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Treasury

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Submitted via email: CDRRules@treasury.gov.au

Consumer Data Right Rules: Consent and Operational Enhancement Amendments

AGL Energy (AGL) welcomes the opportunity to provide feedback to the Consumer Data Right Consent and Operational Enhancement Amendments consultation, dated 9 August 2024.

AGL commends Treasury for its receptiveness to stakeholder feedback as part of its Consent and Operational Enhancements Design Paper consultation. Treasury's responsiveness is reflected through the pragmatic and sensible updates to Draft CDR Rules. Specifically, AGL welcomes Treasury's direction to simplify the secondary user process and the decision not to progress with the 'deemed' nominated representative appointment or the nominated representative dashboard visibility.

AGL's feedback to the current consultation on Consent and Operational Enhancement Amendments is based on our long history as one Australia's largest providers of essential services and AGL's experiences and insights as an energy data holder within the CDR framework. Specifically, our key observations in response to the draft CDR Rules are that:

- It is appropriate for the nominated representative process to be available through digital channels, however, if the proposed amendments require a fundamental rebuild of existing functions or the implementation of a fully automated system process, the costs and complexity to deliver such a solution will be wholly disproportionate to the limited number of consumers currently seeking to access this service.
- The Energy Trial Exemption is a welcome addition to the CDR Framework to allow energy retailers to develop and test innovative products and offerings. AGL recommends an expansion of the trial parameters to five years and 5,000 customers which would be more closely aligned to how the energy industry undertakes trials.

Nominated Representatives

In our response to the Consent and Operational Review Design Paper, AGL agreed that a digital solution for the nominated representative appointment process should be quick, accessible and user-friendly. We acknowledge that a manual application process can be cumbersome to navigate for both consumers and agents. However, as providers of an essential service, energy retailers are required to offer offline channels to allow non-digitally enabled consumers to participate in the CDR framework. The proposed amendments to the nominated representative appointment process will obligate energy retailers to implement and maintain a digital solution alongside their existing manual appointment processes, rendering this requirement substantially more onerous on the energy industry. Hence, AGL's maintains its previous recommendation that



the digital process be offered as a voluntary mechanism within the energy sector, at the least, until an increase in uptake of CDR by business consumers drives real demand for this functionality.

AGL notes the requirement that the nominated representative appointment process must allow “a request to be made in a manner that is no less timely, efficient and convenient than any of the online services that are ordinarily used by customers of the data holder to deal with it”¹. Treasury should clearly outline how it expects data holders to operationalise this requirement. Treasury will be aware that such digital solutions can be designed or structured such that they are:

- fully automated, requiring no manual intervention to action and may have an instantaneous or near instantaneous turnaround time. In the current context, the nominated representative process would need to be implemented through complex IT architecture and logic, i.e. the customer would input data into the relevant field online and the data holder’s customer management system receives this data and actions the request independently; or
- A simplified digital portal or landing page that allows the customer to input data, but which is then manually transposed into the data holder’s CRM and/or actioned by the appropriate team/individual. The element of human intervention means that there can be some delay between the request being made by the customer and the time it is actioned by the data holder.

It is AGL’s strong preference that the latter scenario be deemed as sufficient for the purposes of the amended CDR Rules. We consider that it strikes an appropriate balance of meeting Treasury’s intention to offer a simple, user friendly and accessible digital solution and allowing industry participants to better utilise resources and manage development and build costs. Time delays from when a request to appoint a nominated representative is made to when it is actioned can be mitigated by finding efficiencies in the process and requiring that the data holder action the request within a reasonable timeframe, for example, two business days. We acknowledge that where there is human intervention the process cannot be instantaneous, although we do not believe this is a barrier to consumer uptake of CDR or access to the nominated representative appointment process.

Further, if it is Treasury’s intention that not only the *request* to appoint a nominated representative be digitalised, but also the *mechanism* to give effect to the appointment (described in the first scenario above), AGL anticipates a substantial expenditure of time, effort and resources will be required to develop a digital solution that can communicate directly with the data holder’s enterprise customer management software and action requests automatically. This approach would result in data holders incurring significant costs for IT build and development for a process that is currently accessed by a very limited number of CDR consumers. AGL acknowledges that as the volume of consumers accessing the CDR increases over time, so too will the number of consumers seeking to appoint a nominated representative. However, to promote the efficient use of resources for CDR participants, it is important the proposed solution is proportionate to the problem it is seeking to address.

¹ Competition and Consumer (Consumer Data Right) Amendment (2024 Measures No. 1) Rules 2024, Mark-up version Exposure draft, Schedule 1, item 11, subrule 1.13(1A)].



Energy Trial Exemption

Length of Trial

AGL is supportive of an energy trial product exemption process to allow energy retailers to test and develop new, innovative products and energy plans outside of the CDR framework. AGL previously submitted that in the energy industry, products or services may involve the provision of specialised hardware that is physically integrated into the customer's premises, and/or may involve the bundling of third-party services.² Treasury will find a 12-month timeframe is on the shorter end of the scale for trials in the energy industry and, as such, retailers may see limited value in operating trials or pilots under these constraints.

As an example of a recent industry trial, the [Market Active Solar ARENA-backed trial](#) with SAPN, AGL and another energy retailer will span across two years³. AGL and other participants allocated 12 months to carry out the preparatory stages of the trial including system design and build, product development and customer recruitment/enrolment, while the customer trial itself also lasts approximately 12 months. While not all energy trials may be as complex as the Market Active Solar which involved integration with distribution IT systems, it is important that Treasury allows for a broader definition of 'energy trials' to accommodate for the inherent complexity of trialling new products, services and technologies in the energy industry. Accordingly, it is AGL's recommendation that the CDR energy trial exemption is not timebound. However, if it is Treasury's preference is to have strict timing parameters, AGL recommends that a period of five years is more appropriate to trial and assess new energy products or offerings.

Trial Customer Volume

AGL acknowledges that depending on the size of the trial, the concept being trialled, the complexity of the energy industry and at times limited customer engagement, it may be necessary to trial a product using a larger pool of customers. To this end, we support the recommendation made in the Australian Energy Council's submission to this consultation that a customer volume of 5,000 may be more appropriate.

AGL is seeking clarification from Treasury whether the participating customers must all be CDR-enabled customers, or whether it can include any customers of the retailer for the Energy Trial Exemption to apply.

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

Yours sincerely,

A handwritten signature in black ink that reads 'Liam Jones'.

Liam Jones

Senior Manager Policy and Market Regulation

AGL Energy

² AGL Energy, response to the [Consumer Data Right – Consent and Operational Enhancements Design Paper](#), 5 October 2023, p4.

³ The Trial seeks to demonstrate how distributed network service provider (DNSP) dynamic operating envelopes (DOEs) can act in concert with retailer-initiated schemes that actively manage the output of a customer's solar inverter in response to market price signals.