

BusinessDay

# Digital disruption awaits electricity firms

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COMPARING electricity providers could soon be faster and more accurate, as changes to the Electricity Code force greater transparency on to usage and billing.

From February 2016, retailers will have to provide almost all customers with smart meters – or nominated agents – usage data broken down to half-hourly slots for the previous two years.

The data will allow detailed analysis into exactly which tariff would be the cheapest for customers, rather than estimates provided by comparison websites.

Current tariff comparisons are built mainly using monthly bills, as well as questions about the number of people in a household and when they are home.

Although few customers are expected to make use of the data they can access personally, one company is already preparing a new switching service, while retailers will be able to use the information to pitch savings directly to potential customers.

Christchurch-based Saveawatt will offer a digital-based service, named Frank, which will let users enter their information once to determine who would offer them the best price.

Chief executive Tim Rudkin said users could simply get a text message informing them that they should change providers, without needing to deal with forms or change their direct debits, once the service was set up.

Rudkin, who is already approaching retailers about co-operating with his company's ser-

vice, believed electricity companies realised that change was coming to the market.

"I think they're fully aware that digital disruption will come in some form or another ... It's hitting industries globally. These guys are smart; they know their industry is not different to any other globally."

Saveawatt will not estimate how much the average user might save with its help, but Rudkin said the historical usage data would give much greater accuracy than existing comparisons.

"There's no assumptions. This is actually how much power you've used. It might mean you've got an incredibly efficient house or an inefficient one, but it's what goes through the meter."

Some retailers are welcoming improved transparency on com-

parison sites, believing they will benefit from greater accuracy over exactly who is cheapest.

Steve O'Connor, chief executive of independent retailer Flick Electric, which gives retail customers access to the wholesale price of electricity through the spot market, said the changes would lead to greater transparency with power bills. Flick was likely to use access to the data as a sales tactic with potential users.

"It enables us to give customers real certainty around what their savings would have been based on their exact usage, as opposed to an assumed profile, which is often what the market has been using."

Retailers and the Electricity Authority acknowledge that the current comparison services involve a number of questions and, at times, the need to answer the



Tim Rudkin, chief executive of Saveawatt, says his company's new digital service, Frank, could effectively allow customers to automate the task of changing power companies.  
Photo: DAVID WHITE/FAIRFAX NZ

same question repeatedly.

"You've only got to not have one piece of information and some people cannot be bothered," authority chief executive Carl Hansen said.

Whereas the Whatsmynumber?

website – an initiative between the regulator and Consumer NZ – provided "a pretty good approximation" through questions, Hansen said the half-hourly data requirement would lead to far better comparisons.

"It can be matched against the tariffs that are offered and there can be so much more precision and confidence about what is the best deal."

While the EA has already changed the Electricity Code to require usage data, it is in the process of deciding whether to go further, potentially compelling retailers to provide agents with base tariff data and access to the meter registry.

Hansen said some "large retailers" were raising concerns about being compelled to provide more information on the grounds that it might be the customer's private data, but the EA did not believe there were any genuine privacy concerns.

"I don't see any particular downside" for consumers, Hansen added.