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13 May 2022

Mr Stephen Procter
Strategic Delivery Manager, Sustainability Programs
Office of Energy and Climate Change
52 Martin Place
Sydney NSW 2000

Submitted electronically: sustainability@environment.nsw.gov.au

Dear Mr Procter,

Re: Consultation Paper for Rule 1 - NSW Peak Demand Reduction Scheme

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to comment on the Office of Energy and Climate Change's consultation paper for the first Rule to establish the Peak Demand Reduction Scheme. We welcome the additional detail about how the Scheme will operate but note that the proposed Rule is only one aspect of the broader Scheme and welcome the release of further details regarding the forthcoming regulations and the new certificate registry in the coming months.

We are a liable entity under the Scheme and require as much flexibility as possible to purchase certificates and efficiently manage our liability, even though it will likely be relatively small in the first year. Therefore, we strongly encourage the Office to act expeditiously in the development of other elements of the regulatory framework. This will give all stakeholders a complete picture of how the Scheme will operate, so they can then plan their operations and develop risk management strategies in response.

We acknowledge the limited scope of this consultation, noting that it largely identifies activities that the Scheme will recognise. Red and Lumo support the proposed Rule as it will allow for the orderly creation of certificates ahead of the formal commencement of the Scheme. More specifically, the proposal to recognise activities for the Scheme from 1 April that are already recognised under the Energy Savings Scheme—noting that double counting will need to be avoided—and to give IPART flexibility to streamline accreditation after the commencement of the final Scheme Rule in August 2022 is reasonable.

About Red and Lumo

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 in the ACT to over 1.1 million customers. We thank the Office of Energy and Climate Change for the opportunity to contribute to its consultation paper. Please contact Geoff Hargreaves, Regulatory Manager on 0438 671 750 if you have any further queries or want to discuss this submission in more detail.

Yours sincerely

Stefanie Monaco
Manager Regulatory Affairs
Red Energy Pty Ltd
Lumo Energy (NSW) Pty Ltd