1 September 2023

Mr Hrishikesh Desai
Chief Data Strategist
Australian Energy Regulator
GPO Box 3131
Canberra, ACT, 2601

Submitted online: NetworkVisibility@aer.gov.au

Dear Mr. Desai,

Australian Energy Council - Response to Network Visibility Consultation Paper

The Australian Energy Council (AEC) welcomes the opportunity to respond to the Network Visibility Consultation Paper.

The Australian Energy Council (AEC) is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. Our members collectively generate the overwhelming majority of electricity in Australia, sell gas and electricity to millions of homes and businesses, and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 percent emissions reduction target by 2035 and is part of the Australian Climate Roundtable promoting climate ambition.

1. Is the set of use cases in Appendix 6.4 representative of the use cases that you are aware of?

In response to this question, 6.4 is representative of all the use cases that could be imagined by the stakeholder group. Some of the use cases could likely be fulfilled now by direct agreement and as the paper itself notes there are both current and potential sources of data. The paper does not explore the historic lack of innovation or priority for greater access to data on the performance of networks, particularly low voltage networks.

Networks are typically natural monopolies and those outside of the network have historically had limited visibility. The use cases and data sets explored in the consultation are important, but the pathway to deliver visibility of the low-voltage network to the market and the appropriate arrangements for it to be delivered are perhaps more so. It is early to talk about phase three of the project, but a regime of compliance enforcement and penalty in the case of non-performance will be required to ensure that data is provided in an accurate and timely manner.

2. What additional use cases should be added?

Our assessment is that the existing use cases are sufficient to establish aspirational data sets.

3. Are there other sources of data that should be considered?

Our assessment is that the data sources are generous.

4. Do you agree with the framing parameters that were used? If not, why, and what should have been included or left out?

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As the consultation notes, most of the data that is identified as needed is or will become available from the DNSPs. How it is processed, presented, and hosted will be more thoroughly explored in Phases 2 & 3. OEMs are also identified as a key source of information about certain aspects of CER performance, such as the frequency, duration and reasons why curtailment takes place. The AEC agrees that as this data becomes available it will need to be assessed against the cost of making it available to address the data needs of the various groups identified, against the likely benefits of its availability.

The AEC does not agree that the incorporation of OEMs can be assumed to be a relatively low incremental cost outcome, and this can be tested in phases 2 and 3. Beyond this, however, models should seek to untangle who benefits even from zero or even low incremental costs of collecting more data, especially from OEMs.

5. Are the data sets that have been identified and prioritised the correct ones? Are there others that are needed? Are any of the ones listed NOT needed?

The data sets have been identified by stakeholders that should be required to justify their inclusion against their likely material benefit. To date this has not occurred in many instances to a minimum business case level of detail, which presumably will occur in the subsequent phases. As a principle though, it should be the proponent's obligation to argue them in as opposed to those bearing the administrative cost or privacy burden of the data set to argue them out.

6. Do you agree with the conclusions reached regarding the need for real-time data?

As the consultation notes, data providers and data users tended to focus on data for investment or planning purposes. In the workshops very little need for real-time data was identified and as the consultation further notes data providers queried if any use would be made of DNSP or other sources of real-time data.

In the discussion as to who needs real-time data the workshop attendees identified very few uses for the provision of real-time data as or very close to the point of its capture. But two examples that were identified were:

- NBN and telecoms. They claimed to value real-time information on outages where it will impact the provision of their services. These customers have SCADA-level data that they can use, but DNSPs could provide more detailed information on how the network was to be restored and any immediate plans for switching or load shedding.
- Emergency services. These could use real-time information on network operations to the extent that those operations could potentially create a demand for emergency service or impact how emergency service operations.
- And AEMO, which already uses a range of real-time data for the management of the power system, including the network. Much of this data is made available via market management systems and the AEMO website.

For NBN and telecoms, such real time information on outage occurrence could readily be provided now. The question as to whether restoration times can be better estimated is broader than NBN and telecoms and less about data than it is about how networks actually go about obtaining information within their organisations and then communicating this to customers. Wildly inaccurate outage estimations such as four days (when the power is restored in several hours) are not alleviated by the data requirements under consideration when a physical assessment of assets is required first.

We broadly agree with the conclusion that the general provision of real-time data is not justified.

7. Are there more issues that should be considered regarding the balance between customer protection and reasonable data collection?

As we have noted above, models should seek to untangle who benefits even from zero or even low incremental costs of collecting more data, especially from OEMs. There is truth to the often quoted "If you are not paying for it, you're not the customer; you're the product being sold." Any changes to data collection should be tested against whether it has enabled improved outcomes for consumers in the form of reduced costs or higher welfare and not just a greater data pool or greater data granularity. The general emphasis on data as it is now, combined with a concurrent absence of rigorous or even cursory cost benefit analysis in many data proposals and particularly those where the regulator has imposed their own data requirements, has provided to date little documented public evidence of post implementation consumer benefit.

Unlocking access to further data is asserted to be critical to improving consumer outcomes through more efficient planning, lower costs, reduced consumer risks and increased innovation. Whilst there is a compelling logic to this assertion, it should not just be assumed that any benefits accrued to each of these will thereby exceed costs, or that any impact on customer protection should inevitably be positive. In a time of cost-of-living crisis, and the increased concerns regarding customer protection, this assurance really needs to be proved and measurable.

8. Is there any other feedback on the data set definitions?

The range of purposes that are *possible* is vastly larger than the range of purposes that are even remotely likely. Ultimately end users will bear the cost benefit or detriment of additional data sets being collated and made available for the scope of what is *possible*.

9. Do you agree with the criteria?

The value of the information provided by the data is not in a linear or parallel relationship with the data quality. As the consultation notes the experience in Victoria suggests that a 15% to 20% penetration of smart meters allows conclusions to be made about network operating characteristics at just about the same level of statistical precision as penetration of 80%. There is an implied link in the criteria as currently drafted in this consultation that higher value is a natural outcome of higher data quality. Data quality simply needs to be high enough for quality decision making only for those decisions that there is value in making; it needs to be fit for purpose in other words. Again, it is worth noting that the range of purposes that are *possible* is vastly larger than the range of purposes that are even remotely likely.

Regarding availability and cost criteria, the delivery model in the consultation assumes that network visibility is provided in an incremental or staged approach. That is, that as DNSPs acquire data at a more granular level, this data is then incorporated into customer portals or other formats. This seems a prudent approach to take for now, provided that the incremental visibility has an assessable value.

10. Do you see value in these data sets being made readily available to the public?

Smart meter data is available to individual consumers for their site/s. This provides good data at the connection point. OEMs can already provide a range of information to their customers. They also collect a lot of information to assist them in meeting their customers' needs. Currently this seems sufficient.

11. Is any *important* data missing?

No.

Please contact the undersigned at ███████████████████████ should you wish to discuss.

Yours sincerely,

David Markham
Australian Energy Council