



PO Box 4136
East Richmond VIC 3121
T 131 806
F 1300 661 086
W redenergy.com.au

PO Box 632
Collins St West VIC 8007
T 1300 115 866
F 1300 136 891
W lumoenergy.com.au



29 July 2016

Productivity Commission
GPO Box 1428
Canberra ACT 2601

Submitted electronically

Dear Sir/Madam,

Re: Data Availability and Use Issues Paper

Red Energy (Red) and Lumo Energy (Lumo) welcome the opportunity to respond to the Productivity Commission on the Data Availability and Use Issues Paper (the Issues Paper).

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria and New South Wales and electricity in South Australia and Queensland to over 1 million customers.

The energy industry is highly data intensive. We support consumers having increased access to and making greater use of their data to encourage informed choice regarding their energy use and decision making that best suits their needs. Most consumers require the provision of this data to be presented in a format that is meaningful to them. This will enable consumers to take action based on the information derived from the data.

Energy specific data

Technological advancements in the electricity sector have resulted in the creation and retention of significantly increased amounts of consumption data. Smart electricity meters have the capability to record usage in at least 30 minute intervals and allow for remote readings to be transmitted electronically, and as such the level of consumption data recorded and retained at an individual consumer level is extensive. Unlike electricity, at this stage there is no regulatory requirement to roll out smart gas meters which produce interval data to small business and residential consumers.

Greater provision of electricity data to individual consumers as recorded by smart meters could result in increased uptake of bespoke energy arrangements suited to individual consumption patterns. This is likely to contribute to greater electricity product offerings and in turn contribute to a more competitive and efficient market. For example, increasing access to individual data will allow individuals to take advantage of options that best suit them, such as flexible pricing currently available in Victoria.

Any increase in a consumer's access to their electricity consumption data must however be subject to certain qualifications. An increase in data needs to be balanced with the need to protect the privacy and security of information. Measures need to be developed to minimise the risk of any adverse outcomes such as identity fraud or data breaches. This is particularly relevant when information is transmitted electronically.

Privacy and misuse of data

Red and Lumo are committed to protecting and maintaining the privacy of personal information that we store, including detailed, granular consumption information. This is particularly relevant in the energy sector that collects and stores consumption data for legislatively prescribed periods.

Costs

The cost to industry implementing changes to its existing systems to facilitate greater access to data needs to be carefully considered. System changes to facilitate such increases in data availability will likely result in increased costs to consumers. As such, any changes considered need to result in an increase in the ability of consumers to make informed choices because of the availability of data, outweighing the costs of implementing its availability.

To that end, we agree that:

“The objective of increasing data access should not simply be to increase the volume of available data. Rather, it should be to increase access to that data for which wider availability would be expected to deliver benefits to the community greater than the costs of making it available—including the potential costs of reducing individuals’ privacy, security breaches and resource costs.”¹

Efficient regulation

In a changing energy environment, it is important that we allow competitive market forces to achieve greater data provision. If competitive markets fall short of achieving outcomes for consumers it is only at this point should any regulatory intervention be considered. In this case, where intervention in the market is proven necessary then an industry based data sharing protocol would be our preference. In the energy industry, this can be facilitated through the Information Exchange Committee who govern the B2B Procedures under the National Electricity Rules. Protocols will need to be developed for the disclosure of such data that incorporate privacy protections and security measures to maintain the consumer protections that currently exist.

We agree that:

“...regulation may not satisfactorily address the issue—indeed, a culture of more openness may be more helpful than more regulation in generating better outcomes for consumers.”²

Any reform that discourages the energy industry from collecting and retaining data that consumers may find useful beyond legislated minimums would not be beneficial. We strongly believe broad industry support to any reform is critical to success.

Our view remains that competitive markets provide the best outcomes for consumers.

¹ Page 22 of the Issues Paper

² Page 20 of the Issues Paper



We are committed to ensuring that any change is efficient in its operation and use of energy services, and that the benefits of a change are outweighed by the costs in delivering this value to our customers.

Red and Lumo thank the Productivity Commission for the opportunity to respond to the Issues Paper. Should you have any further enquiries regarding this submission, please call Ben Barnes, Regulatory Manager

Yours sincerely

Ramy Soussou
General Manager Regulatory Affairs & Stakeholder Relations
Red Energy Pty Ltd
Lumo Energy Pty Ltd