

Utilities Commission  
Northern Territory Government  
Via email: [utilities.commission@nt.gov.au](mailto:utilities.commission@nt.gov.au)

3 June 2022

To Whom it may Concern,

**RE: Review of the Northern Territory's Licensing Regime Issues Paper**

The National Electrical and Communications Association (NECA) welcomes the opportunity to comment on the *Northern Territory's Electricity Licensing Regime Issues Paper*.

NECA is the peak body for Australia's electrical and communications sector and represents over 6,000 businesses performing works including the design, installation and maintenance of electrical and electronic equipment in the building, construction, mining, air conditioning, refrigeration, manufacturing, communications and renewables sectors.

NECA's response to consultation questions listed in the *Review of the Northern Territory's Licensing Regime Issues Paper* are **enclosed**.

Our experience in working with members nationally for over 100 years puts NECA in a unique position to provide constructive commentary based on real world experience.

While not directly related to the outlined questions, we would like to take this opportunity to commend the Northern Territory Government on the amendments introduced as part of the *Electrical Safety Bill 2021*.

Particularly NECA's support for regulatory responsibilities and recommendations identified by the government's Electrical Safety and Licensing Reference Group, including the need for:

- a single government regulator for administration of legislation for safety and licensing
- licensing / disciplinary authority to deal with complex decisions, disciplinary matters, policy reviews and consultations as directed by the Minister
- single enforcement inspectorate with stronger auditing and regulatory powers and more appropriate penalties that will maximise safety outcomes.

On behalf of our members, NECA would like to offer our representation and support, and work directly with you on initiatives affecting the electrotechnology sector, and the broader building and construction industry.

## NECA's Response to Consultation Questions

### **Q1 Are there risks or other issues that arise as a result of the omission of certain conditions from licences for independent power producers? If so, what are they?**

To ensure a level playing field for all power producers it is important to limit the number of exceptions.

It is also important to ensure the basic safety and reliability standards are maintained for all power producers.

### **Q2 Noting the long-standing nature of IPP arrangements, would the benefits outweigh the costs of imposing additional obligations on independent power producers through licence conditions?**

The Territory has unique power supply arrangements and the use of IPP's is an integral part of ensuring the majority of residents have access to electricity.

It is vital that these IPPs are installed and maintained by licenced electrical contractors and if necessary, ensure there are rules in place to have IPP's report on parameters that show they are compliant with NT electrical contractor licencing rules.

### **Q3 Are there risks or negative impacts to customers in remote mining communities where there are legacy arrangements to provide electricity supply by private providers operating under special licences or exemptions? If so, what are they?**

No comment

### **Q4 How effective is the licensing regime at controlling market power, facilitating competition and promoting investment?**

No comment

### **Q5 How effective is licensing at managing risk including ensuring licensees have the necessary technical competence, financial strength and honesty to operate in the industry?**

In a complex electricity supply market, the licensing regime is an important tool for Regulators to use to ensure the industry maintains safe and reliable electricity supply whilst promoting a competitive and fair marketplace for new entrants.

### **Q6 If not effective, what else is needed to address the problem(s) you have identified?**

**Alternatively, if current licence conditions are more than what is needed to achieve these outcomes, what requirements could be removed and why?**

No comment.

**Q7 Do the benefits of the Commission’s approach for the term of a licence appropriately balance any risks that may arise from no expiry date and costs associated with requiring regular renewal?**

Expiry dates for these licenses are not required provided there are robust and regular reviews of the compliance to license conditions carried out by Regulators.

Any breaches must be properly investigated and penalised accordingly to maintain the highest of standards.

**Q8 Are there barriers to entry or other issues with classifying energy storage systems as generation for potential participants? If so, what are they?**

The emergence of Virtual Power Plants (VPP), and other energy storage technologies will be vital in the future electricity grid.

There are layers of red tape that any applicant needs to cross in their application process.

These administrative red tape barriers are constantly an issue for any applicant and can always be looked at to provide for a smooth transition from application to connection.

**Q9 Are there any benefits to prescribing energy storage systems as a separate operation in the electricity supply industry requiring a licence (or exemption)? If so, what are they?**

Smaller scale energy storage should not be subject to the same rigour as larger VPPs and IPP’s.

