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Genesis Energy submission on the potential Consumer Data Right for the Electricity Sector

Introduction

Genesis welcomes the opportunity to comment on the Ministry's discussion paper "Exploring a consumer data right for the electricity sector" dated August 2024.

Genesis is a leading energy company committed to powering a sustainable and thriving Aotearoa New Zealand. Consistent with previous submissions,[1] Genesis supports a well-designed consumer data right (**CDR**) for the electricity sector. We recognise that a CDR can help consumers make informed decisions about their energy usage and service provider and, ultimately, help them transition to an affordable, secure, electric future.

While we acknowledge the potential benefits of a CDR, simply making consumption data and product data more widely available is costly, and does not automatically lead to the benefits anticipated from a CDR.

Carefully considered approach recommended

Genesis advocates for a carefully considered approach that:

(a) Seeks to understand and address the reasons for low engagement with the existing data access regime under the Electricity Industry Participation Code (**Code**).

(b) Learns from international experiences, particularly the challenges faced in Australia.

(c) Balances the costs and benefits of CDR implementation.

[1] See Genesis submission on *Options for establishing a Consumer Data Right in New Zealand* dated 19 October 2020.

(d) Ensures the CDR is tailored to the specific needs and characteristics of the electricity sector.

(e) Recognises the critical roles of consumer trust, compelling use cases, and an enabling ecosystem play in driving CDR adoption.

(f) Leverages existing frameworks and adopts a phased approach to implementation.

Our detailed response to the consultation questions is set out in the **Schedule** and we make the following observations:

Current State of Data Sharing

Most customers already have easy access to their data through retailer-provided channels, such as Genesis's 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.

Electricity Authority data,[2] as well as our own experience, show that there is minimal engagement with the existing data access regimes under 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;

(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.

[2]See: https://www.emi.ea.govt.nz/Retail/Reports/CMYNSC?_si=v|3).

- **Lack of Awareness:** Consumers may have a low level of awareness of their ability to request information.

- **Need for Standardisation:** The absence of standardised data transfer hinders data portability.

The underlying premise of the discussion paper is that providing greater access to data automatically leads to benefits such as reduced costs and innovation. However, it is not clear that this will be the case and the Australian CDR implementation, which New Zealand has based its CDR approach on, provides cautionary insights.

International CDR Lessons

The international experience, particularly Australia's CDR implementation, provide lessons New Zealand can learn from:

(a) Australian Banking CDR:[3]

Estimated cost: A$1.5 billion
Consumer uptake: 0.31%
Cost per customer: Approximately A$3,000 (considered economically unsustainable)

(b) Australian Energy CDR: High implementation costs and low engagement have also been observed in the Australian energy sector CDR rollout.[4]

Key issues identified in Australia include:

(a) insufficient focus on cost-benefit analysis and consumer propositions;

(b) overly prescriptive and complex standards leading to high compliance costs;

(c) compressed timeline causing frequent changes and rework;

(d) unintended consequences, including delayed projects and innovation; and

(e) a disproportionate impact on smaller organisations due to complexity and compliance costs.

[3] See *Consumer Data Right Strategic Review - July 2024,* Accenture / Australian Banking Association.
[4] Based on discussions with a leading Australian energy company.

We note that key success factors in countries with high adoption rates (Singapore at 45%-70% and India at 61.7%) included:[5]

(a) High levels of consumer receptiveness and trust at the outset.

(b) Enabling ecosystems (e.g., Digital ID, real-time payments, API sandboxes).

(c) Moderate policy depth and breadth.

CDR implementation costs expected to be material

We estimate our CDR implementation costs at:

(a) Build Cost: $[redacted] to $[redacted]

(b) Annual Ongoing Cost: $[redacted] to $[redacted]

These estimates primarily reflect technology infrastructure and systems costs, with additional costs likely from business process changes and new roles to support CDR implementation.

Proposed Approach

Given these costs and the Australian experience, we ask that the Ministry consider a nuanced and phased approach to CDR implementation:

(a) Leverage the existing data sharing framework under the Electricity Code and implement targeted improvements (such as prioritising the standardisation of data transfer and authentication).

(b) Understand specific consumer needs and develop and promoting compelling use cases, with benefits and costs explained, and 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.

