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Submitted via: <https://www.aemc.gov.au/contact-us/lodge-submission> (ERC0399)

Real-time data for consumers – consultation paper

Nexa Advisory welcomes the opportunity to provide a submission on the AEMC’s consultation paper for the *Real-time data for consumers* (ERC0399) rule change, proposed by Energy Consumers Australia (ECA).

Nexa is a ‘for purpose’ advisory firm. Our unwavering focus is accelerating the clean energy transition in a way that provides secure, reliable, and affordable power for consumers of all types. Nexa Advisory is a team of experienced specialists in the energy market, policy and regulation design, stakeholder engagement, and advocacy. We work with public and private clients including renewable energy developers, investors and climate impact philanthropists to help them get Australia’s clean energy transition done.

We have previously discussed¹ the important role of smart meters, and benefits of real-time data access in:

- empowering consumers, by helping to build trust and enable control of their own Consumer Energy Resources (CER); and
- facilitating competition and innovation, by enabling third-party market participants and emerging energy service providers to overcome barriers to entry and support CER uptake.

This rule change should enable consumers to have timely access to their own consumption data, where this aligns with their own consumer preferences. As such, the AEMC should take a consumer-centric approach by primarily considering the benefits revealed through these consumer preferences – rather than any potential benefits accruing to Distribution Networks Service Providers (DNSPs) resulting from this rule change.

A key outcome of this rule change would be to address regulatory barriers and any gatekeeping by distribution networks or metering parties that currently prevent consumers and/or their service providers accessing smart metering devices. Removing barriers to this local access is a low hanging fruit and should not require complex regulatory arrangements or DNSP involvement in order to allow consumers and/or their service providers to install devices which provide real-time information in a way which meets consumer preferences.

¹ Nexa Advisory, [Accelerating Consumer Energy in Australia](#), April 2024

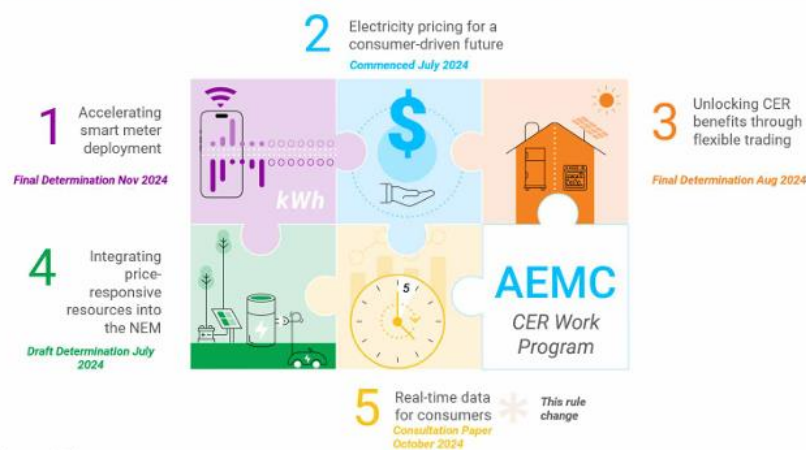
Data access arrangements should enable a competitive market around innovative devices and business models, which see commercial arrangements made between consumers and their service providers, without interference from distribution networks.

‘Real-time’ data is one piece of the puzzle

Immediate access to real-time energy use data empowers customers to make on-the-spot decisions to reduce energy consumption, providing insights into individual consumer technologies. Without this insight, customers rely on post-usage bills, limiting their capacity to manage usage effectively.

We agree with the problem statement outlined by ECA and described by the AEMC in Figure 2.1. However, as highlighted by the AEMC’s work program (below), this is only one piece of the puzzle.

Figure 1.1: The AEMC’s work program to maximise the value of CER for consumers



Source: AEMC

We are concerned that this rule change focuses too specifically on real-time data, and risks imposing this capability onto consumers, rather than being led by consumer preferences. While access to real-time data helps consumers, not all consumers will need ‘real-time’; broader data access (including real-time and near-real-time) is needed to underpin innovative products and services for consumers.

Removing the regulatory barriers around this access would therefore enable an efficient market in which consumers and service providers can value the benefits and costs of this access.

Additionally, while access to real-time data would help to build trust and enable meaningful consumer participation in the energy market, broader reforms around network tariffs are also needed. Timely access to consumption data would support consumers in better understanding their bills, particularly as the retail market moves towards flexibility services and cost-reflective tariffs.

Consumers have not benefited from DNSP data visibility to date

Solving the problem of data access for consumers is a low-hanging fruit and should not require involvement from DNSPs. It is essential to consider that traditional utility networks and energy

retailers may not benefit from any shift in demand profiles which result from better visibility of consumption data.

We consider the transparency over broader network data is a separate issue to what is outlined in this rule change. DNSPs already have access to broader operational data (in addition to power quality data from metering) which is paid for through the network costs component of consumer bills.

We have previously discussed the lack of transparency over network data², which in the context of this rule change makes it difficult to assess any potential value of real-time data access by DNSPs. While AEMO is already seeking to improve network planning by better integrating distribution network and demand-side factors into the Integrated System Plan^{3,4}, there is limited visibility over this work.

It is not clear that there would be any additional value created by allowing DNSPs access to real-time consumer data. Conversely, if there is value, there is no obligation for DNSPs to share this with consumers, while the cost of this access would ultimately be recovered from consumers.

This highlights the critical need for an independent review of distribution networks, including governance and regulatory arrangements, to ensure they are appropriate to facilitate the integration of CER while creating value for energy consumers⁵.

Concluding remarks

Timely access to energy consumption data for consumers is a key, ‘no-regrets’ enabler of CER – supporting better information, more responsive operation and tariff reforms. However, there remains a critical need for further work by the market bodies to ensure the uptake, integration and operation of CER is effective and delivers value for consumers. As discussed in our recent submission to the AEMC’s consumer pricing review, this must be undertaken in a way that is consumer-centric and ensures clear governance arrangements⁶.

Thank you for the opportunity to provide input on the consultation paper. We welcome the opportunity to further discuss any aspect of our submission - please contact either myself or Jordan Ferrari, Director - Policy and Analysis, jordanferrari@nexaadvisory.com.au.

Yours Sincerely,

Stephanie Bashir
CEO and Principal

² Nexa Advisory, [AEMC Electricity pricing for a consumer-driven future: Draft Terms of Reference](#), August 2024

³ AEMO, [Integrated System Plan Methodology Issues Paper](#), October 2024

⁴ AEMC, [Improving considerations of demand-side factors in the ISP](#), September 2024

⁵ Nexa Advisory, [Submission on the Select Committee on Energy Planning and Regulation in Australia](#), October 2024

⁶ Nexa Advisory, [AEMC Electricity pricing for a consumer-driven future: Draft Terms of Reference](#), August 2024