

The *Electricity Reform Act 2000* (ER Act) requires electricity supply operations to be licensed unless there exists a standing exemption under the *Electricity Reform Act 2000* (ER Act) or Electricity Reform (Administration) Regulations 2000 or the Commission has, with Ministerial approval, granted an exemption under section 87 of the ER Act. Section 87 exemptions may be for a specific entity's electricity supply operations (individual exemption) or for a particular defined type (class) of activities. This information sheet explains the four class exemptions granted by the Commission on 25 November 2024 and listed in the [Register of electricity licences, exemptions and dedicated connection assets](#) on the Commission's website:

- Electric vehicle (EV) charging stations exemption
- Small scale generation (SSG) operations exemption
- SSG power purchase agreements exemption – this is a registrable class exemption
- Virtual power plant (VPP) exemption – this is a registrable class exemption

It is up to a person to satisfy themselves that they fall within the activities covered by a class exemption including obtaining their own legal advice, if necessary. Importantly, while a class exemption means a person is not required to hold a licence for the exempted operations, this is conditional on that person meeting the criteria (definitions) that establish what operations are covered by an exemption and abiding by the conditions of the exemption. If a person does not fall within these criteria or comply with the conditions of exemption, they are effectively operating without a licence and potentially subject to a penalty under the ER Act.

Importantly, to be eligible for coverage under the SSG power purchase agreements exemption and the VPP exemption, a person must register their business details with the Commission by email. The details required for registration are specified in each exemption. Persons with an existing SSG power purchase agreement or VPP operations in the Territory must register their operations within 3 months from commencement of the exemptions, that is, no later than 25 February 2025. For a new SSG power purchase agreement and VPP operations, a person must register their business details within 3 months from commencement of their operations.

### EV recharging stations exemption

This exemption means an EV recharging station is not required to hold a retail or network licence for its operations, but the exemption does not cover generation operations at an EV charging station. Persons who own or operate generation at an EV recharging station need to be licensed or meet the criteria for, and comply with the conditions of, the SSG operations exemption or the SSG power purchase agreements exemption to be exempt from the requirement to hold a generation licence.

Although a person operating an EV recharging station is exempt from the requirement to hold a licence, the exempt person must comply with any applicable laws regarding the operation of an EV charging station and all relevant safety and technical requirements of the ER Act, the *Electrical Safety Act 2022* and associated regulations. It is the responsibility of the exempt person to be aware of relevant laws and ensure compliance with requirements under those laws.

There is no need for a person to apply to, or register with, the Commission to be eligible for coverage under the EV recharging station exemption. However, should the person be contacted by the Commission, it is a requirement of the exemption that the exempt person provides any

information requested by the Commission in the performance of its functions. Any such requests from the Commission would be made in writing and advise how and when a response would be required.

A person selling electricity is typically required to comply with the Northern Territory Government's Electricity Pricing Order (EPO). The EPO caps the tariff charged to customers consuming less than 750 MW hours per annum. The EPO does not explicitly exclude EV recharging stations, but as currently written, the EPO only applies to persons licenced under Part 3 of the ER Act to sell electricity. The EV recharging station exemption means an operator of the EV recharging station does not hold a licence, and therefore would not be subject to the requirements of the EPO. However, exempt persons operating EV recharging stations need to monitor the EPO, which is released annually by the Northern Territory Government's Treasurer, for any changes in the application of the EPO.

### SSG operations exemption

There is no need for a person to apply to, or register with, the Commission to be eligible for coverage under the SSG operations exemption.

The SSG operations exemption replaces the Commission's Small Scale Renewable Energy (SSRE) Operations exemption, which has been revoked. All SSRE operations covered under SSRE operations exemption transition to and are covered by the SSG operations exemption with immediate effect.

In addition to transitioning operations, the SSG operations exemption will provide coverage for a broader range of SSG operations previously not captured under the SSRE operations exemption. More specifically, the SSG operations exemption will also apply to SSG operations powered by non-renewable fuels (for example, small diesel backup generators), SSG operations where all electricity generated is for on-site use (that is, no excess electricity is supplied to the network) and energy storage systems.

The scale threshold for the exemption remains at 2 megawatts (MW), consistent with the (revoked) SSRE operations exemption. That is, the SSG operations exemption only exempts operations where the combined generation capacity (all types of generation and energy storage) is 2 MW or less.

