR in regard to data holders? (e.g., contracts between metering equipment providers and retailers to share data).	We propose that the following should be considered when determining who should be designated as a data holder: <ul style="list-style-type: none"> • Who collects and stores the relevant data; • Who is best placed to authenticate requests for data; • Who is best placed to manage consumers' privacy and the security of their data; • Who has an existing relationship with a consumer. <p>If retailers were designated data holders, Meridian recommends that all retailers (regardless of size) should be subject to the same regulatory obligations, and consumers should have the same data rights and options regardless of their retailer.</p>

11.	Do you agree with our initial framework for how to identify/designate data holders? Why or why not?	Meridian does not have a view on this at this stage.
12.	What actions could be designated for electricity under a CDR? And why? What are the potential benefits from these? Please provide examples.	Meridian agrees that since switching is already governed by a mandated process under the Code, it does not need to be a designated action under the CDR.
Potential benefits and risks		
13.	What are your thoughts on the potential impacts of a designation on the interests of consumers? Are there any specific benefits that are likely to be enabled with designation? What is the likely scale of the benefits, and over what timeframe would they occur?	Overall, we expect that the designation of the electricity sector should lead to a more consistent and responsive data access regime which will empower consumers to make well-informed decisions and enable access to new and innovative energy services. If implemented well, we consider such a regime can create long-term benefits for consumers.
14.	Do you have any comments on the specific interests of different types of consumers, such as, residential, business, industrial, rural, Māori, or other groups of consumers?	Meridian does not have a view on this at this stage.
15.	What are your views on the nature and scale of costs/benefits? Who would these costs/benefits apply to and when?	<p>It is too early to provide accurate estimates on the actual costs associated with implementing a CDR for the electricity sector as the regulations and standards are yet to be developed.</p> <p>Meridian notes however that the cost of system changes associated with these requirements are likely to be significant. If carried out in isolation, we estimate these changes could cost up to \$1 million to implement (although we note that many retailers may seek to role these changes into wider system developments, which will likely allow for some cost savings). Learnings from application of the regime to the banking industry should also be used in estimating the likely costs of the regime for electricity.</p>
16.	Would you be able to quantify potential additional costs to your organisation associated with designation under the Bill?	As noted above, it is too early to accurately estimate the costs of any new obligations at this stage, although we consider the costs will likely be significant.
17.	Do you have any comments on the benefits and risks to security, privacy, confidentiality (or other sensitivity) of consumer data and product data?	Maintaining security of data and privacy for consumers should be at the forefront of a CDR regime. Careful thought will need to be given to how security and privacy will be maintained, particularly with respect to enabling access to data by non-accredited third parties.
18.	Are there any risks from the designation to intellectual property rights in relation to consumer data or product data?	Meridian does not have a view on this at this stage.

Other aspects of a potential designation		
19.	What do you consider to be important if designing an accreditation regime for the sector?	The accreditation process should require evidence of systems and the capability to maintain and keep consumer data secure. It should also ensure that explicit and informed consumer consent is obtained. Even third parties who are not required to be accredited should be required to provide evidence that they are fully compliant with the Privacy Act 2020.
20.	What are your views on fees for requests for consumer electricity data under the Bill? If fees are charged, what limits or restrictions should be placed on fees? Do you have any comments on the costs and benefits of the various options?	Meridian does not have a specific view on the imposition of fees but proposes that the Regulations should reserve the ability to impose charges at a later stage.
21.	Are there any particular considerations for electricity that should be taken into account for a consumer consenting process?	Consumer consent and trust are fundamental to a CDR regime. Meridian recommends that the consent process should not be overly lengthy or unnecessarily complex. Rather, it should be simple and clear to ensure that the process is a positive one from the consumers' perspective to ensure uptake is encouraged.
22.	Do you think that standards should be led by industry, by government or co-led? What is the role of industry in developing standards? And why?	Standards need to be workable for all parties that will implement and apply them. Meridian recommends that the government should develop standards in close consultation with the industry.
23.	How do you believe a CDR and the Code could/could not work together?	<p>Both the current Code practices (see clauses 11.32A – 11.32G) and the Authority's current work programme contain aspects of what the Bill sets out to achieve, i.e. to give consumers greater control over how their data is accessed and used, to promote innovation and facilitate competition, and to facilitate secure, standardised, and efficient data services.</p> <p>Recognising that there may be overlap with CDR and the Code/Authority's regime, ideally there would be a single comprehensive regime that sets the rules for managing and sharing data which would avoid duplication and inconsistencies that might arise with multiple regimes.</p> <p>Meridian recommends that the Government works closely with the Authority to align, consolidate and harmonise consumer data access rules and standards.</p> <p>Meridian proposes that if the electricity sector were designated, that at a minimum, all overlapping items relating to data sharing in the Code and as referenced (and potentially already implemented) in the Authority's work programme relating to consumer mobility, should be resolved at the outset. In this respect we would expect that the CDR regime would override and replace the sharing of consumer data between third parties in the Code and any</p>

		processes implemented to date under the Authority's work programme.
General Comments:		
24.	Any other comments?	No further comments.