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The GreenPower Team  
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NSW Department of Industry  
Sydney NSW 2000

Lodged via [greenpower.admin@industry.nsw.gov.au](mailto:greenpower.admin@industry.nsw.gov.au)

**Re: Draft GreenPower Program Rules Version 10 consultation**

Red Energy (Red) and Lumo Energy (Lumo) welcome the opportunity to make a submission about version 10 of the GreenPower Program Rules (the Rules).

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

The changes from version 9 of the Rules represent the introduction of rules relating to the new Green Power-Connect product and the proposal to create a new category of GreenPower accredited generator, which attracts lower fees than other generators.

In response to the specific changes that have been proposed in version 10 of the Rules we submit the following comments:

1. Lumo and Red are unclear of the rationale for introducing changes to the Rules that :
  - mandates a \$5,000 annual fee is charged to the GreenPower Provider for a single GreenPower-Connect agreement and;
  - where a customer has multiple GreenPower-Connect agreements with the same provider, then the annual fees are capped at \$15,000.

The basis for introducing these fees and whether they are appropriate compared to those paid by retailers and generators has not been adequately explained. We would welcome further explanation regarding the rationale for these changes.

2. Lumo and Red do not support the proposal to charge lower fees to community-owned generators compared to other GreenPower generators.

Generators that meet the program's definition of community ownership and have capacity between one megawatt (MW) and five MW will pay no annual fee. Those with capacity of five MW or more will pay \$500 per year. Generators with capacity of one MW or more that do not meet the definition of community ownership pay \$1,000 per year.

Overall, we believe:

- the principle of favoring one ownership model over another goes against economic principles and the energy industry reforms undertaken for the last 20 years to enable private for-profit business to compete in the industry on the same terms as businesses with other ownership structures;
- that given fees for these services will be recovered by consumers in the long run, it seems inappropriate that some customers will pay more for GreenPower solely due to the ownership structure of the generator providing their GreenPower LGCs;
- the proposed fee differentiation runs contrary to the GreenPower program's stated aims and principles. The aim of the fees is to recover the costs of the program equitably from participants, rather than drive a particular agenda such as community ownership of generation.
- the proposal is economically inefficient because it will increase overall costs. This is because it gives generators an incentive to incur additional legal and accounting costs to structure their projects so they meet the eligibility criteria for the lower fees.

For any further enquiries regarding this submission, please call Con Noutso, Regulatory Manager on Tel: 03-9976-5701.

Yours sincerely



**Ramy Soussou**  
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**Red Energy Pty Ltd**  
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