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Energy Security Board

Submitted via email: info@esb.org.au.

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Data Strategy Initial Reforms Draft Legislation Consultation

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission to the Energy Security Board's ('ESB') consultation on its *Data Strategy – Initial Reforms Draft Legislation* ('Draft Legislation').

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 considers these reforms have not received rigorous enough analysis to proceed in their current form. It should be expected, and is expected through the [Australian Government Guide to Policy Impact Analysis](#), that policy reforms are subject to robust analysis, including cost-benefit analysis, and provide a clear problem statement. This has not been done here even though the ESB has labelled the Data Strategy a 'paradigm shift in energy data policy'.

The absence of any cost-benefit analysis is particularly pronounced given the stream of other data reforms underway. For example, the Federal Government's *Data Availability and Transparency Act 2022* is designed to enable data sharing arrangements and would appear to already provide some of the stated benefits of these Initial Reforms. Likewise, the [AEMC's Metering Review](#) will help enable customers to access the benefits of Consumer Energy Resources technology. It is not clear then to stakeholders what policy gap these reforms are intending to fill and how it aligns with the Australian Data Strategy, which does not mention this stream of work.

Furthermore, implementing system changes for data reform have recently proven costly, even when estimates have been made. This is evidenced in the blowout to the [original cost estimates](#) for the Consumer Data Right implementation in energy. Regulatory changes were [required](#) to help AEMO manage its implementation costs, while the ACCC has granted exemptions to industry, partly to help smooth higher than expected costs.

The AEC considers there are clear risks these Initial Reforms will lead to material costs being passed on to retailers and, ultimately, customers. Granting AEMO the power to perform what is effectively an accreditation function on data requestors is a significant resource commitment, and one AEMO has [stated](#) 'will require substantial administrative support'. For some comparison, the Consumer Data Right designates the ACCC for accreditation and data requestors must undergo a long and expensive application process.

Evidently, there are some differences here with a narrower scope of data requestors, and Class A bodies having existing privacy protocols. Nonetheless, the bulk of AEMO's accreditation work will come through assessing Class B bodies, which do not have reliable control arrangements. No policy case has been made for why these bodies require access, and without any proper policy impact analysis, it is unknown what the tradeoff is between costs and privacy – i.e. how strictly the

accreditation assessment is performed. This is particularly problematic given AEMO has an immunity waiver in the event data is misused.

Ultimately, industry confidence in these reforms is critical as it is retailers who hold and create new data at their own expense. AEMO has indicated as such, stating that it is 'essential that industry is aware and supportive of' these reforms and that 'industry concerns' may jeopardise its success. Right now, the AEC does not believe industry concerns about the Data Strategy are being reasonably heard.

To maintain industry confidence in the Data Strategy's direction, the AEC encourages the ESB to independently review the costs and benefits of these Initial Reforms to show what policy gap is being addressed.

Any questions about this submission should be addressed to Rhys Thomas, by email Rhys.Thomas@energycouncil.com.au or mobile on 0450 150 794.

Yours sincerely,

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