



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 lumoenergy.com.au



20 March 2020

Ms Rebecca Knights  
Director, Energy Policy and Projects  
Department of Energy and Mining  
GPO Box 320  
Adelaide SA 5001

Submitted via email to: [pina.bria@sa.gov.au](mailto:pina.bria@sa.gov.au)

Dear Ms Knights,

### **Re: 15 Minute Planned Interruption Consultation**

The Department of Energy and Mining (the Department) recently released a discussion paper looking at potential changes to the notice requirements relating to planned interruptions of energy supply (the discussion paper). Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to provide feedback to the Department on this matter.

Currently, Red and Lumo are not aware of any significant complaints which have been received from consumers or any widespread consumer detriment from this derogation. On this basis, Red and Lumo support the SA Government proceeding with Option 2 as proposed in the discussion paper with the “removal of sub rule (5) entirely from Regulation 14(b) which would make the derogation open ended.”<sup>1</sup> However, we only support the extension of this derogation indefinitely with the retention of the current exemption for life support customers maintained indefinitely.

SA Power Networks (SAPN) suggests that this derogation provides a benefit for the operation of the network and reduces costs for consumers. Specifically, they warn that its removal “could lead to a delay in the distributor undertaking remedial work which it has identified as urgent and capable of being repaired within the 15-minute outage window.”<sup>2</sup>

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<sup>1</sup> South Australian Department of Energy and Mining, Change to the notice requirements relating to planned interruptions of energy supply, Discussion paper, February 2020, p6

<sup>2</sup> Ibid, p4.

Red and Lumo agree that where there are additional costs on consumers and where there is little to no detriment, it is beneficial to proceed. However, on this basis, we consider that not only should this derogation be retained it should be extended to include outages which are less than 15 minutes by Metering Coordinators (MC). If the Department considers that it is appropriate to have a planned outage for short periods for networks, without the need to notify a consumer, then that appropriateness should extend to the MCs.

SAPN and the SA Government have argued this derogation has limited customer detriment and that it allows for minor rectification work to be carried out quickly and cost efficiently. The same argument holds true for this derogation to be expanded to include MCs. Currently, for an MC to carry out any minor rectification work at a consumer's site where a supply interruption may be needed requires a minimum 4 business day notice and often involves multiple site visits (one to identify the issue and another to address the issue).

The extension of the derogation would allow MCs to complete a range of minor rectification work (such as safety checks, meter inspections and tests as well as potentially onsite reprogramming and replacing modems), which would only take less than 15 minutes to complete. The current process adds to the operational costs of MCs with planned interruption notices sent out and multiple short site visits required to rectify minor metering issues. This increased costs on MCs is inevitably borne by both the retailer and the consumer.

The benefits of extending this derogation to include MCs would be wide ranging. Not only would consumers be able to have issues fixed quicker improving their experience but the reduction in costs from the removal of multiple visits would help ease the pressure on consumer invoices, as we have already seen with SAPN. As SAPN has argued, "requiring that customers be informed of all planned outages could lead to a delay in the distributor undertaking remedial work which it has identified as urgent and capable of being repaired within the 15-minute outage window."<sup>3</sup> The same situation exists for MCs who face unnecessary delays in carrying out rectification work at site which can be addressed within 15 minutes.

It is important to remember that the extension of this derogation would not only improve timeframes for repairs to be carried out but would be implemented with all of the same consumer protections in place as those which currently exist for SAPN.

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<sup>3</sup> Ibid, p5

To ensure consumer outcomes are maintained and there is no consumer detriment, Red and Lumo would support the extension of this derogation initially for a limited time of 5 years with a further review to ensure consumers continue to see limited impact while still seeing the benefits of this change.

### **About Red and Lumo**

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

Red and Lumo thank the Department for the opportunity to respond to its Discussion Paper. Should you wish to discuss aspects or have any further enquiries regarding this submission, please call Stephen White, Regulatory Manager on 0404 819 143.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ramy Soussou". The signature is stylized with several loops and a long horizontal stroke at the end.

**Ramy Soussou**

General Manager Regulatory Affairs & Stakeholder Relations

**Red Energy Pty Ltd**

**Lumo Energy (SA) Pty Ltd**