



30 November 2016

Queensland Competition Authority
GPO Box 2257
Brisbane WLD 4001

Dear Sir/Madam,

SEQ retail electricity market monitoring 2016-17—Scoping Paper

Origin Energy (Origin) welcomes the opportunity to provide a response to the Queensland Competition Authority's (QCA) Scoping Paper into SEQ retail electricity market monitoring 2016-17.

The QCA has been provided with a very comprehensive Ministerial Direction Notice (the Direction) and Terms of Reference by the Minister for Energy and Water Supply. Origin appreciates the QCA's proposals to acquire much of this data from *Energy Made Easy*, as it will alleviate some of the reporting burden, and we accept its methodology for much of the Scoping Paper.

Nevertheless, aspects of the Direction are more detailed than other jurisdictions, requiring new data to be extracted and reporting processes to be developed. Given this, we understand the reasons for the QCA requiring a granular level of detail, and we wish to work with the QCA to provide data that is accessible, clearly interpretable and cost effective.

QCA's approach

The QCA will adopt an 'annual bill approach' that is consistent with those of other states with deregulated prices. This data will be drawn from *Energy Made Easy*. Origin supports this approach and the use of data that is available online.

Origin supports market monitoring and providing customers with information on prices. We believe the QCA's proposed approach to representing market and standing offers will provide an adequate representation of prices between retailers. For instance, in relation to pricing, QCA proposes to:

- include figures in a table that compares annual bills by each quarter;
- create graphical comparisons in each category; and
- pool the data for the four quarters and compare the highest and lowest offers for each retailer.

Additionally, the QCA will create summary tables for discounts and other benefits, and fees and charges. This is consistent with the Ministerial Direction. Nevertheless, we would expect the sum of this information to be very comprehensive and probably more than most consumers will already digest.

Accordingly, providing a full downloadable dataset in addition to this will probably represent an unnecessary effort on behalf of the QCA given that its report will contain the most useful information for customers.

Definition of customer

Origin seeks clarification on how the QCA plans to define "customer" for the purpose of the Direction. The QCA has previously required data to be provided on a NMI level, but all other reporting for the AER and ESCV is done at an account level. In Origin's view, the QCA should define customer on an account level rather than through NMIs. The benefit of this is that accounts are linked to each customer's debt, concession and rebates, and data can be matched accordingly. This will make

extracting the data far more efficient than is presently the case and ensure that the QCA's reporting is aligned with other jurisdictions.

Switching from standing offers to market offers

Origin seeks clarification over the requirement to provide electricity consumption data for customers who have switched from a standing offer to a market offer and "*the number of days over which the electricity was consumed*".¹ It is unclear whether this requirement is in reference to the time period in which the customer was on a standing offer, market offer or the total consumption while the customer was contracted to Origin during the financial year. Data collation becomes more complex when there is a requirement to divide consumption between a standing and market offer during a financial year period. Origin thus seeks clarification over the requirement and purpose of this proposed obligation.

Timing

The QCA proposes to issue an Information Notice in mid-May that will require retailers to give information by mid-July. In Origin's view, this timeframe is not achievable. The norm for both the AER Annual Performance Reporting and the Essential Service Commission of Victoria's annual reporting requirement is 31 August—two months following the end of the financial year.

The two month timeframe has been agreed by other regulators given:

- the significant amount of systems variations that occur on 1 July each year. This includes variations to network and retail prices, fees and charges, concessions and contractual arrangements; and
- it takes time for retailers to download, collate and validate data.

Corporate governance processes of major businesses also require management sign off on data prior to it being provided to a third party. It is not feasible or reasonable to require this all to occur within two weeks of a financial year.

It should also be noted that the closer the time period is to 1 July for retailers to provide data, the less complete the consumption data will be. This is given consumption data is based on meter reads and billed data which only occurs every 3 months in Queensland. It will take up to the end of September to capture all consumption data up to 30 June.

Should you have any questions or wish to discuss this information further, please contact Timothy Wilson, Regulatory Analyst, on (03) 8665 7155.

Yours sincerely



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¹ QCA, *SEQ retail electricity market monitoring 2016-17: Scoping Paper*, October 2016, p. 22.