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Markets Team
Electricity Authority
By email: operationsconsult@ea.govt.nz

Tēnā koutou,

Enabling Market Evolution: MOSP 10-year roadmap

Powerco welcomes the opportunity to contribute to the Electricity Authority (**Authority**)'s consultation on its proposed 10-year roadmap for the market operation service providers (**MOSP**) that support New Zealand's electricity market. Powerco supports MOSP reform but considers the key challenge to be data access rather than data storage, with the long-term solution being a Customer and Product Data (**CPD**) Act-enabled Data Hub Manager that standardises and facilitates access to data held by existing custodians.

Our summary observations on the consultation paper are:

Reconciliation and the Registry are different from other wholesale market roles	• We support the modernisation of MOSP arrangements and consolidation of current contracts, however, reconciliation and registry functions are fundamentally different from wholesale market functions and should not be automatically grouped together. • This distinction may help with the consolidation of service provider functions. • We recommend a structure which includes: wholesale settlement manager (clearing, settlement, wholesale information and trading system), downstream settlement role (Registry & reconciliation), and data hub manager.
Data access is primarily a compliance and enforcement issue	• The core problem is not lack of data, but inconsistent access to data and weak incentives for timely sharing. • A central meter data store (**CMDS**) should not be a substitute for enforcement of existing obligations. Focus should be on leveraging the forthcoming CPD Act framework to strengthen access rights, accreditation and enforcement. • The risk is that parallel frameworks will drive costs and complexity onto consumers.
Long-term the Data Hub Manager provides trust, standards and interoperability	• Foundational data is not a source of competitive advantage, friction in accessing data increases costs and degrades service for consumers. • The data hub manager should function as the trust, standards and access layer rather than a central repository of market data. • Any CMDS should be viewed as a pragmatic transitional measure rather than end-state. Long-term model should align with CPD Act and proven trust and access frameworks such as Open Banking.

We unpack our thinking in sections 1-4 below and link these thoughts to the Authority's consultation questions in section 5.

We are always keen to meet with the Authority to discuss and develop the ideas in our submissions. In the meantime, if you have any questions or would like to talk further on the points we have raised, please contact Emma Wilson (Emma.Wilson@powerco.co.nz).

Nāku noa, nā,

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Powerco comments: Enabling market evolution: MOSP roadmap

1. Downstream reconciliation is different from the wholesale market

The consultation paper uses "wholesale market services" broadly, encompassing functions that sit at quite different levels of the electricity supply chain. This is helpful in clarifying that different levels have different custodians, different incentive structures, and different governance needs.

Powerco supports consolidation of the existing MOSP arrangements. However, a structure comprising a Wholesale Settlement Manager, a Downstream Settlement Manager (Registry and Reconciliation), and a separate Data Hub Manager would better align functions with participant incentives.

Clearing, settlement and Wholesale Information and Trading System (**WITS**) supports the wholesale spot market, where generators and retailers manage wholesale market risk. Whereas, reconciliation and the Registry operate at the ICP level allocating consumption and recording trader responsibility for retail settlement. The Registry records which trader is responsible for each ICP and manages switching between traders.

These are downstream inputs to settlement, rather than the wholesale market. This distinction is relevant to the MOSP design because wholesale market and downstream settlement functions serve different participants and have different incentive structures. The Australian Energy Market Operator Market Settlement and Transfer Solutions (**MSATS**) framework reflects a similar distinction, treating registry and reconciliation type functions as settlement services rather than wholesale market services.

2. Data access is a compliance and enforcement problem

The consultation paper asks whether a CMDS is needed to improve data access. In Powerco's view the industry does not have a data access problem, it has a compliance and enforcement problem. Where existing obligations are not delivering intended outcomes, the action should be ensuring they are effective and appropriately enforced. The Authority needs to understand the underlying issue before determining a solution. We believe a CMDS is the solution to a different issue.