[5] See Consumer Data Right Strategic Review - July 2024 Accenture / Australian Banking Association, pages 28 – 32.

(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 the existing framework could serve as a "sandbox" to test and refine an electricity CDR. A targeted approach that builds on and enhances the existing framework and the Electricity Authority's work programme, and which addresses the underlying reasons for low consumer engagement gives us the best chance of avoiding the Australian experience and the cost, risks, and complexity of overlapping regulation. 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, the Ministry and the Electricity Authority.

We look forward to working with the Government and other stakeholders on the CDR.

Please don't hesitate to contact me should you have any queries or wish to discuss our submission further.

Yours sincerely

Warwick Williams
Senior Regulatory Counsel and Group Insurance Manager

SCHEDULE

Status Quo and Problem Definition

1. What are your experiences of accessing consumer and product data for electricity under the status quo?

Genesis uses consumer and consumption data for billing and forecasting purposes and provides authorised third parties access to consumption data under the access regime set out in Part 11 of the Code. In our experience, most consumers do not seek access to their data through this access regime. Although access to their data has been available since 2016, and third party access since 2020, uptake by consumers and agents has been very low and has not led to new products and services.

To provide some context:

- Genesis receives requests that relate to less than 0.5% of Genesis ICPs.
- On average Genesis receives requests from around 11 agents a year:
    - One is an agent for a Government ministry with multiple sites. Genesis receives consumption data requests from this agent for around 300-400 ICPs each quarter.
    - The remainder of requests come from 10 agents who typically request data for 1 - 3 ICPs at a time.
    - Because we provide the last 24 months of data held in relation to an ICP, most of these requests provide data that the requestors largely already possess.

We note that Genesis customers have easy, secure and standardised access to their data through 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.

For product and pricing comparisons, Genesis uses Powerswitch data, which is complex but usable. Other data needs are met through EMI reporting, which is highly aggregated but meets our needs.

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.

The summary of the status quo is largely accurate. However, this could be strengthened, and the status quo given context, by including information on consumption data requests published by the Electricity Authority (see: https://www.emi.ea.govt.nz/Retail/Reports/CMYNSC?_si=v|3).

This data shows that consumers and third parties have largely not requested consumption data.

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.
- Lack of Awareness: Consumers may have a low level of awareness of their ability to request information.

- Need for Standardisation: The absence of standardised data transfer hinders data portability.

The premise of the problem definition and much of the commentary in the discussion document is that providing greater access to data automatically leads to benefits such as reduced costs and innovation. However, the Australian CDR implementation, which New Zealand has based its CDR approach on, provides cautionary insights.

A recent strategic review of the Australian CDR in the banking sector found that:

(a) The sector spent an estimated A$1.5bn to implement the CDR, with very limited take up by customers (0.31%) with early signs of deceleration, which amongst other things, reflected the limited number of compelling use cases.[6]

(b) The cost of the CDR per customer (approximately A$3k) remains economically unsustainable.

[6] See *Consumer Data Right Strategic Review - July 2024* Accenture / Australian Banking Association, pages 9 – 14.

(c) Its design did not have sufficient focus on cost-benefit analysis and substantiating consumer propositions.

(d) Overly prescriptive and complex standards and obligations led to high compliance costs.

(e) Implementation timeline was compressed, leading to frequent changes and rework.

(f) There were unintended consequences with work on other projects that would have benefited customers being delayed or not proceeding, and smaller banks being disproportionately impacted by the complexity and compliance costs.

Similar high implementation costs and low engagement have been observed with the rollout of the CDR in the Australian energy sector.

We support the aims of the CDR and agree that the existing arrangements such as the data transfer formats can be improved. However, given the above, a more nuanced approach to the problem definition is required.

For example, we question the necessity of data immediacy and whether the volume and complexity of available data truly creates a barrier to third party access and innovation. Discussions with a leading Australian energy company revealed substantial investment in implementing the energy CDR with minimal consumer engagement.

A key learning was the importance of tailoring performance standards to sector-specific needs. For example, response times of 5–10 seconds, rather than instantaneous access, could significantly reduce implementation costs without compromising utility. Similarly, it is not the volume of data that is problematic but the need for standardisation and an efficient means of authentication and transfer.