As was the case with the (revoked) SSRE operations exemption, there are conditions associated with the SSG operations exemption. These require the exempt party to comply with all relevant legislated safety and technical requirements, to provide information to the Commission when requested and sell electricity that is excess to on-site requirements to a licensed electricity entity. While the (revoked) SSRE operations exemption limited selling of excess electricity to licensed retailers, the SSG operation exemption provides more flexibility, allowing for sales to other licensed electricity entities such as another generator.

### SSG power purchase agreements exemption – registrable class exemption

As discussed above, this is a registrable exemption. That is, a person must register their operations with the Commission for the SSG power purchase agreements exemption to apply to those operations.

The SSG power purchase agreements exemption is targeted toward (but not exclusive to) business models where a third party installs and operates small scale rooftop solar photovoltaic (PV) systems on residential and commercial properties and sells the electricity generated from those systems under contract to the owners of, or occupants at, those sites or adjoining sites (end-users). As with

the SSG operations exemption, this exemption is limited to SSG operations with a combined generating capacity of 2 MW or less.

To maintain eligibility under the exemption, the exempt person must also meet the following conditions (in brief):

- electricity sold to an end-user must be sold under contract
- the electricity supplied must be of a quality comparable to that supplied through the distribution network
- any electricity surplus to on-site requirements and exported to the distribution network must be sold under contract to a licensed electricity entity
- the exempt person must comply with all relevant safety and technical requirements of the ER Act, *Electrical Safety Act 2022* and associated regulations
- the exempt person must provide information to the Commission as it may be requested from time to time and
- the exempt person must comply with clauses 11.4 (Standard complaints and dispute procedures) and 11.5 (Complaints made to retailer or network provider for internal resolution) of the Electricity Retail Supply (ERS) Code.

The requirements under the ERS Code are largely matters of good business practice and should impose little burden on an exempt person. Clause 11.4 of the ERS Code requires the exempt person to publish on their business website a set of procedures for handling customer complaints and disputes and for these to be regularly updated and substantially consistent with the Australian standard for such procedures. Clause 11.5 of the ERS Code requires the exempt person to deal with complaints in accordance with the published procedures and to inform the customer on the outcome of the complaint process and alternative avenues should the customer not be satisfied with that outcome.

### VPP exemption – registrable class exemption

As discussed above, this is a registrable exemption. That is, a person must register their VPP operations with the Commission for the exemption to apply to those operations.

Consistent with the other class exemptions, the VPP exemption only applies to small scale operations where the combined capacity of the generation plant (including energy storage systems) under the control of the VPP is 2 MW or less. The exemption covers generation and selling of electricity in relation to the VPP. Excess electricity exported to the network or essential system or other services provided by the VPP must be sold under contract to a licensed electricity entity.

To maintain eligibility under the exemption, the exempt person must also:

- comply with the directions of the power system controller (only applicable to VPPs operating in the three major power systems: Alice Springs, Darwin-Katherine and Tennant Creek)
- comply with relevant requirements under technical codes established under Division 2A of the ER Act and all relevant safety and technical requirements of the ER Act, *Electrical Safety Act 2022* and associated regulations and
- provide information to the Commission as it may be requested from time to time.

At present, there are two technical codes that apply only in the three major power systems:

- the [System Control Technical Code](#) and
- the [Network Technical Code](#).

## Section 87 of the Electricity Reform Act 2000 – Class exemptions – Information sheet

Both codes are established by the Power and Water Corporation. It is likely that a VPP operating in the Alice Springs, Darwin-Katherine or Tennant Creek power systems would have a network connection agreement with the Power and Water Corporation and be familiar with the technical requirements for accessing the network. Regardless, it is the responsibility of the exempt person to be aware of relevant technical codes and ensure compliance with requirements under those codes.

### Other information on licensing and exemptions

This information sheet focusses on the four class exemptions granted by the Commission under section 87 of the ER Act. Further information regarding exemptions and licensing requirements in the Territory can be found on the Commission's [licensing webpage](#).

The Commission can also be contacted by email at [utilities.commission@nt.gov.au](mailto:utilities.commission@nt.gov.au) or by telephone on (08) 8999 5480.