Submission to Senate Committee on Electricity Prices from One Big Switch

Key recommendations

- To improve price transparency and competition: Retailers should immediately inform the market of any and all price rises and publicly release rises for all plans and customers.

- To drive innovation, allow independent assessment and advice: Give consumers access to control and share their own usage data in a timely and portable fashion

Opening statement

We believe consumers should be able to unlock the power of their own data to understand their usage and make better decisions about their energy and appliance purchases.

Consumers feel angry, helpless and disempowered.

They feel hard done by the battering of steep price increases, the complexity and lack of accountability of the market and the limited ways to control their usage and hence bills.

Understandably they feel the system, despite its checks and balances, has let them down.

Yet they have the power collectively to make the changes which can bring relief sooner rather than later. They just need a little help.

More than 250,000 households joined forces in the Big Electricity Switch to see how their numbers could negotiate a better, and clearer offer in the energy market.

After a two month campaign more than 100,000 households, in the states which permit switching, either changed retailer or asked and got a better offer from their existing provider.

Through this campaign we learned a great deal from consumers and the problems they face when making informed choices:

- ***Bills often do not list the plan or discount they are on***
- ***The complexity of tariffs, distribution zones and meter type makes comparing offers for too many consumers nigh impossible.***
- ***The lack of transparency around plans and pricing is impeding the benefits competition is meant to deliver.***

Consumers are prepared to take action but the process must be simple, straightforward and preferably online.

If households better understood their usage through clearer metering, dash boarding such as in-home displays and better billing they could be given the right incentives to make better choices.

These choices would be around reducing and shifting demand, purchase and use of energy efficiency devices and tools, and changing their current retailer and/or existing plan.

All have an impact on bills and give consumers a greater interest in sharing the benefits of Demand Side Participation (DSP). The benefits are not limited to load-shifting away from times of peak demand.

They can include rewards and financial incentives for taking part in energy conversion and efficiency and also distributed generation such as rooftop solar .

We would submit schemes currently being developed in the UK and USA, known as midata and Green Button, to show how consumers can be empowered with their own data.

Governments in these countries appreciate how new sectors of the economy use innovation to respond to the challenge to collect, interpret and communicate the data for consumers.

In Australia we are beginning to see the start of similar, if more limited initiatives, but they should not just be driven by electricity retailers.

Consumer information and education is crucial to many of the worthwhile DSP actions recently outlined in AEMC Power of CHOICE Report.

This report, and others, will recommend many long overdue and important reforms to a market which has lost its focus on the welfare of the consumer.

At One Big Switch we believe in allowing the power of innovation and enterprise to develop the technology, apps and tools to engage consumers in being more involved in changing their energy use and so reduce bills.

Two competition-boosting reforms that could be introduced quickly and cheaply, and would benefit electricity consumers are:

Require all electricity retailers and distributors where relevant to:

- ***Inform the market of any and all price rises, and publicly release the rises for all plans and customers.***
- ***Give consumers access to their own usage data in a timely and portable fashion, if consumers request such data.***

These two reforms, already being introduced in part in the UK and the US, will help boost competition in the retail electricity market.

There are hundreds of electricity plans out there but no way to compare them efficiently or openly. Accessing price and price rise data is neither quick, simple, nor easy.

If consumers could access their own electricity usage data they could better understand what sort of plan works best for them.

This data exists but consumers cannot access it in a useable and useful format and manner.

While neither of these reforms is a silver bullet they could be introduced relatively quickly while lengthier reforms take shape.

These changes are happening around the world, mandated at high levels in London and Washington, and Australia needs to catch up.

Who are we?

One Big Switch is a next generation consumer network, established to build real consumer power.

Consumers who join One Big Switch don't have to accept the world as they find it; they can demand more.

We don’t compare existing offers in the market we use people power to create even better ones.

One Big Switch launched in Australia in July 2011, with the Choice Big Bank Switch, a campaign to cut the cost of mortgages using the power of group switching. 40,000 Australian consumers took part.

This campaign was a world first, and since then, the One Big Switch network has grown from strength to strength. Over the last year thousands of One Big Switch members have cut the cost of their household bills using the power of the One Big Switch network.

In July we launched the Big Electricity Switch to help cut bills through collective switching. It was joined by more than 250,000 households and became one of Australia’s largest and fastest-growing consumer campaigns.

Our members have switched to discounted home loans, electricity, gas, solar panels, and broadband. The experiment has only just begun.

One Big Switch is a for profit business always looking for new ways to save its members time, trouble and pay less for their regular household bills.

Terms of reference

Our submission will focus on questions raised in the following section

iii. The opportunities and possible mechanisms for the wider adoption of technologies to provide customers with greater information to consumers to assist in managing their energy use.

One Big Switch exists to enable consumers to unlock and realise the power of their own data. Businesses appreciate the value of this data. Customers should be able to share in it too.

While you may be able to ask for your usage data under various protocols it can take too long and come back in bulky and consumer unfriendly packages.

There's scope for whole new industries to develop and collect, measure and interpret usage data, and not just around electricity.