The data that a CMDS might hold already has a designated custodian under the Code with obligations to maintain it:

- Retailers hold half-hourly consumption data and are responsible for providing it to consumers and for reconciliation purposes. They also have a direct commercial incentive to ensure the data is accurate because their settlement exposure depends on it.
- EDBs hold network connection and DER related information.
- Retailers are also responsible for meter standing data and associated registry obligations. They cannot contract out of these obligations.

These obligations suggest that the issue is not that no one holds the data, but rather existing obligations may not always provide sufficient incentives to deliver consistent and timely data-sharing.

Retailers have obligations to provide consumption data to consumers and authorised agents, yet delays and incomplete responses remain common. The Ecotricity case illustrates that these obligations sometimes require formal enforcement to achieve compliance rather than routine compliance monitoring[1].

This has been a persistent issue since the introduction of New Zealand's low-cost customer switching regime in 1998.

2.1 A CMDS does not solve what is a compliance problem

A CMDS would require the same parties; retailers, EDBs, MEPs, to supply data they are already required to hold and share. We are concerned this would add a new institutional layer without first confirming the underlying issue and whether existing obligations are being met.

The proposal would weaken incentives to maintain data accuracy that the parties who already hold the data and have a commercial stake in getting right. Regulatory intervention should strengthen the role of markets, incentives, obligations and enforcement before adding new parties, entities and functions. A CMDS would introduce additional design, governance, and operating maintenance costs that consumers would ultimately fund.

This approach is consistent with the Authority's Voluntary, Assisted, Directed and Enforcement (**VADE**) compliance framework, which recognises that enforcement creates the incentive for voluntary compliance.[2] Where data-sharing obligations are not delivering desired outcomes, the first response should be improved compliance and enforcement.

Consumer NZ has also argued that infrastructure investment should be driven by demonstrated consumer need rather than technology ambition. we agree that centralised data infrastructure should only be introduced where it clearly reduces costs or improves outcomes for consumers.

> *"The industry must meet consumers where they are, not where they want them to be. The transition to a more decentralised electricity system should be driven by robust evidence, consumer need, and inclusive design - not just technological enthusiasm."*[3]

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[1] Electricity Authority, press release, 7 June 2023: https://www.ea.govt.nz/news/press-release/electricity-authority-notes-decision-on-code-breaches-by-retailer. The Rulings Panel found Ecotricity had failed to provide data for five commercial customers whose agent had lawfully requested it under clauses 11.32A–11.32EB of the Code, and ordered a fine of $57,000. Consumer NZ has documented the same pattern persisting for residential consumers, describing the current process as "not workable" and noting that "retailers still use manual, ad-hoc and inconsistent approaches to data requests": Consumer NZ *submission to MBIE on a consumer data right for the electricity sector*, 2024. The problem was formally identified in the 2019 Electricity Price Review (Recommendation C3), which noted "some retailers provide instant access, but not all do so" and recommended the Authority require a quick data-request procedure within six months. The Authority's compliance manager described prompt data flow as "fundamental to supporting competition in the retail electricity market".

[2] Electricity Authority, *Updates to the Authority's compliance strategy and monitoring framework*, 17 December 2025. https://www.ea.govt.nz/news/general-news/updates-to-the-authoritys-compliance-strategy-and-monitoring-framework. The Authority's VADE compliance model (Voluntary, Assisted, Directed, Enforced) is described at https://www.ea.govt.nz/code-and-compliance/case-studies/update-on-compliance-trends-and-outcomes

[3] *Submission on Green Paper: working together to ensure our electricity system meets the future needs of all New Zealanders*, Consumer NZ, 25 June 2025

The Authority also acknowledges[4] that "opinions vary on how quickly this will happen and the appetite of consumers to actively engage in the power system."

