



PO Box 4136
East Richmond VIC 3121
T 131 806
F 1300 661 086
W redenergy.com.au

PO Box 4136
East Richmond VIC 3121
T 1300 115 866
F 1300 136 891
W lumoenergy.com.au



2 October 2020

Mr Sean McComish
Director Advisory and Research
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

Submitted electronically smallscale@escosa.sa.gov.au

Dear Mr McComish,

Re: Draft Inquiry Report: Inquiry into regulatory arrangements for small-scale water, sewerage and energy services

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to comment on the Essential Services Commission of South Australia (ESCOSA) Draft Inquiry Report into regulatory arrangements for small-scale water, sewerage and energy services (draft report).

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria, South Australia, New South Wales and Queensland, and electricity in the ACT to over 1 million customers.

ESCOSA has indicated that it intends to implement a light handed regulatory approach to off-grid electricity and reticulated natural and Liquefied Petroleum Gas (LPG) networks in South Australia under its Verified Trust and Accountability model. The Australian Energy Market Commission (AEMC) has applied a different approach to regulating stand-alone power systems. They define stand-alone power systems as an electricity supply arrangement that is provided by an electricity distributor but is not physically connected to the national grid.

Currently, the draft legislation and regulation changes for stand-alone power systems are under consideration by the Senior Officials of the former COAG Energy Council. Noting that ESCOSA is intending to regulate off-grid electricity supply, which is seemingly the same content as the new framework for stand-alone power systems, we would like to ensure that there are no overlaps or inconsistencies between the two regulatory frameworks. In particular, the stand-alone power systems model maintains existing consumer protections, reliability standards and competitive retail market offers.

Should ESCOSA wish to discuss or have any enquiries regarding this submission, please contact Con Noutso, Regulatory Manager on 0481 013 988.

Yours sincerely

Ramy Soussou
General Manager Regulatory Affairs & Stakeholder Relations
Red Energy Pty Ltd
Lumo Energy (Australia) Pty Ltd

Lumo Energy ABN 69 100 528 327

NSW ABN 92 121 155 011

QLD ABN 63 114 356 642

SA ABN 61 114 356 697

Red Energy Pty Ltd ABN 60 107 479 372