



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 lumoenery.com.au



8 April 2022

Ms Mila Sudarsono
A/g Director – Compliance and Enforcement
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Submitted via email: AERexemptions@aer.gov.au

Dear Ms Sudarsono,

Re: Draft Retail Exempt Selling Guideline (version 6)

Red Energy and Lumo Energy (Red and Lumo) are pleased to make this submission to the Australian Energy Regulator's (AER's) draft decision for its review of the Retail Exempt Selling Guideline.

Red and Lumo support the AER's proposed amendments to the Guideline. They are a proportionate regulatory response as they extend core consumer protections to energy consumers residing in embedded networks, while also recognising that the sale of energy is (generally) incidental to exempt sellers' broader operations. In particular, we welcome the proposal for exempt sellers to develop a hardship policy that incorporates the standardised statements from the AER's Hardship Guideline. This reflects the recognition that energy is an essential service and that support should be available to consumers in all situations.

These consumers will also be better placed to make an informed choice about their energy supply, including their ability to participate in the competitive energy market by contracting with an authorised retailer. The proposed amendments also clarify obligations on exempt sellers, thereby reducing uncertainty and potentially fostering greater compliance with the conditions of exemption. This will lead to better outcomes for consumers.

In our view, the AER and other regulatory agencies should continue to work towards a competitively neutral regulatory framework that ensures all energy consumers receive the same protections, irrespective of the mechanism through which they receive their supply. This raises more fundamental issues about the current regulatory framework that were initially addressed through the Australian Energy Market Commission's recommendations to the COAG Energy Council. However, this has now been superseded by the Energy Security Board's post 2025 NEM market design workstream.

We look forward to contributing to AER's forthcoming Retailer Authorisation and Exemption Review, which will explore whether the National Energy Customer Framework is able to account for new energy products and services and what consumer protections should apply in light of broader developments and technological change across the energy sector.

About Red and Lumo

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

Red and Lumo thank the AER for the opportunity to respond to this consultation. Should you wish to discuss aspects or have any further enquiries regarding this submission, please call Geoff Hargreaves, Regulatory Manager on [REDACTED]

Yours sincerely

A handwritten signature in blue ink, appearing to read "Stefanie Monaco". The signature is written in a cursive, flowing style.

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