



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



28 August 2020

Mr Tony Chappel
Chief External Affairs Officer
Australian Energy Market Operator
Level 22, 530 Collins St
Melbourne VIC 3000

Submitted via email

Dear Mr Chappel,

Re: Renewing AEMOs engagement model options paper

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to provide feedback to the Australian Energy Market Operator (AEMO) on the options paper: Renewing AEMO's engagement model (the options paper)

We are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria, New South Wales, Queensland, South Australia and the ACT to over 1 million customers. Red and Lumo are also members of the Australian Energy Council (AEC) and support their position as outlined in their submission to AEMO.

AEMO, as market operator, must provide transparent, open and inclusive forums that deliver value to participants. We firmly believe that the forums run by AEMO must provide for all stakeholders to collaborate, be listened to, consulted with on any changes to the operation of the market. While Red and Lumo support the establishment of all forums by agreement with relevant stakeholders, AEMO must accept that the participant is best placed to decide the most appropriate representative for their organisation. Roles and titles within an organisation should not drive whether or not the person attending is capable of representing their organisation's views. We do not support AEMO being able to reject attendees at a forum if they have been nominated to attend on behalf of a forum or working group member. This will be detrimental to the operation of not only the forum, but also for the market.

Red and Lumo do not support the establishment of a CEO roundtable, especially if this roundtable is to be 'invite only' at the discretion of AEMO. As noted above, membership of any forum should in no way be restricted to a specific job title (noting that a business may choose to have a CEO's representative who is equally qualified attend on behalf of a CEO for any number of reasons).

The options paper appears to combine areas that correspond with AEMO's organisational structure. While there may be instances where specific roles or expertise may allow discussion across subject matter streams (such as wholesale and retail) the combination of these in this proposal should align better with the functional responsibilities of the participants rather than with AEMO. This proposal will risk limiting the involvement of participants, which will inevitably lead to worse outcomes for all participants. Red and Lumo support the retention of existing subject matter streams (ie gas, electricity, retail & wholesale) within broadly based working groups (ERCF, GRCF etc). Should this review find groups which could be combined or any removed, AEMO should test this finding with participants.

Red and Lumo would like to specifically highlight a working group we believe demonstrates a high level of operational success and provides a template for others to emulate. The Gas Retail Consultative Forum (GRCF) operates with representatives from AEMO, retailers and gas networks. Rather than operating simply as a forum for new proposals to be put forward to consultation with the industry, the GRCF members are able to work collaboratively to reach agreement on which ideas have enough merit and support to be published for formal consultation. The approach leads to better outcomes for consumers, as there is usually agreement on the best option before formal consultation commences. Red and Lumo are concerned that other working groups and forums often do not adequately develop proposals or reach consensus about the scope of an issue and the potential solutions to deliver customer outcomes prior to commencing formal consultation. The GRCF strives to meet the long term interests of consumers in its consultation approach as it focuses on the least cost, most beneficial solution to the problem identified.

Red and Lumo thank the AEMO for the opportunity to respond to its options 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 fluid and cursive, with a long horizontal stroke at the end.

Ramy Soussou
General Manager Regulatory Affairs & Stakeholder Relations
Red Energy Pty Ltd
Lumo Energy (Australia) Pty Ltd