What the Australian (and International experience discussed further in our response to question 3 below) suggests is that realising the benefits of greater data access requires not just carefully considered infrastructure and systems. Important drivers include compelling use cases, high levels of consumer receptiveness and trust and enabling ecosystems.

New Zealand can learn from the Australian experience, and from countries like Singapore and India which have had far greater success than Australia, the EU and the UK. This includes clearly defining and quantifying the benefits and costs of proposed use cases (Box 1 on page 8 of the discussion document, for example, currently lacks detailed analysis), and tailoring the electricity CDR to support this

based on a thorough cost-benefit analysis and wider system considerations (e.g. consumer receptiveness, digital identity infrastructure).

3. Do you think that regulatory arrangements are necessary to unlock better access to customer and product data?

We acknowledge that non-regulatory options alone may not deliver the wider benefits sought.

However:

(a) The current low uptake or use of the existing data access regime does not clearly stem from market failure, misaligned incentives, or Privacy Act risks and concerns. Further, simply regulating to provide greater access may not necessarily lead to the anticipated consumer benefits, as we discuss in our response to question 2.

(b) We observe that market-driven regulatory regimes in jurisdictions with open data sharing have achieved the highest adoption rates (Singapore at 45%-70% and India at 61.7%).[7] In contrast, regulatory-driven regimes have the lowest adoption rates (Australia at 0.31%, EU at 12.7%, and the UK at 12.7%).[8] However, we recognise that a binary "market vs non-market driven" lens oversimplifies the issue. Moreover, the New Zealand electricity sector already regulates the sharing of prescribed consumer data. Key influencing factors in Singapore and India's success were that at the time of considering implementation:[9]

- There were high levels of consumer receptiveness and trust.
- They had enabling ecosystems (e.g. Digital ID, real time payments, API sandboxes)
- The policy depth and breadth was moderate (e.g. regulator guidelines, API playbooks).

Given the above, we suggest a targeted and phased approach:

1. Improving the existing regulatory framework for data sharing in the electricity sector, prioritising the standardisation of data transfer and authentication.

[7] See *Consumer Data Right Strategic Review - July 2024* Accenture / Australian Banking Association, pages 28 – 32.
[8] Ibid.
[9] Ibid.

2. Conducting further research to understand consumers' specific needs and preferences regarding data access and usage.
3. Developing and promoting clear use cases with benefits and costs explained, and which demonstrate tangible consumer benefits.
4. Targeted improvements to the current system based on the above that address specific barriers or inefficiencies, and which implement performance standards applicable to the electricity sector.

We share the goal of improving data access in the electricity sector. We think the existing framework could serve as a "sandbox" to test and refine an electricity CDR.

A targeted approach that builds on and enhances the existing framework and the Electricity Authority's work programme, and which addresses the underlying reasons for low consumer engagement would avoid the Australian experience and the cost, risks, and complexity of overlapping regulation.

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.

4. What do you consider to be the likely outcomes for access to customer and product data in the absence of a CDR for electricity

Use Cases / Customer information

All the use cases referred to in Box 1 on page 8 of the consultation document are covered today without the cost of a CDR framework. Customers will continue to have free and easy access to their consumption data through existing channels such as retailer websites and apps. The format and presentation of this data may continue to vary between providers, potentially leading to inconsistencies in user experience across the sector.

Product Information

Access to detailed product information will probably remain limited due to commercial sensitivities and the inherent complexity of electricity plans and pricing.

Consumer Engagement

Consumer engagement with their electricity data and services may increase gradually as more user-friendly interfaces and value-added services are developed. However, without standardised data formats, authentication and access points, the growth in engagement could be slower and more fragmented than under a CDR system.

Data transfer standardisation and authentication

Progress towards data standardisation and authentication across the industry is likely to be driven by individual company initiatives or limited industry collaborations rather than a comprehensive, sector-wide approach.

However, both an electricity CDR and the existing regime will not, in and of themselves, necessarily lead to increased adoption and the wider benefits anticipated by the discussion document. As discussed above, other factors are required, including compelling use cases and demonstrable benefits that consumers actually want.

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?

We suggest clarifying the range of data holders by excluding certain classes of participants. For example, we would not expect Metering Equipment Providers (**MEPs**) or cloud storage or server providers to be data holders as, to the extent they obtain and hold consumption data, they do so for the relevant retailer.

