

13 February 2024

Electricity Authority
PO Box 10041
Wellington 6143.

By email to retaildata@ea.govt.nz

Submission to the Electricity Authority (Authority) on improving retail market monitoring

Electricity Networks Aotearoa (ENA) appreciates the opportunity to make a submission to the Authority on its consultation paper *“Improving retail market monitoring: clause 2.16 information notice”*.

ENA is the industry membership body that represents the 27 electricity distribution businesses (EDBs) that take power from the national grid and deliver it to homes and businesses. ENA harnesses members’ collective expertise to promote safe, reliable and affordable power for our members’ customers.

ENA supports a greater understanding of mass-market retail conditions and consumer preferences

The 2019 Electricity Price Review (EPR) provided detailed insight into the conditions within the retail market. It highlighted a range of consumer-related problems noting that “residential prices have risen more quickly and steeply than industrial and commercial prices. Residential consumers in some places also appear to be paying more than they should compared to business consumers”¹.

Since the publication of the EPR’s final report, monitoring of the retail market has been disjointed, ad-hoc and reactive. ENA agrees with the Authority’s assessment that the current approach to retail monitoring is disjointed and not fit for purpose and is encouraged by the Authority’s intent to implement a more structured and comprehensive approach to the monitoring of retail market conditions.

ENA in its submission to the Authority’s distribution pricing issues paper, welcomed the recognition of the need for the monitoring of retail pricing and noted *“that it is important for the Authority to focus on the uptake of prices not just their availability, to allow it and the industry more broadly to understand actual (revealed not stated) consumer preferences.”*²

The Authority’s proposal to implement a clause 2.16 notice to collate a comprehensive set of data that documents consumer preferences, and the functioning of the retail market will go a long way to improving confidence in the market. It will also give the Authority an evidence base from which to conduct its oversight based on robust and accurate information.

¹ Electricity Price Review Hikohiko Te Uira, 2019, Final Report p1

² <https://ena.org.nz/submissions/previously-published-ena-submissions/2023-submissions/document/1374> p14

The scope of the proposed monitoring is appropriate

Mass-market customers account for over 95% of all electricity connections in New Zealand³. Asking retailers to supply data on all mass-market customers including any account-managed small businesses is supported by ENA. Commercial and industrial consumers are materially more likely to have bespoke arrangements with their retailers, which makes them unsuitable for general analysis and provides these customers greater negotiating power.

From an EDB perspective, the most important information gaps to be addressed via improved retail monitoring and data collection include:

- half-hourly consumption metering by customer type and tariff plan.
- plan terms and contract length. However, ENA notes that rate/cost per kWh is monitored and published by MBIE so its inclusion in the clause 2.16 notice risks the duplication of effort. ENA encourages the Authority to consult closely with MBIE to ensure alignment and avoid duplicate reporting.
- the amount exported (kWh) at an ICP level and prices paid/charged for exported electricity (\$/kWh).

The collection of consumption data via the clause 2.16 notice should be supported by mandating the use of EIEP3 which provides complete ICP half hourly consumption data. This can be achieved at little or no additional cost to retailers given that coverage is already at 94%. The availability of half hour data will enable better tariff design and price signalling, future innovative and more accurately and cost reflective tariffs.

The Authority's intent to publish information drawn from the clause 2.16 notice at an aggregated level on a regular basis is supported. ENA encourages the Authority to make collated and summarised data collected from the clause 2.16 notice available via the EMI portal.

Privacy concerns can be managed by engagement with the Privacy Commissioner

ENA notes that complete information on the distribution tariff applicable for each ICP is readily available via the registry and My Meter website. Collating similar generic information on each ICP retail tariff would not pose any further privacy concerns.

ENA encourages the Authority to seek and publish advice from the Privacy Commissioner on the extent to which the data requested via the clause 2.16 notice could be considered personal information and, therefore covered by the Privacy Act 2020.

Clause 2.16 notice Tables 1 and 2

ENA supports the bulk of the data fields in Tables 1 and 2 of the proposed clause 2.16 notice. ENA questions the value in the collection of customer identifiers, as this field is likely to be retailer-specific and of little use to parties other than that retailer. ICP numbers are a consistent unique identifier and should be used as the sole primary key.

The Authority's remit is to promote competition in, reliable supply by, and efficient operation of, the electricity industry for the long-term benefit of consumers. ENA questions if it is appropriate for the Authority to require the provision of revenue data of mobile phone, LPG and internet providers.

ENA believes that the information proposed for Table 3 and Table 4 will be of use to parties interested in consumer hardship and the public at large. However, it has no comment on the

³ EMI data, 30 November 2023 includes residential, small, medium enterprise connections.

appropriateness of the proposed notice in regard to the cost and benefit of each item in these tables.

Please don't hesitate to get in touch with ENA if you'd like to discuss our submission. Contact Keith Hutchinson (keith@electricity.org.nz) in the first instance.

