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19 February 2016

Mr Mike Philipson
Principal Advisor
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

Submitted electronically

Dear Mr Philipson,

Re: National Energy Retail Law: Review of operation in South Australia

Red Energy (Red) and Lumo Energy (Lumo) welcome the opportunity to respond to the Essential Services Commission of South Australia (the Commission) on the National Energy Retail Law (NERL): Review of operation in South Australia Draft Report (the Draft Report).

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

Red and Lumo are broadly supportive of the Commission's findings in the Draft Report, supporting the view that customers have not been negatively impacted by the introduction of the NERL in South Australia. We do however suggest the benefits of the NERL, particularly for consumers experiencing financial difficulty have been understated in some aspects. The NERL provides comprehensive assistance for consumers experiencing difficulties, and while unable to address all consumer needs, undoubtedly increases their protection when compared with the pre-NERL regime.

Further to this, we support the recommendation of the Commission that there should be periodical, continuing review of the NERL to ensure any derogations remain in the best interests of consumers in South Australia. Red and Lumo remain concerned that a number of the derogations, in particular the retailer responsiveness standards, are costly to regulate and would be best served by a competitive market in which consumers are able to choose between retailers who meet their individual needs.

Red and Lumo thank the Commission for the opportunity to respond to the Draft Report. Should you have any further enquiries regarding this submission, please call Ben Barnes, Regulatory Manager on 03 9425 0530.

Yours sincerely

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

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