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17 May 2022

Ms Kate Symons
Chairperson
Essential Services Commission
Level 8, 570 Bourke Street
Melbourne VIC 3000

Submitted electronically: energyreform@esc.vic.gov.au

Dear Ms Symons,

Re: Making an Electricity Distribution Code of Practice

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to make this submission to the Essential Services Commission's (the Commission's) consultation on Making the Electricity Distribution Code of Practice and accompanying Electricity Distribution Licence (the consultation paper).

Red and Lumo have conducted an in depth analysis of the changes to the Electricity Distribution Code of Practice and Electricity Distribution Licence. The Commission has altered the structure and content of the Electricity Distribution Code of Practice as well as the Electricity Distribution Licence while attempting to ensure that there is no change to the obligations or policy intent. We note that this has largely been achieved, however there remain amendments that are required before the new Electricity Distribution Code of Practice can be formally made.

Receipt of communications and notices timeframe

Red and Lumo understands the intent of the Commission in increasing the timeframe which distributors need to allow for communication and notices as having been given, if sent by post, from the current 2 business days to the proposed 7 business days. It is, however, our position that 7 business days is too long for notices which require field work to be undertaken. In particular, for planned interruptions which require 4 business days notice to be provided, adding to the 7 reducing distributors ability to properly forecast for events such as weather conditions when you combine both the notice period and the time allowed for the delivery of the notice by post.

We propose that consistent standards apply between retailers and distributors. As such, we recommend that the Commission amend the Electricity Distribution Code of Practice to mirror the wording in the model terms and conditions in the Energy Retail Code of Practice. Under clause 17 of the standard retail contract, it is deemed that a communication is delivered to a customer on the date two business days after it is posted. This will ensure that customers receive a consistent level of service between both the retailer and distributor.

Consistency in licence clauses

Red and Lumo recommend the Commission apply a consistent approach in its drafting of the clauses across both the Distribution and Retail Code of Practice and licences. The alignment of clauses content can help to minimise the fragmentation of regulatory obligations in the market and

the effectiveness of the new codes. For example, the clauses for 'variation' and for 'revocation' as they are currently proposed in the template for electricity distribution licences, align to what was also originally proposed as part of the Commission's initial review of retail licences¹. However, post-industry feedback received as part of that review, the Commission re-worded these corresponding clauses,² which should be mirrored in the electricity distribution licences.

Definitions clean up

Red and Lumo encourage the Commission to further clean up the definitions in the Electricity Distribution Code of Practice and take a consistent approach. Where certain definitions found in the Electricity Distribution Code of Practice are also in the National Electricity Rules (NER), the Commission has pointed to the corresponding NER definition. However, this is not consistently applied with some definitions pointing to the specific NER chapter (i.e. *connection service*), some pointing to the NER overall (i.e. *metering data*), some not pointing to the NER but simply duplicating the information (i.e: *AEMO* and *apparent power*). The Commission ought to take this opportunity to align definitions across the Energy Retail Code of Practice and other regulatory instruments such as the NER, and AMI orders in place. This will avoid situations where there are inconsistencies between the definitions and which instrument is to be followed.

Finally, we request the Commission review and reword the definition of '*energise*' in the Electricity Distribution Code of Practice to ensure that it aligns with the Energy Retail Code of Practice and the various Advanced Metering Infrastructure (AMI) Orders in Council.

About Red and Lumo

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

Red and Lumo thank the Commission for the opportunity to respond to its consultation paper. Should you wish to discuss or have any further enquiries regarding this submission, please call Christophe Bechia, Regulatory Manager on [REDACTED]

Yours sincerely

A handwritten signature in blue ink, appearing to read "Stefanie Monaco".

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

¹ Essential Services Commission, [Electricity and Gas Retail Licence Template - First consultation](#), 31 January 2022

² Essential Services Commission, [Energy retail licence review – commission response to licensee feedback](#), 27 April 2022.