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14 September 2022

Warwick Anderson
General Manager, Network Pricing
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Dear Mr Anderson,

Re: Issues paper: Static zero limits for micro embedded generators

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to comment on the Australian Energy Regulator's (AER) Issues paper on the Connection Charge Guideline that investigates the circumstances under which a Distribution Network Service Provider may offer a static export limit (static zero limit) to a micro embedded generator connecting to the grid.

Following our review of the issues paper, we largely support the AER's proposed approach. The consultation on static zero limits forms part of the broader work program in response to the Australian Energy Market Commission's *access, pricing and incentives arrangements* for distributed energy resources (rule change) to improve the integration of solar into the grid. Alongside this rule change, the AER is also progressing changes in line with the Energy Security Board's DER workstream.

Red and Lumo request that the AER review their work in this space as there are many complex interactions between these various workstreams. We consider that it would be prudent for the AER to release an overarching approach for consultation once all the issues papers are at draft determination stage that articulates how these workstreams fit together with each other and the DER workstreams. This will ensure that consumers receive the benefits identified in the rule change, and that there are no unintended consequences as this subject matter is very complex and can be unclear.

About Red and Lumo

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

Red and Lumo thank AER for the opportunity to respond to this consultation. Should you wish to discuss, please call Con Noutso, Regulatory Manager on [REDACTED]

Yours sincerely

[REDACTED]

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