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7 August 2023

Gavin Fox
General Manager, Market Performance Branch
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Submitted electronically

Dear Mr Fox,

Re: AER Performance Reporting Procedures and Guidelines issues paper

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to comment on the Australian Energy Regulator (the AER's) Performance Reporting Procedures and Guidelines issues paper (the issues paper).

Red and Lumo strongly support the AER's efforts to "better align our Guidelines with the Essential Services Commission of Victoria's equivalent guideline where practical."¹ We encourage the AER to continue this work, especially seeking to align wording and terminology in all instances where possible. In the meantime, we have concerns over a number of the reporting requirements published in the guidelines.

Tariff and meter types

Red and Lumo request that the AER clarify the intent and interpretation of this reporting requirement and consider removing it entirely. Retailers have the flexibility to bill on a tariff that best reflects the customers' needs and are not obliged to automatically pass through the distributor's network tariff. Therefore, it is unclear how this obligation would work in practice and what insight it generates. We question whether retailers would be obliged to report on the distribution network tariff or the retailer's product. Alternatively, if they are required to report on the retail product it is likely to only create confusion in reporting as each retailer will have a variety of different structures targeted to their specific consumer group.

Life support

The AER's proposal for retailers to report both medically confirmed and all registered life support customers who have not provided medical confirmation is likely to lead to inflated reporting and not deliver the expected insights. Currently the number of customers who are medically confirmed only represents a small percentage of the total number of customers who have registered for life support. It is not uncommon for customers to incorrectly register during sign up and this generally becomes apparent after a significant period of time.

¹ Australian Energy Regulator (AER) Performance Reporting Procedures and Guidelines, Issues Paper, July 2023, p2

If the AER wishes to have reporting on life support customer numbers it should only report on those who are medically confirmed. Furthermore, as all distribution networks collect life support customer data across the board in a uniform way it would seem that distribution networks would remain the most appropriate avenue for collecting and reporting on these customers to the AER.

Debt indicators

Red and Lumo strongly oppose the introduction of a 0 day debt reporting obligation by the AER. While there appears to be little to no demonstration on what the value of this reporting obligation would be, we are especially concerned that for retailers to build this reporting functionality will require not only extensive upfront cost to capture this data but also increased ongoing costs to check and verify the data, costs which will eventually be borne by consumers.

Granularity of data

Red and Lumo do not support the AER's proposal to require reporting to a more granular approach and especially splitting the data by distribution zone or regional versus metropolitan areas. The split between metropolitan versus regional is especially problematic as the definition of the postcodes that make up metropolitan or regional would need to be developed, published and maintained by the AER. However, even if this postcode list is developed there appears insufficient evidence of the benefits to justify the added expense of building systems to accommodate this level of data granularity.

Clarification of data

Red and Lumo request the AER to provide clarity on the following reporting obligations:

Reporting indicator	Clarification
S3.21 missed Pay on time discount	This should be aligned to the ESCV reporting obligation which measures missed bills.
4.8 Hardship Payment Plans	Are the usage costs and arrears combinations expected to be subsets?
S4.4 and S4.6	Should these indicators have equal customer counts?

About Red and Lumo

We are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in New South Wales, Queensland, South Australia, Victoria and in the ACT to over 1.2 million customers.

Red and Lumo thank the AER for the opportunity to comment on the issues paper. Should you wish to discuss or have any further enquiries regarding this submission, please call Stephen White Regulatory Manager on 0404 819 143.

Yours sincerely

A handwritten signature in black ink, appearing to read "G. Hargreaves".

Geoff Hargreaves

Manager - Regulatory Affairs

Red Energy Pty Ltd

Lumo Energy (Australia) Pty Ltd