

2 July 2014

Variations to standing offer tariffs following the removal of the Carbon Price  
Essential Services Commission Victoria  
ATT: Barbara Blake

Submitted by email: [energy.submissions@esc.vic.gov.au](mailto:energy.submissions@esc.vic.gov.au)

Dear Ms Blake,

**RE: Position Paper – Variations to standing offer tariffs following the removal of the Carbon Price**

Red Energy welcomes the opportunity to provide comment on the ESCV's Position Paper – Variations to standing offer tariffs following the removal of the Carbon Price (the Position Paper).

Red Energy is a 100% Australian owned and operated subsidiary of Snowy Hydro Ltd. Red Energy currently retails energy in Victoria, New South Wales and South Australia and is one of the larger second tier retailers in the NEM.

In reviewing the Position Paper, Red Energy generally supports the ESCV's preferred position regarding compliance with the Electricity and Gas Industry Acts in 2014. We do however have a few comments regarding the practical application of the position.

**Standing offer customers**

Red Energy notes that the Position Paper makes no reference to how an immediate tariff change following the carbon price removal will impact future pricing changes. In Victoria, there has traditionally been a retail pricing change occurring on 1 January each year in line with a network pricing determination. Given a change following the carbon removal would take place in late July or even August, Red Energy suggests the ESCV expands its preferred position to allow two out of cycle changes- one following carbon removal, and one to occur in January if required.

While Red Energy understands the desire of the ESCV is to maintain consistency with the AER's approach to this matter, the cycle of network pricing determinations in Victoria makes this consistency impractical.

### **AMI metered customers**

Red Energy further notes the requirement of retailers to provide customers with AMI metering 20 business days' notice prior to making a change to their tariff. Red Energy suggests the ESCV makes a further compliance statement regarding allowing retailers to make changes to these customers pricing with immediate effect following carbon removal, and notification with their next bill.

If you have any further comments or queries in relation to this submission please don't hesitate to contact me directly on 03 9425 0496, or Ben Barnes on 03 9425 0530.

Yours sincerely



Stephen Grant  
Manager - Quality and Compliance  
Red Energy Pty Ltd