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30 July 2026

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: Strengthening Standards of Payment Difficulty Assistance - RRC0074

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 on potential amendments to the National Energy Retail Rules (NERR). Red and Lumo agree that more can be done to support and protect vulnerable consumers, including those experiencing payment difficulties. As such, we welcome the Commission's consultative approach and its efforts to work with the retail sector to identify effective regulatory options.

We are generally supportive of the AER's intent to improve the consistency and effectiveness of payment difficulty protections offered to consumers by retailers. Many of the proposed changes align with our existing processes and our view that assistance should be proactive, dignified, and tailored to individual needs. We are cautious of potential unintended consequences from the proposed drafting of the rule change, which appear to go against the spirit of the broader reform package. This is discussed below.

Prohibition on Requiring Proof of Circumstances

Red and Lumo generally support the proposed prohibition on requiring documentary evidence as a precondition for accessing payment difficulty assistance. This aligns with our view that the eligibility framework should be simplified and barrier-free, ensuring all consumers can access comprehensive support as they deal with financial hardship. Eliminating requirements for 'proof of hardship' avoids potentially sensitive or embarrassing documentation requests and ensures seamless access to help.

Nonetheless, we believe retailers should retain the option to request evidence when delivering assistance that goes above and beyond standard offerings. Examples include substantial debt waivers, payment matching schemes, or retailer-funded energy efficiency upgrades like appliance swaps and solar or battery installations. Furthermore, requesting documented proof may be essential when assisting customers to secure government assistance.

As such, we encourage the Commission to clearly define what constitutes acceptable documentation to eliminate ambiguity during capacity-to-pay discussions. Furthermore, we recommend that information received from financial counsellors should not be treated as documentary evidence if it is volunteered.

Capacity to Pay Considerations and Review

We support the amendment to require retailers to establish payment plans that account for a consumer's (or their representative's) representations on what they can afford to pay. This reflects our belief that retailers should take customers at their word to foster a trust-based disclosure environment and encourage ongoing engagement. We agree that listening to what a customer can afford is essential for establishing sustainable and affordable payment plans. A failure to account for this means a payment plan is unlikely to be sustainable.

We also support the proposal for retailers to review and update payment plans in response to changing customer circumstances. Flexibility and ongoing engagement are key principles in ensuring payment plans remain affordable over time.

Our current practice is to ensure that assistance is tailored and responsive to the evolving needs of our customers. However, the proposed definition must acknowledge that the information is provided directly to us as the retailer and the information considered should only be relevant or material to that consumer's financial capability to meet their original payment plan.

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 1.6 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

Geoff Hargreaves
Manager - Regulatory Affairs
Red Energy Pty Ltd
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