We also have concerns regarding the scope and treatment of "third parties". It is unclear why these parties should be held to a lesser standard than accredited requestors. The accreditation system is critical to consumer confidence in the CDR, so there should be very few entities that fall into the third party category.

We also note the inconsistency in paragraph 51 of the discussion document, which cites:

(a) online comparison tools as an example of an accredited requestor; and
(b) comparison services as an example of a third party.

These are essentially the same services and use the same data. It is unclear why there should be a distinction - both should be fall within the accredited requestor category.

6. What customer 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?

We agree with the proposed designation of customer related data (name of the account holder, current plan, meter type / configuration, ICP and address) and metering/consumption data.

We note that it is implicit that derived data is excluded from designated data. However, we ask that the regulations clearly exclude derived data. That is, data

generated or calculated from raw consumption data, which may include the use of proprietary algorithms, insights, or analyses performed by the retailer, usually combined with other data sets such as weather information. This derived data is the intellectual property of the applicable retailer or data holder. Sharing this data with competitors would infringes that retailer's property rights and undermines the significant investment made to understand and serve their customers.

Consumption data is the most important. It is the core indicator of consumer behaviour and how the customer might benefit from new products and services. Information on peak usage periods, seasonal variations, and long-term consumption trends, provide a holistic view of a customer's energy use. Consumption data that provides a clear picture of customer behaviour and needs: (a) enables personalised energy management recommendations and consumers making informed decisions (b) forms the basis for accurate billing and pricing (c) assists load forecasting and grid management.

However, there are some challenges unique to the electricity industry. For example, unlike the banking industry, we do not maintain a shared unique key for individuals. Instead, our unique key is the ICP (Installation Control Point). (An ICP is the physical point on a property where the electricity network connects to the power lines servicing that property. It essentially identifies a unique connection point for each residence on the grid, at which a retailer is deemed to be supplying a customer.)

This ICP centric framework presents some challenges:

(a) Data Continuity and Relevance: An individual's consumption history may be limited or inaccurate due to house moves. For example, if someone moves from a 2-bedroom 1960's unit to a 4-bed new build, their past consumption data becomes less relevant for predicting future consumption. This limitation reduces the uses and benefits for customers. While it allows them to 'shop around' in their current house, it offers little help during the moving process.

(b) Data Privacy Risks: The existing processes and proposed delivery models centre on ICP data rather than a unique personal identifier. Appropriate safeguards will need to be put in place to avoid consumers, accredited requestors and third parties receiving someone else's personal information when requesting consumption data for a customer's ICP.

Smart meter and non-smart meter data also present challenges.

A customer may not have a smart meter installed. This could be for a range of reasons (e.g. associated costs of installing the meter (old wiring, asbestos), poor cellular communication, personal choice.

However, consumption data from non-smart meter ICPs is less accurate, dynamic and useful. We recommend that this data be excluded from the CDR as the

information has less value and will likely result in higher implementation and compliance costs.

For SME (Small and Medium Enterprise) customers, additional factors come into play. For example, the industry type and the property's end use are crucial in understanding and predicting their consumption patterns. For the reasons set out in our response to question 7 below, the CDR regime should not extend to large commercial and industrial users.

7. If access to customer 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 customer? And why?

Framework for data set inclusion

We welcome the proposed framework for considering data sets for inclusion in the CDR. However, given the Australian experience, it must go further than simply identifying a use case that promotes the interests of consumers. These must be properly costed to ensure that the costs do not outweigh the benefits, and there must be tangible benefits for consumers. In short, they should be compelling.

Similarly, we acknowledge that the framework will also consider the ease of providing data and the cost of satisfying technical standards. We agree with this approach but note that:

(a) The standards that apply to payments and banking may not be appropriate for the electricity sector. As discussed above, we consider a 5 – 10 second response time more appropriate in the electricity context and would lower system build costs considerably.

(b) The assumption that costs of making consumption data that is already readily stored, shared and used more widely available is low is incorrect. Currently, data is provided on a needs basis to a small number of authorised parties (mostly networks, agents and consumers via apps). Genesis is likely to incur material costs complying with the CDR's technical standards for consumption data.
Based on our understanding of the likely regime, certain assumptions and discussions with a leading Australian energy company on its experience with the Australian CDR, we estimate that the build cost will be between $[redacted] to $[redacted], and the ongoing cost between $[redacted] to $[redacted] per annum. We set these out in more detail in our response to questions 16 and 17 below.

