



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 lumoenery.com.au



6 March 2025

Ms Anna Collyer
Chairperson
Australian Energy Market Commission
PO Box 2603
Sydney NSW 2001

Submitted electronically: www.aemc.gov.au

Dear Ms Collyer,

Re: Improving the ability to switch to a better offer (RRC0062)

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to make this submission to the Australian Energy Market Commission's (the Commission's) consultation paper for rule change proposal to improve the ability to switch to a better offer.

We acknowledge the rationale for considering how the regulatory framework may further assist consumers to switch to better offers. This is an extension of the *Better Bills Guideline*, which includes a requirement to present a better offer message. We note that retailers are developing their own mechanisms for streamlining this process, one example of which is the ability for our customers to accept a better offer through our online portal, *MyAccount*. We will continue to develop this functionality and develop additional mechanisms that reflect our customers' evolving needs and preferences, while also maintaining the option to contact us via phone, email or through our website for those customers who prefer more traditional channels. These new measures are reducing the transaction costs for consumers associated with market participation and acquisition costs for retailers.

However, any regulation to further streamline this process must not dilute Explicit Informed Consent. This is a core foundation of the competitive market and was designed as a deliberate friction that necessarily generates some transaction costs that, in our view, are outweighed by its benefits.

It remains vital that consumers fully understand the terms and conditions of any new offer they are considering and the implications of switching away from their current offer. Importantly, EIC ensures that consumers who value additional benefits tied to their current market retail contracts—such as frequent flyer points, renewable energy matching or charity contributions—can choose whether to continue to receive them.

Effective engagement with their retailer (or prospective retailer in the case of churn) is central to this. EIC not only ensures that consumers are familiar with terms and conditions but engagement between retailers and customers also delivers other benefits. They can not

only discuss any better offer message from their bill and any like-for-like offers (to which the consultation paper refers) but also alternative pricing structures that may better suit a customer's consumption patterns, the merits of investments in Consumer Energy Resources, energy efficiency advice and an opportunity to assess whether that consumer may require support with payment difficulty.

We also encourage the Commission to focus on outcomes-based approaches if it proceeds with regulatory change. This is preferable to a more prescriptive approach that is limited to prescribed mechanisms, for example, and could preclude the development of more effective, efficient and customer focused forms of communication in the future.

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 ACT to over 1.4 million customers.

Red and Lumo thank the Commission for the opportunity to comment on the consultation paper. Should you wish to discuss or have any further enquiries regarding this submission, please call Thakshila Gunaratna, Regulatory Manager on 0461 338 686.

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