

4 September 2024

Customer and Product Data Bill review
Economic Development, Science and Innovation Select Committee
Parliament Buildings, Wellington
Via online portal

Tēnā koe,

Streamlined data exchange for the benefit of all New Zealanders

Powerco could be a customer, data holder, accredited requestor and secondary user when regulations are made to apply this Bill to the electricity sector. Powerco is one of Aotearoa's largest gas and electricity distributors, supplying around 357,000 (electricity) and 114,000 (gas) urban and rural homes and businesses in the North Island. These energy networks provide essential services to around 1 million kiwis and will be core to Aotearoa achieving a net-zero economy in 2050.

Powerco supports the purpose of the Customer and Product Data Bill. Our comment and recommendations on the Bill are provided in the attached table. Our overarching feedback is:

Data flow and standardised approaches are key enablers for the future energy system

- New approaches to efficiently share data across interested parties is a priority and we are confident this Bill can, with some further consideration and the right regulations, contribute to a smart energy system.
- There are many parties involved – retailers and meter owners have customer use data; distributors have network use and constraint data; distributed energy resource (DER) owners have product/use data; and flexibility aggregators will emerge in a more distributed energy system as an 'accredited requestor' of energy data.
- A standardised approach would help to eliminate some transaction costs and help move the sector towards real-time data flow with numerous benefits for efficient planning and operation of our networks - ultimately to reduce outages and reduce consumer bills.

New regulations must build on existing regulatory provisions

- The approach to develop regulations for designated sectors provides for a tailored approach which builds on existing initiatives and systems, rather than duplicating, or complicating existing requirements.
- The Commerce Act 1986, Electricity Act 1992 and Electricity Industry Participation Code already have prescriptive requirements around notifications, customer data, information disclosure and reporting, and the Electricity Authority is also working on initiatives such as improved DER information in the electricity registry.

- Powerco does not oppose new obligations and has reviewed the Bill seeking to ensure efficiency and certainty in implementation of the Bill and future regulations.

We look forward to engagement over the next year as regulations for the electricity sector are developed. If you have any questions regarding this submission or would like to talk further on the points we have raised, please contact Irene Clarke (Irene.Clarke@powerco.co.nz). We do not require to be heard on this submission.

Nāku noa, nā,



Emma Wilson

Head of Policy, Regulatory and Markets

POWERCO

Attachment 1 – comments on the Bill

Topic	Powerco response
Part 3 – Protections	It is important that the Bill clarifies its interaction with the Privacy Act 2020, and seeks to complement the accepted protections under that Act. We support the Privacy Act provisions in this part of the Bill.
Part 5 – Administrative matters Designation regulations Clause 98 - 100	<p>Clause 97 to 100 sets out the provisions for ‘designation regulations’ which will establish the types of data, data holders, customers or actions that will be subject to the Bill. This is distinct from clauses 126 to 131 that set out the provisions for ‘general regulations’.</p> <p>Clause 98 sets out the matters that Minister must have regard to before recommending that designation regulations be made. This includes the interests of customers [1(a)] and the costs/benefits for data holders [1(b)]. In addition to the interests of individual customers, the making of, and content of, regulations could be in the interests of, benefit, or disadvantage, classes of customers, a sector of New Zealand (such as the energy sector), or communities or society. Designating a sector to be regulated could have costs and benefits for customers or persons other than data holders. For example, a customer could be subject to additional time and process and fees, or a secondary user might be subject to a pass through cost due to additional regulatory administration, or a broad sector may be subject to additional costs for limited benefit compared to the status quo. In fact, who is a customer or data holder or other user will vary a lot between sectors and the data flows and implications across a sector will need to be part of the considerations in potentially designating a sector.</p> <p>To ensure broader interests, benefits and costs are considered, we recommend amending clause (1)(a) to ‘the interests of customers, including Māori customers and classes of customers’ and 1(b) to ‘any likely costs and benefits for the proposed data holders, classes of customers and the designated sector’.</p> <p>The costs and benefits for proposed data holders (clause 98(1)(b), efficiency of regulated data services (clause 98(1)(c) and comparison to current or alternative processes, will in part relate to other regulatory requirements for data holders, and whether the proposed designation regulations and general regulations will efficiently complement existing regulatory requirements for data. For example, some electricity sector data is managed by the Electricity Authority through the electricity registry, and entity systems are designed to meet those requirements in an automated way. We support systems that are automated but not newly created just for the purposes of this Bill.</p> <p>To avoid inefficiencies caused by duplicating, complicating or confusing how regulations made under clause 98 or clause 126 interact with existing data regulations and systems, we recommend adding a matter to clause 98 for the Minister to explicitly have regard to ‘whether the regulations complement data services regulated by other legislation or secondary legislation’.</p> <p>Clause 100 sets out the matters that may be included in designation regulations, including classes of accreditation and secondary users. In some cases, we expect it will be possible to define actual accredited users or secondary users applicable at the time the regulations are made. For example, all 29 electricity distribution businesses would likely be accredited</p>

Topic	Powerco response
	<p>requestors for customer electricity meter data or for DER product capacity data. It would be efficient to enable the regulations to address situations where a separate application process (under clause 101-106) is unnecessary.</p> <p>We recommend clause 100(1)(f) be amended to provide for the classes of accreditation that may be granted or persons that are accredited in relation to the designation regulations.</p>
<p>Annual reporting Clause 112 - 113</p>	<p>Clause 112 to 113 set out the requirements for annual reporting by data holders and accredited requestors. We support a requirement for annual reporting. Data holders and accredited requestors will likely be preparing and disclosing annual data and reports under existing regulatory requirements. For example, electricity distributors already prepare regulated and voluntary annual disclosures and reporting.</p> <p>We encourage a reporting regime under this Bill which aligns with existing reporting so that a data holder or requestor can efficiently report on all related aspects of their performance together. This will not be achieved if the reporting period and reporting deadline are set in the Bill. For example, Powerco has a 31 March financial year, and our annual year end electricity disclosures are due 31 August, but this differs for our gas business (year-end information due 31 March) and from electricity retailers (annual statements for Consumer Care Guidelines due 9 August this year). A graphic of the regulated industries annual due date is available from the Commerce Commission¹.</p> <p>Section 112 and 113 already anticipate that reporting details may be prescribed in regulations. This is appropriate as the regulations can make the reporting specific to that sector. We recommend that all dates be removed from clause 112 and 113, with these to be prescribed by the regulations.</p>
<p>General regulations Clause 126</p>	<p>Clause 126 sets out the purposes for general regulations. The Bill does not provide the matters that the Minister must have regard to before recommending general regulations. These general regulations will impose costs and benefits to customers, entities and broader sectors/communities. We recommend that Clause 98 be amended (or an equivalent clause inserted into Subpart 9, so that these matters also apply to regulations recommended to be made under clause 126.</p> <p>We support the intent that data services should be implemented through machine-to-machine transactions and will be defined through technical requirements of the electronic system. Powerco already manages electronic systems for regulated data exchange. In our experience, making changes to these systems can be complex and a transition is required for technical upgrades and implementation. This could, for example be a 12-18 month transition to upgrade our ICP and distributed resources systems to avoid manual or resource-intensive data services. We recommend adding a matter to clause 126 that regulations will address the transition for their implementation. The transition can then also be part of the cost-benefit considerations in making the regulations.</p>

¹ [Part-4-and-part-6-information-disclosure-annual-public-due-dates.jpg \(3384x2725\) \(comcom.govt.nz\)](https://www.comcom.govt.nz/part-4-and-part-6-information-disclosure-annual-public-due-dates.jpg)