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23 December 2022

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Consumer Data Right Rules Maintenance Consultation

AGL Energy (AGL) welcomes the opportunity to provide feedback to Federal Treasury on their Consumer Data Right (CDR) Rules Maintenance consultation.

AGL is one of only two energy retailers who have implemented CDR functionality in the energy sector and our feedback is based on our experience with Tranche 1 energy CDR implementation and ensuring the CDR regime remains fit-for-purpose, accessible and easy to participate in for consumers. It is imperative that access and participation drive CDR uptake, as this is foundational in building consumer confidence in the CDR ecosystem and using its features to access data to make more informed decisions. A well-constructed CDR regime will foster innovation and market development. An overly complex regime will mean consumers will have invested in a framework that is not trusted and rarely used, creating a deadweight loss on the economy.

Large commercial and industrial energy users

AGL has previously stated that large commercial and industrial users will not benefit from and are highly unlikely to utilise energy CDR as there is a well-established market for large users to gain access to data and receive bespoke contracts based on their needs. Data they obtain from this established market is also likely to be more granular and valuable than the energy CDR data sets. Contract formation often involves a process of negotiation where energy retailers provide bespoke case management support for both contract negotiation and account management.

We also note that the banking CDR rules exclude large users, and the proposed telecommunications designation also proposes to exclude large users.

AGL is now in a position to more accurately cost assess the impact of Tranche 2 energy CDR implementation, which captures commercial and industrial energy users. [REDACTED]

[REDACTED]



Based on these estimates and the well-established market for large commercial and industrial energy users to seek energy offers and to negotiate bespoke agreements we recommend that large commercial and industrial consumers be excluded from the energy CDR rules.

The exclusion of these customers should be based on contract type. Specifically, customers that enter into a commercial and industrial contract type (including, a multi-site and collective agreements) should be removed from the energy CDR Rules.

Our recommendation is based on a contract type exclusion is the only way to avoid the above cost estimates in full. Further, as the table shows, this only applies to around [REDACTED].

Importantly, we would recommend a final decision to be released by February 2023, otherwise it will be too late as a high proportion of the costs would already be spent at this point to meet Tranche 2 compliance date of 15 May 2023.

Alternatively, a 12-month extension would be appropriate, given that the volume of customers is limited and there is insufficient time to build such a complex arrangement currently within the rules.

Finally, and if Treasury decide to keep large commercial and industrial consumers in the energy CDR rules, AGL recommends removing the upper 5GWh limit on eligibility and replace this with words to the effect “data holders are not required to provide CDR services for customers consuming above 5GWh but may choose to do so at their discretion”.

The current 5GWh eligibility means retailers will need to continuously run forecasted consumption for active CDR customers to determine their ongoing eligibility to remain compliant with the current Rules. This is quite a complex build and could be avoided if the Rules instead changed this component to read that a data holder does not have to provide to users exceeding these thresholds to comply but can if they choose. This minor change will mean a customer who is close to the limit when they consent, will not need to be monitored and removed if they exceed the limit – or be deemed ineligible based on historical consumption in the circumstance their forecasted future use anticipates a reduction below the limit.

Non-functional Performance Requirements (NFRs) for energy designation

AGL appreciates that the CDR eco-system is based on a standardised approach for sharing data. However, standardisation for the sake of standardisation should not be the end goal. Rather, standards should also consider the costs associated with meeting the standards and whether the benefits outweigh these costs. In certain situations, due the uniqueness of a sector and/or the CDR framework in the sector specific rules, it may mean a deviation from the CDR ecosystem wide standards in data sharing may result in achieving the same or improved consumer benefits at a lower cost.



AGL believes the performance related NFRs in the context of the energy sector might be a case in point. A different set of performance standards in sharing the data may result in a net overall benefit for consumers compared to the current performance standards. AGL provides the following context with respect to uncertainty in achieving the required performance standards in the energy sector:

- the uniqueness of the energy CDR peer-to-peer data sharing model, which is untested and contains additional complexities, such as the shared responsibility data obligations for certain data points.
- the testing environment used by data holders for the energy CDR is not the same as the production environment due to limitations in the test data payloads provided by AEMO prior to go-live, and there is ongoing uncertainty as to whether the Performance Requirements can be achieved in a production environment. In the limited sample time period we have had since Tranche 1 go-live, AEMO has consistently failed to meet their data sharing performance standards. At the time of preparing this submission, AEMO implemented an urgent upgrade, and while this has led to a substantial improvement in the performance of the getUsage APIs, it still has not achieved close to full compliance.

