



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 lumoenergy.com.au



4 May 2023

Ms Kate Symons
Chairperson
Essential Services Commission
Level 8, 570 Bourke Street
Melbourne VIC 3000

Submitted electronically

Dear Ms Symons,

Re: Gas Distribution System Code of Practice review issues paper

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to comment on the Essential Services Commission's (the Commission's) issues paper on the Gas Distribution System Code of Practice Review (the issues paper).

Red and Lumo are generally supportive of the approach and scope of this review especially in light of the Victorian Government's Gas Substitution Roadmap. In all avenues of this review and potential amendments to the Gas Distribution Code (the Code) we strongly encourage the Commission to align the regulations in the Code of Practice (COP) with the National Energy Retail Rules (NERR). Alignment with the NERR continues to be the most efficient and effective approach in ensuring protections while reducing costs for consumers.

Obligations to provide information to customers about changes in the type of gas supplied

Red and Lumo are unconvinced by the need or benefit of the introduction of these obligations. We expect that if Gas Distributors are permitted to inject a certain amount of blended gas into their network then the relevant regulators have assessed the safety of this before granting approval and it therefore remains unclear what action consumers are expected to take in light of this notification. While there is value in consumers understanding the potential benefits of the use of hydrogen or blended gas in the network we would expect that this should be part of a wider education program led by the Government. This could occur as part of the Gas Substitution Roadmap, for example.

If the Commission does however find that there is a need for consumers to be notified about changes in the type of gas supplied we strongly encourage them to mirror the obligations in the NERR completely. The Australian Energy Market Commission consulted widely on potential measures and selected an approach that informs and supports consumers and minimises the administrative burden for retailers.

Deemed distribution contracts and customer obligations

While Red and Lumo understand the reason for examining the potential role for customer minimum standards in deemed distribution contracts we are unconvinced that there is a strong case for their inclusion at this stage. Red and Lumo would encourage the Commission to further examine the potential impact of this change and if there is any demonstrated evidence to support it before progressing this reform.

Metering requirements for non-declared parts of the Victorian gas network

As a matter of principle Red and Lumo encourage the Commission to align with the National Regulations wherever possible but would support the Commission clarifying the metering installation standards which apply to non-declared parts of Victoria's gas network.

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 Commission for the opportunity to comment on the draft report. Should you wish to discuss or have any further enquiries regarding this submission, please call Stephen White Regulatory Manager on [REDACTED]

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