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8 December 2021

Mr Adam Wilson  
CEO  
Essential Services Commission of South Australia  
Level 1, 151 Pirie Street  
Adelaide SA 5000

Submitted via email

Dear Mr Wilson,

### **Re: Retailer Energy Productivity Scheme (REPS) Code Review 2021 Draft Decision**

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to provide feedback to the Essential Services Commission of South Australia (the Commission) on the draft decision on the Retailer Energy Productivity Scheme (REPS) Code Review 2021 (the draft decision).

In principle, Red and Lumo are supportive of any changes to improve consumer protections. However, we are concerned about the proposed line of sight obligations which risks unintended outcomes and increasing costs for service providers.

### **Line of sight between obliged retailers and customers**

Under the proposal, a third party service provider would be required to “provide an information statement to include the requirement to provide the name of the obliged retailer on whose behalf the activity is undertaken prior to commencement of the REPS activity.”<sup>1</sup>

Red and Lumo understand the intent of the proposed changes by the Commission, however, the proposal risks removing the ability for third party service providers to carry out multiple activities for multiple retailers at the same individual customer's property. This current process is the most economically efficient, allowing a service provider to carry out multiple jobs at the same time rather than having to only work on a specific customer's house for a specific retailer.

Red and Lumo are concerned that the changes proposed would see a service provider either be forced to only work on activities for one retailers at one customers property (which will inevitably

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<sup>1</sup> Essential Services Commission of South Australia, Retailer Energy Productivity Scheme (REPS) Code Review 2021 – Draft Decision, p10

increase costs) or attempt to advise the customer of which specific activity is for which retailer (i.e. this lighting is for retailer A whereas the heating unit is for retailer B) which will increase customer confusion.

Red and Lumo propose that the Commission more thoroughly examine the impact of the change on service providers to ensure it does not increase operational costs. If it is found to increase costs the Commission should look at alternative options such as requiring service providers to develop and publish a complaints and escalation process (a copy of which would be required to be provided to the customer at the time of the works being done).

As a further measure, the Commission could approve these complaint handling procedures, where companies without an approved complaint handling procedure are unable to operate under the REPS. If in the future the Commission finds that this does not address its concerns and the concerns of customers, the Commission could then reconsider its proposed line of sight provisions.

#### **About Red and Lumo**

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in South Australia, Victoria, New South Wales and Queensland, and in the ACT to over 1.1 million customers.

We thank the Commission for the opportunity to respond to the draft decision. Should the Commission wish to discuss or have any enquiries regarding this submission, please contact Stephen White, Regulatory Manager on 0404 819 143.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Stefanie Monaco", written over a light blue rectangular background.

**Stefanie Monaco**  
Manager - Regulatory Affairs  
**Red Energy Pty Ltd**  
**Lumo Energy (SA) Pty Ltd**