Based on AGL's assessment and the ongoing uncertainty regarding testing and the provision of AEMO data payloads, AGL is not in a position to verify whether the Performance Requirements can be met. Further, we are concerned the level of investment required to attain full compliance may not be the best outcome for consumers. Rather, a different set of performance measures that are more aligned to the digital capability of the energy industry and the unique peer-to-peer data sharing model may be more appropriate.

We recommend Treasury and the DSB conduct a review to determine the most appropriate energy NFRs that strike the right balance between industry costs and consumer benefits.

Rule and Standards Iterations

While we appreciate the CDR ecosystem is in its infancy and as we learn from its ability to support customers over time, we identify areas of improvements in the Rules and Standards that require updating. To date, Rules and Standards iterations have been ad hoc in nature. That is, once an improvement has been identified Treasury or DSB have begun a process of consultation and updating.

This process led to a situation during the energy Tranche 1 implementation phase (within 3 months of the go-live date) where there was a standards iteration that caused significant angst and requirement to pause implementation and put the implementation program at risk as we considered how to absorb the iteration changes mid-implementation.

AGL recommends that any future Rules and/or Standards Iterations should not occur within 6 months of an implementation date. Further, unless the iteration is required for an emergency situation, Treasury and DSB should set a program of Rules and Standards iterations. For example, there should only be one iteration per year, with Rules and Standards alternating each year. Further, there should be a six-month consultation period that contains at least an Issues Paper and Draft Decision with a minimum of four weeks for industry to respond to both. There should also be a minimum six-month implementation period (depending on the complexity of changes contained in the iteration, the implementation period could be extended to 12 months for more complex updates).



Historical metering data

AEMO is planning to implement a new market transaction to their systems containing a new field, Last Consumer Change Date (LCCD). The intent of this change is to enable historical meter data sharing in a single consent where a customer has changed retailers (in-situ transfer at the same property) during the sharing period.

While AGL supports the intent of the proposed change in terms of supporting CDR data sharing, we have a number of concerns with the specific AEMO change, being:

- The proposed delivery date of 30 May 2023. This date coincides with CDR Tranche 2 development, which is to enable CDR energy data sharing for complex user cases (e.g., large commercial and industrial customers, multi-site and secondary users). This has significant implications around resource capability as AGL has already committed resources to Tranche 2 and in a tight labour market finding additional resources is significantly constrained and stretching existing resources further places both the Tranche 2 and AEMO change into jeopardy.
- Further, the implementation approach only requires T1/T2 retailers to go live in May 2023, with T3 retailer live from Nov 2023. As the proposed change is a market transaction, every retailer should ideally go live at the same time (propose no earlier than November 2023) to avoid issues/manual exceptions on transfer/move in/out scenarios.
- This will also create misalignment in the CDR solution between T1/T2 retailers and T3 retailers, which could have unintended impacts to successful CDR data sharing.
- This may have unintended implications to CDR, by removing a potential use case; ability to provide ADR with historical meter data for a closed account. For example, when a customer is moving address, a new customer will be present at the site. Therefore, this will prevent historical meter data sharing for the customer that has moved out. We do not believe this has been sufficiently considered by AEMO and further analysis is required to avoid such unintended consequences
- The majority of energy customers will not have an LCCD until a transfer move in or move in/out occurs. Therefore, this will require a CDR solution to work in a hybrid environment. That is, where some customers have an LCCD and others do not. This will create unnecessary exceptions and may prevent successful data sharing through CDR. We propose a once off bulk update of this field should be mandated upon go-live for all retailers. This is not possible to achieve in the short timeframe provided.
- DSB has not published any standards, rules or guidance as to how data sharing of this information in CDR will occur.
- We are not sure at this stage if the LCCD will be visible in MSATS. If it is, the size of the change is ever bigger. If it is not, we are concerned the lack of visibility may limit retailers' ability to service calls/complaints by customers.

AGL believes this requires a CDR energy rules and/or standards solution. In particular, this change should not be mandated until the Treasury and the DSB have written rules/standards to support this field. AGL recommends the AEMO proposed solution is put on hold and Treasury and DSB conduct an industry wide consultation to identify the least cost solution, including investigating and mitigating against any unintended and negative consumer CDR experiences.



We also recommend:

- The delivery date be aligned across all retailers.
- The delivery date should allow sufficient time to implement, and should not be on top of Tranche 2 delivery, or any other energy CDR implementation date.
- A bulk update must occur across all retailers, for every customer as a once off on go live date.

If you would like to discuss any aspect of AGL's submission, please contact me at christodoulidis@agl.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Christodoulidis'.

Con Hristodoulidis

Senior Manager, Regulatory Strategy

AGL Energy