Approval processes need to encourage these connections. For example, Ausgrid expedited the application and approval for small scale connection of less than 10KW to allow more to be connected with less fees and less interference from Ausgrid.

This encouraged the market to look at installing larger systems on residential homes to support the Network.

**Q10 What are the key risks to electricity supply (if any) that need to be addressed through licensing (or exemptions) of energy storage systems?**

NECA see the key risks are more focused on supply reliability and potential interface to other customers in the way of flickering lights, and power line “noise”.

**Q11 Would any of the general or specific conditions for generation be not relevant or difficult to comply with by an operator of a standalone energy storage system? Why?**

No comment.

**Q12 Beyond those already specified in legislation, are there any other conditions the Commission should consider including in a licence (or exemption) for an energy storage system? What risks do these address?**

No comment.

**Q13 Are there barriers to entry or other issues the Territory's current licensing regime presents for new entrants offering alternative supply models?**

No comment.

**Q14 What characteristics or activities of alternative supply models might mean a more 'light-handed' regulatory approach is needed? Why?**

No comment.

**Q15 What are the major risks (such as financial, security, quality or information) associated with alternative supply models that the Commission should take into account in its licensing decisions?**

No comment.

**Q16 If the Commission were to grant an exemption to operate an alternative supply model, what type of conditions should apply (please relate this to major risks)?**

No comment.

**Q17 What protections in terms of price, access, quality and continuity of supply are needed for users of commercial EV recharging services?**

NECA is a firm believer that EV charging stations and EV will play a vital role in the fleet of the future.

It is vitally important that when installing bulk EV charging stations that applicants are not subject to unreasonable requests to upgrade power supply arrangements.

Customers should be encouraged to install their own energy management systems that protects both their own supply arrangements and the Network arrangements.

This will both ensure the customers supply reliability and also not impose unnecessary cost in the uptake of charging stations across the Territory.

**Q18 What are the major risks (such as financial, security, quality or information) associated with EV charging stations that the Commission should take into account in its licensing decisions?**

See question 17 above.

**Q19 If the Commission were to grant an exemption to an EV charging station, what type of conditions should apply (please relate this to major risks)?**

Ensure customer manage their own supply arrangement and capacity restraints before needing to upgrade Network infrastructure like street mains and transformers.

If Domestic charging stations are to be classified as a generation source then the barriers for domestic use should not work to inhibit or regulate out the update of EV at a domestic level.

**Q20 Are the principles listed above appropriate for determining whether an exemption is an appropriate outcome (rather than a licence)?**

The principles seem fair and reasonable.

**Q21 What other factors could guide the Commission's considerations?**

No comment.

**Q22 Is there a scale (for example, size of customer or operation) for an electricity supply activity, where an exemption may be appropriate?**

**Please explain your answer including whether scale is dependent on the type of activity.**

No comment.

**Q23 If the 2 MW threshold of the SSRE operations exemption were lowered, what would be an appropriate revised threshold?**

NECA has no recent feedback to suggest the limit needs to be lowered, but If lowering the 2MW limit is to occur, there needs to be an assurance that customer application and approval times are not adversely affected.

**Q24 What would be the costs and benefits of such a change?**

No comment.

**Q25 What benefits and costs would there be to establishing a SSRE operations register in the Territory to provide better visibility of the extent, location and nature of these systems?**

Having a whole of system view of what is connected to the Network may be beneficial to demonstrate how SSRE's can work on a large geographically dispersed customer base.

The cost of any supporting IT system or upgrade would be a driving factor.

Other Network Operators have implemented similar registers and it would be prudent to lean on their experiences to better understand the cost and benefits.

**Q26 What existing processes and information could be used to populate a register?**

No comment.

**Q27 What risks to consumers (if any) would licensing of third-party ownership arrangements for SSRE operations need to address in addition to generic protections and voluntary codes of conduct?**

**Where possible, please provide examples or evidence of specific risks and their consequences.**

Any third party ownership may create confusion and legal issues for both the property owner and the third party owner of the SSRE.

In NECA's experience leasing arrangements and other easement style requirements are not easily established, are costly and ultimately the burden outweighs the benefit.