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20 March 2025

Mr Gavin Fox
General Manager
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Submitted electronically to: energyqueensland2025@aer.gov.au

Dear Mr Fox,

Re: TSS Amendment - Ergon and Energex - 6 February 2025

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to make this submission to the Australian Energy Regulator (AER) on Energy Queensland's Tariff Structure Statement (TSS) Amendment letter dated 6 February 2025.

Red and Lumo agree with Energy Queensland's proposal to alter their proposed tariff reassignment policy for non-customer initiated meter exchanges. We agree this will lead to less confusing reassignments for individual consumers. It will also ensure retailers who chose to reassign consumers are not impacted by large bulk reassignments during a time normally dedicated to consumer price changes.

However, we do not support Energy Queensland's proposal to introduce contingency triggers to alter the time of use windows depending on load profile changes of their network. In the proposed amendment Energy Queensland has also not stated any specific triggers for the potential change or any dates for a trigger event or an effective change date. This uncertainty about the precise triggers, proposed changes or effective dates creates operational challenges for retailers, while the potential for frequent changes in structures is a poor experience for consumers.

Energy Queensland could utilise the contingency trigger on the basis of inaccurate information, since many retailers are not currently passing through network tariff changes/reassignments. For those retailers who are, the transition is slow. Rules to enact the Accelerated Smart Meter Deployment require customers to provide Explicit Informed Consent (EIC) to be reassigned to a new retail tariff for the two years following the effective exchange date. As a consequence, a vast number of consumers will not be seeing the price signals Energy Queensland intended for them to see.

We expect that very few retailers will choose to pass on Energy Queensland's time of use tariff if the AER approves a contingency trigger or consumers will respond to the uncertainty about tariff structure by opting for a single rate price. These single rate offers may result in some consumers paying more for a certain volume of energy depending on how retailers choose to manage the underlying network risk.

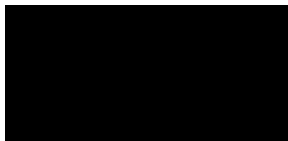
As a more general point, we view frequent fluctuations in the structure of network tariffs as one of the reasons why many consumers are wary of more cost reflective tariffs. Furthermore, the practical challenges for retailers of frequent changes to the structure of network tariffs has undermined the objectives of tariff reform. The AER will be aware that many consumers are confused about tariffs. A recent Energy Consumers Australia Report found 37% of households surveyed did not know what a retail tariff was or what tariff they were on.¹ The proposal for contingency tariffs will further add to this uncertainty and further undermine tariff reform.

About Red and Lumo

We are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail electricity and gas in New South Wales, Queensland, South Australia, Victoria and the Australian Capital Territory to over 1.4 million customers.

Red and Lumo thank the AER for the opportunity to comment on the revised drafts. Should you wish to discuss or have any further enquiries regarding this submission, please call Jordan Rigby, Regulatory Manager on [REDACTED].

Yours sincerely

A large black rectangular redaction box covering the signature of Geoff Hargreaves.

Geoff Hargreaves
Manager - Regulatory Affairs
Red Energy Pty Ltd
Lumo Energy (Australia) Pty Ltd

¹ Energy Consumers Australia (2025), *Consumer Energy Report Card*, page 4