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13 November 2025

Ms Anna Collyer  
Chairperson  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Submitted electronically <https://www.aemc.gov.au/contact-us/lodge-submission>

Dear Ms Collyer,

**Re: Integrated Distribution System Planning - Directions Paper (ERC0410)**

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) Directions paper on a rule change proposal for Integrated Distribution System Planning (IDSP). We would also welcome the Commission reaching out to discuss any issues arising from this submission.

We support Energy Consumers Australia's (ECA's) proposed rule change. In particular, it addresses two major issues. Firstly, long-term synchronisation of the IDSP with the Integrated System Planning (ISP) will lead to more coordinated and strategic distribution planning and policy. Secondly, it will provide greater visibility of network operations (including constraints or under utilisation) through robust network reporting. We expect this will encourage better utilisation of the low-voltage network and allow non-network participants such as owners of Consumer Energy Resources (and their agents, such as retailers) to offer non-network services. The Australian Energy Regulator (AER) will also have greater capacity to compare options to address emerging network issues and to identify the most efficient approach, whether that be network replacement or augmentation or a non-network alternative.

Given this, Red and Lumo strongly support policy option 1. It is preferable to option 2, which neither supports longer term strategic planning nor assists with the management of shorter term problems. In our view, option 3 would not facilitate the identification and evaluation of non-network solutions, which we expect will lead to increased costs over the longer term.

There is also the issue of implementation and other immediate costs. Option 1 may generate greater costs in the short term but they are outweighed by longer term benefits, namely, the combination of the long-term strategic planning and reporting and improved planning and network visibility in the short term.

We are confident the revised annual reports will offer significant value to market participants and that this is the appropriate frequency in light of the rapidly evolving nature of the NEM. It will also complement other regulatory initiatives such as the development of Dynamic Operating Envelopes, Integration of Price Responsive Resources and Unlocking CER Benefits through Flexible Trading. We expect this will limit the need for extensive network augmentation or replacement in the coming years to the benefit of all consumers.

We also support the Commission's proposal for the AER to prescribe reporting guidelines. This would complement its existing role and it has the appropriate monitoring and enforcement capabilities to ensure compliance. In doing so, the AER can take the principles developed and ensure the appropriate reports are completed by distributors. Enshrining reporting obligations in guidelines (rather than rules) also allows for relatively swift amendments to account for the evolving nature of the energy transition and any other changes to the regulatory framework.

### **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 Australian Capital Territory to over 1.5 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 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**