Benefits for mass market (residential and SME) customers

A carefully designed electricity CDR that applies the lessons learned from other countries has the potential to materially benefit consumers, retailers and other

service providers. The principal benefit for consumers arises from empowering them to make more informed decisions about their energy usage and choice of provider. Examples include:

(a) Easier plan comparison and streamlined switching to better value plans.

(b) Tailored offerings from retailers and third-party service providers.

(c) Tailored energy efficiency recommendations and solutions.

(d) Integration with other services e.g. integration of energy data with financial services could lead to improved budgeting, energy, sustainability and financial management tools.

Risks for mass market (residential and SME) customers

The Australian experience with their banking and electricity CDRs highlights the risks for consumers and market participants. A poorly designed and implemented CDR, can result in over regulations, extremely high implementation and ongoing compliance costs (some or all of which will ultimately be borne by consumers), low confidence and take up, and little or no product or service innovation.

Consumer confidence and trust, and compelling use cases, are among the key factors that underpin the success of an electricity CDR. Accordingly, privacy and data quality risks must be managed carefully. This requires a robust accreditation and compliance regime, coupled with regular and effective consumer awareness campaigns.

It is also important to recognise that consumers are not homogenous. Consideration must also be given to vulnerable customers and customers who are cautious or who prefer not to use digital channels.

Large businesses and industrials

The extension of an electricity CDR to large businesses and industrials (**C&I**) customers gives rise to a number of challenges and complexity, and for these customers, the benefits appear limited. They already have easy access their data through industry-standard formats like EIEP3, which their management and consultants analyse. These are used to inform tender processes run by third party consultants.

Implementing CDR for this segment would result in complexity and cost. System administrators will likely face significantly more complex and costly processes to handle usage data and product information.

For example:

(a) managing at least twice as much data due to reactive data streams;

(b) performing complex cost calculations, accounting for variable consumption timings, multiple tariff types, and intricate factors like power factor, coincident demand, and anytime demand;
(c) C&I customers with spot pricing components to their contracts adds further complexity. C&I customers have the sophistication and ability to assess and negotiate their electricity supply arrangements, which are bespoke to their profiles and needs. They should not be included in the CDR.

We note that customers should not be identified based on metering category as this is not valid for customer categorisation.

We suggest that the CDR applies to connections < 70kVA with mass market metering. This will capture residential and SME consumers, who stand to benefit most from a CDR.

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?

We agree that accurate up to date prices and product information are critical to consumers making informed decisions and realising the benefits of a CDR.

Tariffs and rates (including any time-based differentiations), plan types, network and fees, discounts, credits and other benefits are the most important of the categories discussed in the discussion paper. These provide a set of core information that allows customers to compare their current energy costs with other options, such as different products or shifting energy usage to cheaper times, potentially leading to better value plans and cost savings. We think the primary focus should be on these categories initially.

Other electricity product data that may be helpful to consider in future (paying careful regard to consequential implementation costs), include:

- eligibility criteria (e.g., must own an electric vehicle, have solar installed);
- minimum contract term;
- applicable break fees;
- contract termination period;
- primary/secondary residence requirements.

This would allow consumers to be presented with more tailored options, reduce the risk of invalid comparisons and signing up to unsuitable plans.

For clarity, we ask that the regulations (when developed) confirm that designated product data does not include information that is not ordinarily publicly available to ensure that commercially sensitive information relating to a product is required to be disclosed.

9. Are there any other issues with product data we should be aware of? And why? Please provide examples

The lack of product standardisation provides challenges. Retailers are continually enhancing product offerings, and this diversity and rate of change can make comparisons – not just in relation to cost – challenging. For example, in addition to cost savings, a key value proposition with the ability to fast charge anywhere in New Zealand at home rates under Genesis' EV plans, is the time saving and convenience for EV owners. These are valuable benefits but difficult to quantify and compare on a total cost basis.

As discussed earlier, consumer confidence and trust is a critical factor to the success of the CDR. The Australian banking CDR experience has been that while consumer data was of sufficient quality, there were significant shortcomings with product data quality.[10] This included:

- inaccurate or incomplete data being provided;
- product data not being updated in a timely manner when changes were made;
- information provided in free text fields rather than relevant structured fields (in part due to the diversity of products).

