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7 August 2020

Ms Kate Symons
Chairperson
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne VIC 3000

Submitted electronically

Dear Ms Symons,

Re: Timely Negotiated Electricity Connection

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to make this submission to the Essential Services Commission's (the Commission's) issues paper for the review of timely negotiation electricity connection.

Red and Lumo mainly are engaged with customers, electricians and builders in the latter stages of the connections process. As a result, we strongly support the Commission's review to ensure that Victorian consumers are able to access timely electricity connections. In order to achieve this, keeping networks accountable through binding timeframes and consistent and transparent reports will be critical. The Commission will need to balance the customer expectations alongside any network requirements.

Proposed approaches outlined

Red and Lumo receive feedback and requests from our customers or their representatives (e.g. builders or electricians) seeking clarity on the progress and/or process. It is challenging to provide quality and accurate information to our customers as we only become involved at a later point. Based on our experience and in evaluating the approaches as proposed by the Commission, we see value in adopting components from each of the Commission's proposed approaches.

In order to deliver the optimum customer outcome, a consistent set of requirements in the connection process, including which parties are responsible for each requirement and timeframes for those responsibilities must be clearly articulated. Voluntary reporting may not be sufficient to provide the required transparency and consistency to keep builders and developers, and therefore Victorian consumers informed of the progress. Ultimately, the networks should seek to leverage existing processes and provide this in near-real time, either publicly on their website or privately to those involved via a portal.

We recommend the Commission set out key performance indicators and reporting requirements in the Electricity Distribution Code. Data can be presented consistently, allowing for easier comparisons and a better evidence base for assessing whether any future regulatory responses are necessary and, if so, what form it should take. We welcome the Commission basing its findings on the Better Regulation Victoria review of planning and building approvals in Victoria. This found that reporting needs to be accompanied by an action plan that the networks will undertake to meet any targets which are not being achieved, with clearly defined timelines.

Red and Lumo also support networks providing the Commission regularly reporting on ongoing improvements to the way they manage their negotiated connections processes. The negotiated connection process requires collaboration between networks and other groups involved - including builders, electrical contractors and ultimately retailers. We are aware that electricians and builders often contact retailers to clarify the process, which shows that the current arrangements are unclear.

About Red and Lumo

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

Red and Lumo thank the Commission for the opportunity to comment on the issues paper. Should you wish to discuss or have any further enquiries regarding this submission, please call Christophe Bechia, Regulatory Manager on 0414 183 880.

Yours sincerely

A handwritten signature in black ink, appearing to be "Ramy Soussou".

Ramy Soussou

General Manager, Regulatory Affairs & Stakeholder Relations

Red Energy Pty Ltd

Lumo Energy (Australia) Pty Ltd