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9 October 2020

Ms Rebecca Knights
Director, Energy Policy & Projects
Department for Mining and Energy
Level 8, 11 Waymouth St
Adelaide SA 5000

Submitted electronically: DEM.REES@sa.gov.au

Dear Ms Knights,

Re: Consultation Paper on the Proposed Retailer Energy Productivity Scheme (REPS) Regulatory Framework and Activities

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to respond to the South Australian Government (the SA Government) on the consultation paper on the proposed Retailer Energy Productivity Scheme (REPS) regulatory framework and activities (the consultation paper).

Red and Lumo support the introduction of the new REPS scheme, however, are concerned with the implementation timeframe. We strongly urge the SA Government to allow a transition period where the existing and new activities (with the same existing credit value retained) should be implemented. This would ensure adequate time for retailers and service providers to redirect systems and process for the new REPS activities and the associated calculation methodology.

Implementation timeframe

The proposal for REPS and its energy productivity activities to come into effect from 1 January 2021 will only allow retailers and service providers limited time from the release of the final calculations to the implementation of the new program. This creates a risk that providers will have already allocated resources based on the current program and activities and that retailers will fail to meet their targets if they are unable to reposition to the new activities in time.

Red and Lumo support the introduction of the new REPS activities and believe that the new calculation method will support outcomes in the long term. We are concerned about the changes for current activities (such as lighting) which have been such a big focus for retailers and suppliers.

Red and Lumo propose that the SA Government maintain the existing activities and calculation methodology for a transition period of 6 to 12 months. This transition period would allow retailers to complete existing activities with the existing value (currently approved under REES) to meet their obligations alongside the new activities outlined in the consultation paper. This transition would allow appropriate time to prepare for the new REPS activities with proper infrastructure and processes in place while still ensuring a continuity of delivery and maintaining the benefits for consumers.

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 in the ACT to over 1 million customers.

Red and Lumo thank the SA Government for the opportunity to respond to its consultation paper. Should you wish to discuss aspects or have any further enquiries regarding this submission, please call Stephen White, Regulatory Manager on 0404 819 143.

Yours sincerely

Ramy Soussou
General Manager Regulatory Affairs & Stakeholder Relations
Red Energy Pty Ltd
Lumo Energy (SA) Pty Ltd