The consequences included unreliable product comparison and hampering the development of consumer-facing product comparison services.

Actions taken by the ACCC included developing guidance on data quality obligations and publishing information on data holder implementations so that data recipients could develop use cases accordingly. New Zealand has the opportunity to take a proactive approach and develop these at the outset.

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 agree with the proposed initial framework and consider it consistent with a first principles approach.

Retailers hold the data, and as we discussed in our response to question 3, MEP or other service providers (e.g., cloud storage or server providers) obtain and hold consumption data for the applicable retailer under contractual arrangements between the parties.

Careful consideration will need to be given to:

[10] See *Data Quality in the Consumer Data Right - Findings from Stakeholder Consultation*, Australian Competition and Consumer Commission, April 2023.

(a) how to design APIs and technical standards given the tripartite relationship between data holders, MEPs, and accredited requestors;

(b) how to allocate risk and liability once accredited requestors receive data (and when they provide it to third parties). For example, data holders should bear no exposure to, and receive indemnification against, any liability arising from these parties' subsequent use or misuse of data.

11. Do you agree with our initial framework for how to identify/designate data holders? Why or why not?

Please see our response to question 11.

12. What actions could be designated for electricity under a CDR? And why? What are the potential benefits from these? Please provide examples.

Implementing 'write or switch' access is likely to cost significantly more than just read access due to the additional security and process requirements.

While there are potential benefits to customers in faster switching or accredited requestors initiating the switch on their behalf, these must be accurately assessed against the cost of making this functionality available and the measures required to prevent fraud.

We consider that read access should be the first designated action so that control remains in consumers hands initially.

Write access / action initiation should follow if the benefits outweigh the costs, and the appropriate accreditation and safeguards put in place. It is important to note the significance that other systems play in enabling safe and effective write access / action initiation. These include digital identity regimes and we note that markets where 'write' access has succeeded generally have effective digital identity regimes (e.g. Singapore). This has also been recognised by Australia which is moving to add write access to its CDR.[11]

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 these benefits, and over what timeframe would they occur?

[11] See The Assistant Treasurer's letter to the Data Standards Chair dated 7 August 2024 at: https://ministers.treasury.gov.au/sites/ministers.treasury.gov.au/files/2024-08/20240809-jones-dsb.pdf

We agree that there are a range of potential benefits as described in paragraph 83 and note that the discussion in our responses to questions 2, 3, 4 and 7 is applicable here.

We reiterate the cautionary insights from the Australian experience where significant costs have been incurred to implement the banking and energy CDRs, with limited uptake and benefit 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?

Please see our response to question 7.

15. What are your views on the nature and scale of costs/benefits? Who would these costs/benefits apply to and when?

Please see the previous responses in relation to benefits.

In relation to cost, from a technology and systems perspective, Genesis anticipates substantial investment to establish and maintain automated processes and systems to support designation.

This is driven by several factors:

(a) System complexity: Our infrastructure and systems are complex, requiring careful integration.

(b) Regulatory and Data Privacy Requirements: The sensitive nature of the data requires robust protection measures, including ongoing security testing and audits.

(c) Set up and Ongoing Activities: These include integrations, custom applications, and their support.

There also costs arising from amendments to business processes and the amendment of roles/creation of new roles in the business to support the implementation and ongoing support of the CDR.

16. Would you be able to quantify potential additional costs to your organisation associated with designation under the Bill?

[redacted]

We have made several assumptions to estimate build and operating costs. These include:

- Critical availability requirements:
    - We assume the system will need redundancy infrastructure due to its customer-facing nature.
- Performance expectations:
    - Customer response time of less than 10 seconds.
    - Data returned to customers or their agents in a standardised format.
- Evolving regulatory landscape:
    - We expect changes to the CDR process in year one, which will require modifications to our solution.
- Additional operational considerations:
    - Exception processes, support, compute, licensing, external audits to ensure customer data security and privacy.
    - A separate data instance will be required, and a team across it for any changes and updates.

Note, the above reflects the implementation costs from a technology infrastructure and systems perspective, which we expect to form the majority of the costs.

