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20 January 2020

Ms Kate Symons
Chairperson
Essential Services Commission
Level 37, 2 Lonsdale St
Melbourne Victoria 3000

Submitted electronically to edc.review@esc.vic.gov.au

Dear Ms Symons,

Re: Electricity Distribution Code review – Technical standards

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to comment on the draft decision released by the Essential Services Commission (the Commission) on Electricity Distribution Code review – Technical standards (the draft decision).

Red and Lumo have reviewed the draft decision and support the amendments made to it as it updates the technical standards of the Electricity Distribution Code to ensure it remains fit for purpose. We look forward to continuing engagement with the Commission on the second phase of the review that will focus on a distributor's customer service standard.

Maintaining consumer protections

Red and Lumo support the Commission's draft decision to continue to link the existing voltage standards to Guideline 11 - Voltage variation compensation. Under this guideline customers have the right to seek compensation for damage, when the voltage limits exceed the fixed limits in the Electricity Distribution Code. However, we note that the Commission has proposed more flexible voltage standards that have the potential to create ambiguity problems regarding whether customers can make a claim. Nevertheless, the Commission has managed to retain a modified version of the fixed voltage limits that it previously had in the Electricity Distribution Code. We urge the Commission to seek information from the electricity networks regarding the potential benefits that this will deliver Victorian customers and the costs to implement the new standard (if any) and outline this in the Commission's final decision.

Expanding the reporting requirements of distributors to report on how they are using smart technology to manage the distribution system

Red and Lumo support the Commission's draft decision that requires distributors to report on how smart meter technology is being used to manage the operation of the distribution system.

The Commission has requested that the distributors provide information of how smart meter technology is used to provide support for life support customers, demand management initiatives and network reliability.

We are pleased that the distributors will be required to provide all of the above information as part of their distribution system planning reports. Additionally, we are pleased that the distributors will be required to provide more granular information regarding voltage standards on major feeders. This information will provide commercial investors with improved information to make market based investments that would replace or defer network augmentations. In the longer term, this could help to deliver savings for consumers.

Modernising technical standards

Red and Lumo support the Commission's draft decision to modernise the technical standards that apply within the Electricity Distribution Code. As part of the draft decision, the Commission has modernised the Electricity Distribution Code's technical standards to make it fit for purpose to cater for a changing market. Technological changes and the uptake of more distributed energy resources (DER) has affected the way the network is maintained and operated. This has brought the reliability of the grid into question. Given this, updating the technical standards in the Electricity Distribution Code to cater for these changes is logical.

About Red and Lumo

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria and New South Wales and electricity in South Australia and Queensland to approximately 1 million customers.

Red and Lumo thank the Commission for the opportunity to respond to this consultation. Should you have any further enquiries regarding this submission, please contact Con Noutso, Regulatory Manager on 0481 013 988.

Yours sincerely

A handwritten signature in black ink, appearing to be "Ramy Soussou". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ramy Soussou
General Manager Regulatory Affairs & Stakeholder Relations
Red Energy Pty Ltd
Lumo Energy Australia Pty Ltd