

Australian Energy Market Commission
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Real-time data for consumers directions paper

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission in response to the Australian Energy Market Commission's ('AEMC') *Real-time data* Directions Paper ('the Paper').

The Australian Energy Council is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The AEC supports access to data where there is real value to customers so that they may make more informed decisions when managing their energy consumption and bills. We recognise that there is value in providing customers with the tools and insights necessary so that they can get the most out of their energy usage. While the proposals raised by the AEMC in the Directions Paper are a sensible step forward, the AEC has concerns that there are significant gaps in consumer privacy protections and an uncertain use case that remain unaddressed.

The AEC addresses some of the themes of the Directions Paper below:

Staged Implementation

The Directions Paper outlines a staged implementation approach, whereby consumers have the option to pay a one-off fee to retailers to access real-time data from smart meters on an ongoing basis. After 15 years, consumers and third parties would not be required to pay a fee.

The AEC welcomes this revised approach and agrees with the AEMC that this user-pays model would ensure that there is a more equitable outcome for consumers. In our previous [submission](#), we outlined our concerns that the costs for enabling real-time data would have been spread across all consumers. Particularly if the intent behind the overall rule change is to accelerate consumer energy resources ('CER') orchestration, then the benefits of access would only be apparent for a small segment of customers who own CER assets. We agree with the AEMC that this would not be equitable.

Allowing consumers to make an informed choice regarding the value of real-time data, compared to other packaged energy data solutions, is a far more sensible approach. However, the AEC is still uncertain if this option in the 15-year interim will see a sufficient use case. We agree with the AEMC that customers without CER likely will have few reasons to adopt real-time data usage. Vulnerable customers and renters even less so, as even with real-time insights, they would be unable to meaningfully reduce or shift their energy consumption. Likewise, as noted by the AEMC, customers who have CER already received information about the electricity consumption and production of their CER devices in real-time from CER service provider apps.

The AEC considers that customers, overall, may see greater benefit in packaged energy data insights such as that already offered by retailers. Indeed, this is the direction the market is already taking, with retailers offering a range of apps and services that provide customers with analytical insights into their energy

consumption patterns to better adjust and respond with their energy usage. There is no need to mandate the provision of these apps, as the competitive market is already delivering them as a point of differentiation and customer benefit.

Given the uncertainties around whether real-time data will see a sufficient use case and possible costs, the AEC considers that a cost-benefit analysis may be needed to determine if the impact of harnessing CER informed by real-time data will result in any significant gains on the overall impact to the electricity grid. Indeed, considering there has been numerous recent regulatory decisions in this area, which are aimed at providing energy service providers with the ability to separate and manage 'flexible' CER from 'passive' loads in the energy markets to support innovative products and services for consumers are yet to come into effect, it might be prudent for the AEMC to see how the market adjusts.¹

Definition of Real-time data

The Directions Paper seeks to define real-time data as *being voltage, current and phase angle recorded every second and delivered within a second*. The Commission notes that this definition is to be further clarified by AEMO procedures.

The AEC has a few concerns about this definition. Currently, this definition overlooks technical limitations which may prevent, or interrupt authorised representatives from receiving this data every second. It should account for latency, drop out issues and any limitations relating to speed or reliability of data transfers.

MSP-led vs Retailer-led pathway

The Directions Paper considers two pathways to enable third parties to access real-time data from smart meters. A retailer-centred pathway places the burden of verifying consumer consent on retailer, while the MSP-centred pathway places this on the MSPs.

The AEC considers that both options have their negatives and benefits. Retailers are more directly involved with managing relationships with customers, while MSPs are typically more focused on data management. However, as the AEMC points out in the directions paper, an MSP-centred pathway would be more efficient, reducing the number of parties involved and making this process easier to implement as there are only a few major MSPs. Indeed, a retailer approach would introduce additional confirmations of consent from the customer, effectively asking the retailer to obtain consent from the customer again, where the third party has already. This would introduce additional costs that may be unnecessary. The Consumer Data Right ('CDR') does not require data holders to verify consent in such a way, rather, relying on CDR rules to regulate how consent is obtained by the third party.

We expect that the AEMC anticipates either the retailer or MSP verifying whether the third party has obtained customer consent by either directly asking the third party or requiring evidence. However, both the retailer and MSP are in the same position regarding their ability to verify the honesty of the third party or validate the provided evidence.

While retailers often have the most up-to-date information on customers and who there are, there are ways MSPs can obtain similar information. Currently, DNSPs can check the customer's name through the Customer Detail Notifications ('CDNs') Retailers send (when DNSPs provide Meter Data to third parties currently under the National Electricity Rules), which could also be leveraged in the MSP-led process, as CDNs are sent to MDPs and MPs. Additionally, this CDN includes built-in protections for family violence scenarios, anonymising the customer's name.

On balance, therefore, the MSP-centred pathway appears to be a preferable and more efficient option.

¹ *Unlocking CER benefits through flexible trading, Rule determination*, AEMC [15 August 2024]

Consumer Protections

The AEC believes, irrespective of the pathway chosen, that there are several privacy/safety risks that need to be considered with this rule change. Indeed, in our previous submission we highlighted the need for real-time data to leverage the CDR infrastructure and be subject to the same data privacy and security protections. While we note that the CDR framework sits out of scope for the AEMC, we would support additional requirements sourced from the CDR to apply to an accreditation process. Indeed, the AEC hesitates to support the development of a regulatory framework that would sit parallel to the CDR. We further reiterate that we remain sceptical of arguments from third parties about “reducing or minimising friction” with respect to data access. These should be treated cautiously as this could just translate to lowering customer protections.

Additionally, the AEC is concerned that access to real-time data has the potential to create significant safety risks for consumers, especially in vulnerable situations such as stalking or family violence. Real-time data could be exploited by perpetrators to monitor a household’s activities and track behaviours. Moreover, when consumers move or change addresses, it is essential to establish robust protocols to manage access to real-time data securely. These measures should ensure that data cannot be accessed or misused by unauthorized parties. While similar risks exist with current access to historical data, the AEC believes that these risks could be more pronounced with real-time data, as it provides more immediate and potentially intrusive insights into a person's day-to-day life. The AEMC must therefore carefully consider and implement strong safeguards to protect consumer security and ensure that access to real-time data does not compromise personal safety or privacy.

Any questions about this submission should be addressed to Braeden Keen by email to braeden.keen@energycouncil.com.au.

Yours sincerely,

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