We have not factored in the costs arising from amendments to business processes and the amendment of roles/creation of new roles in the wider business to support the implementation and ongoing support of the CDR.

17. Do you have any comments on the benefits and risks to security, privacy, confidentiality, or other sensitivity of customer data and product data?

We reiterate the risks discussed in our responses above and the importance of consumer confidence and trust in the CDR, which is underpinned by, amongst other things, data security and data quality.

The increased sharing, type, and volume of data heightens the risk of data breaches and misuse. In addition to the compliance and penalties regime contemplated by the Bill, robust accreditation, authentication/consent and security standards (including encryption and secure APIs) will be required to manage this risk.

There should, for example, be clarity on when a data holder must provide information to an Accredited Requester and that there is no requirement to verify or "look behind" the request being made. Put another way, in the event that a request is made by an accredited requestor in circumstances where the request should not have been made, any consequences sit solely with the accredited requestor.

We reiterate that careful consideration must be given to risk and liability allocations once data is provided to an accredited requestor (and by an accredited requestor to a third party).

Data holders should have no exposure to, and be indemnified against, any liability arising from the subsequent use / misuse of data by these parties.

18. Are there any risks from the designation to intellectual property rights in relation to customer data or product data?

This depends on what data categories are designated. Our view is that the categories of designated data should be limited to those identified in paragraphs 59 (a) – (b) and 66 (a) - (e) of the discussion paper.

As discussed earlier, we ask that the regulations confirm that:

(a) data generated or calculated from raw consumption data, which may include the use of proprietary algorithms, insights, or analyses performed by the retailer, usually combined with other data sets such as weather information; and
(b) product data that is not generally publicly available,

are excluded.

Other Aspects of Potential Designation

19. What do you consider to be important if designing an accreditation regime for the sector?

We acknowledge that intention to apply learnings from the banking CDR and the detailed accreditation consultations to come. We agree with the components set out in paragraph 100 of the discussion paper and consider the fit and proper person, information security, and insurance requirements particularly important.

We emphasise however that any accreditation scheme must be supported by strong monitoring, compliance and enforcement action by the regulator.

20. What are your views on fees for requests for customer 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?

A similar approach to the fees for consumption information shared under the Code should be adopted. That is, accredited requestors should be charged a fee above a specified number of requests. This reflects that there are considerable costs for data holders in implementing and maintaining systems for the CDR. This would be exacerbated if these systems were required to support unlimited requests.

The low use of the information sharing regime under the Code (or the banking and energy CDRs in Australia) is not driven by the cost of accessing the information. This indicates that a fee does not disincentive use / adoption.

We consider that a fee for requests above a certain threshold provides a useful incentive for accredited requestors and third parties to develop compelling use cases where the benefits outweigh the costs. Having to pay for a resource encourages the efficient and effective use of that resource. There are many examples of pricing structures for financial and electricity data APIs that can be explored to design a structure for an electricity CDR.

21. Are there any particular considerations for electricity that should be taken into account for a consumer consenting process

We agree that customer consent must be express and informed, time bound supported by a robust consent and verification/authentication system.

As discussed in our earlier responses, a digital identity system is an important component and has shown to be a key factor in the success Singapore has had with open banking. We acknowledge MBIE's intention to learn from the open banking approach. This is sensible but it is important to ensure that the systems and

standards put in place for electricity are appropriate for the sector to avoid unnecessary complexity and cost.

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?

Industry led with strong support from the Government. This should help ensure for example, that the performance and security requirements, are appropriate for the electricity sector. This is:

(a) consistent with the policy breadth and depth approach taken by Singapore; and
(b) minimises the risk of requirements designed for other sectors are applied resulting in high implementation costs and limited benefits for consumers.

23. How do you believe a CDR and the Code could/could not work together?

There should ultimately be one regulatory framework applying to all consumer and product data sharing.

As discussed in our response to question 3, we strongly advocate leveraging the existing data sharing framework under the Code, using it as a "sandbox" to test and refine an electricity CDR. A targeted approach that enhances the existing framework and addresses the underlying reasons for low consumer engagement would avoid the Australian experience and the cost, risks, and complexity of overlapping regulation. 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 arrangements under the Code for the electricity CDR.

We understand that MBIE and the Electricity Authority are working closely together. We would welcome more information on the relevant workstreams, and would be happy to assist where we can.