2.2 Consumer data right provides the right long-term framework

Powerco considers the planned designation of a consumer data right (**CDR**) for electricity under the CPD Act, to be the most durable solution. Building a CMDS ahead of that designation risks creating a parallel architecture that the CPD Act framework supersedes or worse, that becomes the *de facto* CPD Act data repository without appropriate consumer governance having been designed around it.[5]

Open banking offers a useful precedent. Under the Payments NZ API Centre model, banks retain responsibility for consumer data while accredited third parties access it through standardised protocols and a central trust framework[6]. The electricity sector can adopt a similar approach. The CPD Act will establish access rights, accreditation requirements, and enforcement mechanisms for electricity data holders.

Given the above, we recommend the following path:

1. Strengthen enforcement of existing data-sharing obligations now
2. Design the Data Hub Manager alongside the electricity CPD Act designation
3. Build as a trust, standards and access layer rather than creating parallel data sharing architecture.

2.3 Foundational industry data is not a source of competitive advantage

While a federated trust and access model is likely to be the most efficient long-term architecture, a CMDS may be a pragmatic transitional solution where access to historic data continues to create friction for consumers and market participants.

The registry demonstrates that centralised data storage can work where participants have clear obligations and incentives to maintain the data. Although the underlying information is sourced elsewhere, the registry serves as the authoritative record for connection and switching information.

International experience shows different solutions for different problems. The UK's Open Energy framework and NEM CER data exchange is a trust and access framework, whereas AEMO's MSATS functions as a central settlement data repository[7]. Similarly, the UK's Data Communications Company (DCC) was built to enable smart meter communication, not as a general solution to industry wide data access.

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[4] Electricity Authority, Enabling market evolution consultation paper, 2 June 2026, para 7.7

[5] Powerco *submission on the supplementary MTR consultation*, February 2026

[6] Payments NZ API Centre. https://www.apicentre.paymentsnz.co.nz/about. The API Centre co-designs open banking standards and provides a trust register (the API Centre Register) that verifies accredited parties. Banks hold account data; the API Centre enables peer-to-peer access without holding any account data itself. The API Centre operates under the Customer and Product Data Act 2025.

[7] https://www.aemo.com.au/-/media/files/electricity/nem/retail_and_metering/market_settlement_and_transfer_solutions/2021/guide-to-enterprise-metering-data-management.pdf

A key insight here, is that foundational industry data is not a source of competitive advantage. Friction in access ultimately increases costs and degrades service for consumers. Standardising access to core industry information can improve efficiency, while competition is better directed towards developing innovative products and services that create customer value.

3. Data Hub Manager provides trust, access and interoperability

Powerco supports the Authority's preferred approach, a Data Hub Manger that enables trusted, standardised access to data held by existing custodians, rather than maintaining a central repository. Existing examples[8] demonstrate that this is best achieved through common standards, authentication and authorisation arrangements that enable secure access to data at source.

Its value lies in not holding the data, but in providing a trust and access framework that allows accredited parties to discover, access and exchange data efficiently. Given this, the Data Hub Manager's most important near-term function is to develop and maintain the standards that enable interoperable data exchange. This includes:

- **Half-hourly data protocols.** Including the transition from legacy EIEP formats and to codify EIEP3A, as the existing EIEP3 format is not well suited to half-hourly smart meter data at network billing scale
- **B2B protocols for DSO-retailer communication**. To support emerging use cases such as dynamic operating envelopes, flexibility markets and near real time network signals[9]
- **Pre-authorisation framework.** That enable accredited parties to authenticate once and access multiple datasets through common purpose.

4. Implementation should prioritise sequencing and consumer outcomes

The Authority's proposed timeline is pragmatic, but its success depends on sequencing. We believe the following sequencing should enable this:

1. The Data Hub Manager should be designed alongside the electricity CPD Act electricity designation so it can serve as a technical layer for future data sharing obligations, rather than creating parallel infrastructure. The payments NZ API centre provides a useful precedent.
2. The Authority's Power Innovation Pathway should be used to test and refine emerging DSO communication standards before they are codified. Trailing new protocols in real-world settings is more likely to produce practical and durable standards than prescribing them in advance.

