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Utilities Commission of the Northern Territory
GPO Box 915
Darwin NT 0801
By email: utilities.commission@nt.gov.au

Attention: Adam Hadley

Dear Sirs

Submission in relation to Assure Energy Asset Pty Ltd Generation Licence Application

Territory Generation (TGen) appreciates the opportunity to provide a submission in relation to the Assure Energy Asset Pty Ltd (**Applicant**) application for a Generation Licence for two on-base solar photovoltaic power stations and associated batteries at Robertson Barracks (10.874MW) and RAAF Darwin (3.62MW) and connecting to the Darwin-Katherine electricity network (**Application**).

TGen has no objections to the Application, however notes the following:

(1) Generation Licence Application

The Applicant states that the Application is for a Generation Licence. However, the Application makes it clear that the Applicant proposes to supply electricity to a customer, namely, the Commonwealth of Australia represented by the Ministry of Defence. The Applicant might require a retail licence as well.

(2) Ancillary Services

TGen queries how the Applicant will contribute to the provision of ancillary services currently undertaken by TGen. TGen welcomes a discussion with the Applicant, as well as the Utilities Commission and other electricity entities to appropriately address this matter. The project being mostly 'behind the meter' with only excess exported, there will be very little payment by the Applicant for ancillary services.

(3) Impact of cloud cover

The two sites which are relatively close to each other, have all the panels in a confined area. All the panels being close will mean that clouds will likely affect all or none of the output making it potentially very intermittent.

The RAAF site is adjoining the Darwin airport which also has a generation licence for approximately 40MW of solar. Putting more solar energy into a centralised area makes the issue of localised cloud cover an issue.

(4) Project Description

As the Applicant has failed to provide details of its project / not made publicly available, and more importantly, on the nature, capacity and type of batteries that are to be installed, TGen is not in a position to understand the details of the Applicant's proposed project and how it will impact on TGen's operations.

(5) Gentailer

TGen notes that the Applicant is proposing to carry out functions of a generator and a retailer. As such, the approval of this application will mark the first active 'Gentailer' entrant to the Darwin Katherine power system. It is unclear how the market rules in the Northern Territory electricity market will deal with pricing that may lessen competition which would inevitably result in increased electricity prices for consumers.

(6) Stand-By Power Arrangements

TGen queries how the Applicant will meet its market customer peak demand at all times and if stand-by arrangements with TGen will be required. The matters raised in paragraph (2) above, will affect the likelihood and magnitude of such stand-by power arrangements. TGen welcomes a discussion with the Applicant, as well as the Utilities Commission and other electricity entities to appropriately address this matter.

T-Gen appreciates the opportunity to provide this submission and would welcome further consultation with the Applicant, Utilities Commission and other electricity entities.

If you have any queries or require further information please do not hesitate to contact me on (08) 7979 2529 or at arul.selvaretnam@territorygeneration.com.au

Yours sincerely



Arul Selvaretnam
A/General Counsel

1 August 2019