Yours sincerely



Keith Hutchinson

Regulatory Manager

Submitter	Electricity Networks Aotearoa
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Question	Comment
Q1. What are your views on the Authority’s description of the current issues with its monitoring of the retail market? Are there any additional issues we have not included?	ENA broadly agrees with the Authority’s description of the current issues with retail monitoring. It has historically been disjointed, ad-hoc and reactive. ENA is encouraged by the Authority’s intent to implement a more structured and comprehensive approach to the monitoring of retail market conditions
Q2. The Authority is proposing that retail market monitoring should be through one consolidated, mandatory request, collected on a consistent basis, that is proactively published, cost- effective, and fills identified information gaps. What are your thoughts on this proposal?	ENA supports a consolidated and mandatory request.
Q3. What are your views on the Authority’s proposal that a new Clause 2.16 notice is the correct tool to improve retail market monitoring?	ENA’s view is that the use of the Clause 2.16 notice to collect the data will support improved retail market monitoring.
Q4. What are your views on the ICPs the proposed notice applies to, and do you believe the proposed notice should apply to any other group of ICPs?	Residential, small, and medium enterprises account for more than 95% of all connections. Commercial and industrial users, who account for the remaining 5%, are likely to have bespoke arrangements with their retailers and, in some cases, billed directly for distribution services. It is therefore appropriate that all mass market customers be included in the clause 2.16 notice.
Q5. (For retailers) What is your definition of mass market? Will the request for account managed small businesses capture all the small businesses that fall outside your definition of mass market?	No comment.

<p>Q6. (For retailers) What method would you prefer to use to submit your data?</p>	<p>No comment.</p>
<p>Q7. Do you have any feedback on the proposed notice (Appendix A)?</p>	<p>The inclusion of the customer identifier and its use as a unique key is questioned. ENA is also of the view that revenues from non-electricity services are not within the scope of the Authority's statutory remit.</p> <p>ENA's view is that an additional field be included to indicate if each ICP is reconciled using actual HHR data by 30-minute intervals, aggregated peak/off-peak kWh, or a deemed profile.</p>
<p>Q8. (For retailers) Would you be able to provide the information requested in the proposed notice backdated to 1 January 2018? If not, what is the earliest date from which you could provide the requested information?</p>	<p>No comment.</p>
<p>Q9. What are your views on how the information requested in the proposed notice would meet the Authority's statutory monitoring of competition, reliability, and efficiency in the retail market, and domestic and small business consumers' outcomes? What information do you think is needed to meet the Authority's statutory monitoring requirements?</p>	<p>The information requested would enable the Authority to better achieve its statutory objective. However, collecting the information alone is not enough, the Authority must also actively analyse and utilise the data.</p>
<p>Q10. Do you believe the benefits of the Authority having this information outweigh the costs? If not, why?</p>	<p>While the consultation paper does not attempt to quantify either the expected cost or benefits, ENA's initial view is that the benefits from the proposal are likely to exceed the costs.</p>
<p>Q11. (For retailers) Do you currently provide the Authority with any of the data requested in the proposed notice through any other mechanism that would not be replaced by a new notice (ie, not the RFS notice, or voluntary information provided annually and quarterly).</p>	<p>No comment.</p>

<p>Q12. (For retailers) What is the time and cost for you to put the processes in place to provide the data requested in the proposed notice initially and on an ongoing basis (noting the proposed two month implementation period)? What resources would this take? Please provide evidence to support any estimates where possible.</p>	<p>No comment.</p>
<p>Q13. (For retailers) Do you collect customer or ICP level information on EV chargers? If so, what are the details of this information eg, whether the charger is a smart charger?</p>	<p>No comment.</p>
<p>Q14. What are your views on the information the Authority intends to initially publish from the proposed notice, including the proposed level of detail?</p>	<p>The proposed publication of aggregated data by region, customer type, and retailers is supported. The use of Stats New Zealand Mesh block is an appropriate level of detail, and it would allow better understanding of load profiles and DER penetration on low voltage networks.</p>
<p>Q15. What information do you believe the Authority should or should not publish? What level of detail do you consider appropriate for publication, and why?</p>	<p>Data disaggregated at a Stats New Zealand Mesh block level including consumption profiles, the proportion of ICPs on time contingent pricing and export volumes. The publication of data on primary residence would support the better understanding of season load profiles or regions with high prevalence of holidays homes.</p> <p>No individual ICP consumption or revenue data should be published.</p> <p>As noted above, ENA does not support the collation of revenue data for services other than electricity. Consequently no data of this type should be published.</p>
<p>Q16. (For retailers) What information requested through the proposed draft notice would you expect to mark as confidential under clause 2.21 of the Code?</p>	<p>No comment.</p>
<p>Q17. What are your views on the privacy implications of this clause 2.16 notice and the methods we have outlined to manage these?</p>	<p>The data being proposed to form Tables 1 and 2 of the notice are unlikely to contain personal information. However, to provide the industry clarity and comfort, the Authority should seek and publish advice from the Privacy Commissioner on whether each of the proposed data items would be considered personal information and therefore covered by the Privacy Act.</p>

Q18. (For retailers) Do you foresee this notice creating any new issues or costs for you from a privacy perspective?	No comment.

ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members, listed below.

Alpine Energy

Aurora Energy

Buller Electricity

Centralines

Counties Energy

Electra

EA Networks

Firstlight Network

Horizon Energy Distribution

Mainpower NZ

Marlborough Lines

Nelson Electricity

Network Tasman

Network Waitaki

Northpower

Orion New Zealand

Powerco

PowerNet

Scanpower

The Lines Company

Top Energy

Unison Networks

Vector

Waipa Networks

WEL Networks

Wellington Electricity Lines

Westpower