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6 March 2025

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

Submitted electronically: www.aemc.gov.au

Dear Ms Collyer,

Re: Improving the application of concessions to bills (RRC0063)

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to make this submission to the Australian Energy Market Commission's (the Commission) consultation paper for a rule change proposal to improve the application of concessions to bills.

Targeted financial assistance is a core element of the energy market and works with various regulatory protections to support consumers experiencing payment difficulties. All energy stakeholders have an interest in ensuring that consumers receive the support to which they are entitled. In particular, retailers are incentivised to encourage their customers to access all available concessions, while complying with a range of regulatory obligations. As such, Red and Lumo ask consumers if they hold a concession card during the sign up and consent process and if we have cause to believe a consumer might be struggling to pay their bills. This is standard practice among retailers.

However, we share the concerns of some stakeholders who note that some consumers find it difficult to access or are not aware of the available support. This consultation is a mechanism for identifying reform opportunities, even if some are beyond the scope of the National Energy Retail Rules given the broader concessions framework extends beyond the energy sector.

Furthermore, some of the options under consideration require deeper analysis to fully understand how they might align with privacy obligations.

Retailer Concession Process

We acknowledge the rationale for considering measures that minimise the steps that consumers must take to access and retain concessions. In our view, however, there are few opportunities to do this directly through further changes to the National Energy Retail Rules.

As the consultation paper notes, retailers are obligated to discuss concessions with

consumers at various points and must mention concessions in discussions about a potential need for support to deal with payment difficulty. Access to any available concessions also aligns with retailers' commercial incentives.

Our approach is to make this as simple as possible for our customers and the following discussion provides examples of the steps we take to address specific situations. We ask all consumers joining us if they or anyone residing at the premises holds a valid concession card. We also ask every customer who has indicated any form of payment difficulty if they hold a concession card and include a recommendation on every bill and on any letter pertaining to payment assistance that the customer should contact us if they hold a concession card. Red and Lumo customers then have the option to provide their concession details via phone, email, letter or an online portal.

If a customer's concession card fails validation, Red and Lumo work closely with them to overcome the reason for the failed validation. This includes ensuring names are correctly recorded, updating the supply address at the premises to align with the customer's actual address and if necessary, updating a premises' tariff from business to residential. In our experience, these steps generally address the majority of failed concession validations.

If the concession card holder is not the account holder, we add them to the account as an additional account holder, subject to their consent. We will not typically ask customers if they're eligible for a concession but rather, if they hold a concession card. This overcomes situations where a concession has lapsed and / or the consumer is taking steps to extend their eligibility. We also apply notifications to a customer's account to alert our consultants if a concession card has expired or failed validation in the previous 12 months.

These steps are an important element of the service that Red and Lumo offer. However, we expect that they are common across the retail sector.

Retailer Transferring Obligation

The suggestion to create a concession flag in the transfers B2B/B2M files for a new incoming retailer is problematic and does not reflect current industry procedures where a transfer relates to a premises and NMI, rather than an individual. This proposal would be costly to implement and it is reasonable to suggest it is unnecessary due to the obligation on retailers to enquire about concession status at the time of sign-up.

More importantly, however, are the potential risks to privacy and misuse (such as the potential for discrimination against some consumers on the basis of concession eligibility) of including such information in a B2B/B2M process. We do not expect that many consumers would consent to the capture and sharing of potentially sensitive information in this format or context. The Consumer Data Right (CDR) is one mechanism that could facilitate the exchange of information between regulated parties about concessions eligibility. However, the level of awareness and use of the CDR remains low at this stage.

Alternative Reforms

Red and Lumo encourage the Commission to consider the broader concessions framework as part of this review. We see an opportunity to improve consumers' awareness of available concessions, to streamline application and other administrative processes (e.g. through information sharing arrangements across departments subject to privacy concerns) and a reassessment of eligibility criteria and the duration of eligibility. We acknowledge this largely falls outside its remit but this review allows for a holistic assessment and the Commission can identify reform opportunities as a starting point towards implementation.

One example is a requirement for South Australian consumers to advise ConcessionsSA of their energy account details. This creates an additional step for consumers as retailers are not able to apply for a concession on behalf of a consumer. We have also noted that many Health Care Card holders receive concession cards on a short term basis, which leads to frequent expiries. The onus then falls on consumers to update their retailer with the new expiry date. One option would be for Services Australia to revalidate the eligibility of these consumers directly with retailers, rather than requiring retailers to take this action.

About Red and Lumo

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, retailing 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 draft report. Should you wish to discuss or have any further enquiries regarding this submission, please call Jordan Rigby, Regulatory Manager on 0472 666 261.

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