Financial services and telecommunications companies also hold vast amount of personal data of potential worth to consumers.

In the Victorian energy sector some players, including Origin, are beginning to release devices including web-based portals to help consumers track how much power they are using on an hourly basis.

Their portal is currently only for those customers in the state equipped with smart meters.

It's a welcome start but needs to go further by permitting consumers the right to access their own data in an electronic and portable format.

They can then use independent third parties to interpret their usage, give them advice on energy efficiency and setting savings goals and even to switch retailers where there's a better offer.

It's this kind of technology, along with the spread of interval meters providing useful data and access to different tariff types, that can make household DSP a reality.

In Australia other initiatives such as the MyPower Energy Platform is under development at the University of Sydney. It lets households monitor the electricity consumption of individual appliances and advise on the best times to use them to reduce costs.

The MyPower smart plugs collect and send data on appliance usage to a cloud-based warehouse every 30 minutes. Consumers use a website to monitor the costs of running the devices at different time-of-day rates.

Households can then optimise their use by better scheduling, remotely or otherwise, and knowing more cost-effective times to switch appliances on and off.

The key is for the consumers to be free to share their data with those intermediaries who can help them make better choices and find better offers.

There'll be much more competition and innovation in this area to guide consumers but first the gates need to be unlocked.

Data around energy, banking, telecommunications and other areas needs to be set free and made accessible for consumers to do with it as they see fit.

There are models already happening in other jurisdictions to show what's possible.

Midata http://www.bis.gov.uk/policies/consumer-issues/consumer-empowerment/personal-data

The UK government is working with business and consumer groups to give people greater access to, and power over, the data which companies might hold about them.

Called the midata project it's designed to allow consumers to get their personal and transactional data in a safe and portable format.

It's part of the Department of Business Innovation and Skills (BIS) consumer empowerment strategy to help give greater insight into spending habits and improve buying decisions.

The UK's consumer minister Norman Lamb summed it up: "Midata will allow consumers greater insight into their everyday consumption and lifestyle habits by using applications and intermediaries to analyse their actual behaviours and thereby empower them to make better spending choices and secure the best deals.

"This will boost competition between companies in terms of value and service, and stimulate innovation in new data management tools and systems."

The three main intents of the project are listed as:

- Securing widespread private sector participation
- Allowing consumers access to their data
- Encouraging businesses to innovative services and applications to interpret and use the data for consumers.

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The important part is a common data standard for the storage of the information. The UK scheme proposes to make it compulsory for suppliers to provide the data on request.

In consultations around midata, businesses have said given compliance and data security and storage costs they should be able to charge a reasonable fee for providing the service.

The midata future also includes benchmarking: the ability to compare your spending, energy use or whatever with those you are similar to you.

Green Button http://www.greenbuttondata.org/

In the US, industry leads the voluntary Green Button project following a White House call-to-action to give electricity customers easy access to their usage data.

Using a consumer and computer-friendly format with a common technical standard, data is reached via a green button on the utilities website.

Software developers and online businesses can use the information to create innovative applications to help consumers manage energy use and save on their bills.

The project started in searly 2012 and so far the commitments from utilities means 27 million homes will be able to access their energy data from their retailer's website.

Consumers are encouraged to ask their retailers to provide information in the Green Button format. The Department of

Energy has an online map to show the progress utilities are making.

The department has run an *Apps for Energy* contest to spur the creation of tools and services to help consumers get information, take action, and save on their utility bills.

"As the number of utilities around the country offering Green Button data increases, the importance of these applications will continue to grow," said Secretary of Energy Dr Steven Chu.

"Equally important is the effort to create a thriving, energy-focused developer community that is committed to using technology to address real-world challenges, like reducing energy waste. "

The winner called Leafully, helps customers visualize their Green Button data as a variety of units, such as the amount of trees needed to offset an individual's energy usage.

Leafully encourages users to set energy savings goals and to share their progress on Facebook.

Many businesses have already developed online and smartphone applications to help consumers choose the best rate plan for their usage patterns, provide individual energy-efficiency tips and choose the right type of solar PV panels.

The Green Button is also intended to support interactive thermostats and virtual energy audits which can suggest retro-fitted improvements for homes and business.

Different buttons allow downloads direct to the consumer or to an authorised third party which can provide additional services. This is what it looks like.

Green Button Download My Data
When a customer visits their utility web portal, they can simply login and download their Green Button Data as an XML-formatted file.

Green Button Connect My Data
This powerful model allows a consumer to authorize a third-party service provider to receive direct access to their Green Button Data - no need to repeatedly login to their utility and download files. These authorizations are valid for an agreed upon time and can be revoked at anytime by the consumer.

Summary.

We believe the energy and vitality of the developer community once set free on issues around usage data can come up with a range of apps and tools consumers will find compelling.

But this can only happen if the data is unlocked in the first place.

It must be available in a common standard which interests consumers, is portable and can fire up independent enterprise.

For these things to happen we shall require some leadership from the decision makers in the electricity sector and the commitment to put consumers' interests where they should rightly be—first.

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