[8] The Payments NZ API Centre, Open Energy – Icebreaker one https://openenergy.org.uk/about. Open Energy helps data flow peer-to-peer and never stores any raw data. NEM CER Data Exchange, Australian Energy Market Operator (AEMO). The NEM CER Data Exchange provides a centralised trust and verification service alongside standardised peer-to-peer data transfer interfaces, without replacing existing data storage.

[9] Powerco has been working on these through the ENA Future Network Forum's FlexTalk and Open ADR pilots, and through its own Localflex initiative. The Data Hub Manager may be the best place to hold the standards for these new B2B data flows.

5. Responses to the Authority's consultation questions

Consultation question	Powerco's response
Q1. Do you agree the problem statement accurately describes the issues with the existing five MOSP contracts?	Broadly, yes. The five existing contracts provide services at different levels of the supply chain, and consolidation into two service-based contracts is sensible. The framing of all five as "wholesale market services" overstates the wholesale character of reconciliation and the registry, which are better understood as downstream inputs to wholesale settlement. This does not change the case for consolidation, but it does affect the governance and taxonomy of the new arrangements.
Q2. Do you agree with the proposed grouping of functions into two new service-based contracts?	No. Clearing, Settlement and WITS could form a single Wholesale Settlement Manager whereas Registry and Reconciliation could be consolidated into a Downstream role, with a separate Data Hub Manager. This would reflect the difference between the participants in each service and the natural incentives on them. The Data Hub Manager should focus on trust, addressing, and protocol standardisation as described in section 3.
Q3. Is there anything else that could be included in or excluded from the scope of the new arrangements?	The Data Hub Manager's scope should explicitly include the B2B communication protocols needed for DSO-retailer interaction: dynamic operating envelopes, near-real-time price and constraint signals, and DER capability registrations. These are emerging requirements that need standardised interfaces and governance before they become operational necessities. A CMDS should be excluded from the scope of both the Data Hub Manager and any related arrangements. The enforcement of existing data-sharing obligations, including through the CDR, is the proportionate solution for data access problems.
Q4. What should the Data Hub Manager do, and what functions should it include?	The Data Hub Manager should: • Define and administer the trust framework and pre-authorisation protocols that allow accredited parties to access data from its source custodian without separate bilateral arrangements • Define and maintain standardised data formats and transfer protocols, including EIEP3A for half-hourly data • Maintain the addressing layer that routes data requests to the correct custodian and verifies access rights. It should be designed in coordination with the electricity CDR designation and serve as the technical layer through which CDR obligations are fulfilled.

Consultation question	Powerco's response
Q5. Is a Central Meter Data Store needed? If so, what data should it include and who should manage it?	Yes, a CMDS is probably unavoidable. A CMDS would replicate data already held by parties with strong incentives to maintain it accurately, add institutional cost and governance complexity, and fail to address the real problem, which is the absence of meaningful consequences for non-compliance with existing data-sharing obligations. However a CMDS would be a simple way of cleaning up access to historic data and accelerating a mechanism for frictionless low-cost data access. The CPD Act designation of the electricity sector will create new incentives, under the same legislative framework that already governs open banking. The Payments NZ API Centre model - trust register, standardised protocols, peer-to-peer data flows - is the template. Building a CMDS ahead of the electricity CPD Act designation risks creating infrastructure that will be superseded. The Data Hub Manager should be designed as the electricity sector's equivalent of the API Centre: a trust and access layer. It's possible that in time this may make a physical central data store unnecessary, but we have been waiting for competition and incentives to provide low-cost frictionless access to basic data for 28 years. It's better than it was in 1998 but it's still not there - so we fully support the accelerated establishment of a CDMS that includes historic half hour consumption data as a pragmatic way of resolving this as quickly as possible.