

**To:** Ministry of Business, Innovation & Employment  
[consumerdataright@mbie.govt.nz](mailto:consumerdataright@mbie.govt.nz)

**From:** Electricity Engineers' Association of NZ

**Date:** 24 July 2023

**Subject:** EEA Submission – Discussion Paper – Unlocking value from our customer data: A draft law to set standards and safeguards for customer and product data exchange

## OVERVIEW

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The Electricity Engineers Association (EEA) of NZ welcomes the opportunity to provide feedback on the Ministry of Business, Innovation & Employment (MBIE) discussion paper on *Unlocking value from our customer data: A draft law to set standards and safeguards for customer and product data exchange*.

The EEA welcomes the opportunity to be involved as we provide the power industry's largest collaborative forum in New Zealand, focused on delivering clarity on complex engineering/technical issues, practical support and solutions, and market intelligence to support our members and other industry stakeholders to deliver safe and reliable electricity supply within a low carbon policy framework. The EEA represents over 70 Corporate Members (companies) and 600 Individual Members across New Zealand from all engineering disciplines and sectors of the electricity supply industry.

In our role of providing a technical lens on all aspects of the electricity industry, we have identified that the delivery of affordable energy services in a decarbonised future will require the delivery of individualised services through an optimised energy system. To achieve this will require both the industry and customers to make the most of energy data. As such, EEA are supporters of the Customer Data Right outlined in the discussion paper for New Zealand.

EEA therefore appreciates the opportunity to comment on MBIE's proposed customer and product data framework and proposed Customer and product Data Bill. The ability to comment on the Bill has been significantly enhanced by the availability of the Framework; this has highlighted the lack of clarity of the object of the reform and the process of designating a sector. Accordingly, EEA's interest in the CDR is focused on energy and the immediate needs for the establishment of a CDR that is energy sector specific.

The introduction of a customer data right is consistent with the approach that EEA has been undertaking with respect to customers' data in a more decentralised energy future. The concept of the CDR is about data availability and its use, specifically from three key sectors: banking, energy, and telecommunications where customer data holds enormous value and opportunity. However, the

establishment of a CDR that is general and applies across multiple sectors can create impracticalities. For example, privacy settings for a banking dataset may not be relevant to energy.

It is in this light that EEA supports the development of sector-specific rules that could sit alongside the general customer data rules. The sector-specific rules would address key design questions, such as:

- How will customer data be delivered in the energy sector?
- What are the priority datasets for delivery in the energy sector?
- Which energy data set owners would start first? i.e., retailers?

We would also like MBIE to note that the introduction of a customer data right across the energy sector will have significant implications. At a time when energy affordability is an extreme focus of the government and general public, regulators must ensure that any regulatory costs in establishing a CDR are demonstrably outweighed by the resulting benefit. We therefore suggest that in establishing the CDR rules framework, MBIE prioritise customer and business simplicity, and operational efficiency to deliver the CDR in the most effective and efficient way for all customers.

#### *Areas of Support*

There are several areas of the proposed CDR rules framework outlined in the discussion paper that EEA supports, including:

1. **Data recipient accreditation process:** It is important that the accreditation process is clear, consistent and to a high standard. We consider that the criteria for accreditation, steps data recipients must take to protect consumer data and powers to revoke accreditation for noncompliance will be critical.
2. **Consent provisions:** EEA strongly support that where customer consent is required under the CDR, that this consent should be freely and voluntarily given, based on informed decisions which are specific as to purpose, limited to a set period (i.e. 90 days) and can be easily withdrawn.

The success of the CDR will depend on consumers having confidence in it and these principles will go a long way to enabling that. We are particularly supportive that consent should be time limited, unconditional and the use of the data be clearly explained to the consumer.

3. **Data security:** EEA also support a robust but flexible approach to data security. We recommend that once the specified purpose of the data has expired that the accredited data recipient be required to destroy that data or where they choose to retain in it, de-identify it and store it in a secure location.

4. **Authorisation and authentication process:** EEA supports the principle that customers should be able to easily know what authorisations they have given to which parties to access their data. A system that allows for this to be updated (by the consumer, data holder and accredited data recipient) as easily and quickly as possible would be the most sensible approach (i.e. a possible dashboard). We consider that a system where both accredited data recipients and data holders can cancel or amend any authorisation were directed to by the consumer would be the best option.
5. **Dispute resolution possesses:** EEA supports both accredited data recipients and data holders having clear internal dispute resolution processes. Where possible, the rules should align the dispute resolution processes with existing sectoral rules and arrangements. For the energy sector this would be the *Electricity Industry Participation Code* (The Code).

*Areas for further consideration by MBIE*

The energy sector has several unique characteristics that differ to how a CDR has been conceptualised for the banking sector. As outlined earlier in our submission, the CDR will require sector-specific rules that could sit alongside the general customer data rules. These sector specific rules will need to be tailored to address (among other things):

- a) the number and diversity of energy sector participants who may hold or require data (e.g. retailers, distributors, the system operator, third party sales and comparison websites, other service providers, metering coordinators and meter data providers etc...., and any possible new participants in the energy system of the future).
- b) the existing legal and regulatory regime relating to the retail energy sector, including the handling of metering data.
- c) the nature of data held by energy sector participants, and how they differ from other industries (such as the banking and telecommunications sectors).
- d) the nature of CDR customers in the energy sector.
- e) the cost-benefit to the energy sector participants and customers of introducing any new CDR.
- f) the state of competition in the energy sector, including existing mechanisms in the sector that have been designed to enhance competition.

Finally, we commend MBIE in tackling the issue of Customer data rights. Meeting New Zealand's commitments on decarbonisation while addressing the rising global demand for energy requires new technologies, new business models and improved collaboration. Digital technology and data will play a key role in Aotearoa's energy transition. The increased availability of renewables power sources is leading to a more complex, distributed energy system where customers can also become small-scale

generators. This poses fresh challenges relating to management of local microgrids, predicting demand, and ensuring adequate energy storage and grid capacity. EEA recognises that customer data is essential in delivering this energy future, but that work is required to ensure all customers have adequate rights and controls to protect and empower them in designing this new energy paradigm whilst also ensuring that we can continue to have a system that is operated to deliver maximum value, efficiency and reliability.

EEA is keen to continue our collaboration with MBIE, industry, and other stakeholders on this important issue.

### Contact

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The EEA's contact person for this submission are Peter Berry, CEO Privacy of natural persons  
or Stuart Johnston, Lead Advisor Engineering & Technical Privacy of natural persons