

15 February 2023

REFERENCE NUMBER

Our Ref: 60:D23:970

Lyndon Rowe
Utilities Commissioner
Utilities Commission
GPO Box 915
DARWIN NT 0801

By Email: utilities.commission@nt.gov.au

Dear Commissioner,

**RE: CONSULTATION - POWER AND WATER CORPORATION PROPOSED
NETWORK TARGET STANDARDS**

I refer to your correspondence of 18 January 2023 regarding public consultation of the Power and Water Corporations Proposed Network Target Standards ("the submission"), Jacana Energy has the following comments in relation to the submission.

Jacana Energy thanks the Utilities Commission for the opportunity to provide feedback to the submission.

Jacana Energy is supportive of Power and Water Corporation's (PWC's) approach to proposing new network standards targets and particularly commends its efforts for direct engagement with key customer segments to illicit feedback.

Jacana Energy notes the competing criteria to maintain current reliability performance whilst also avoiding an increase in expenditure in reliability programs and agrees that these parameters should be used as optimising constraints.

With increasing renewables penetration however, grid stability and reliability will become more challenging, albeit at the same time, renewables may offer lower-cost solutions to addressing edge-of-grid reliability challenges. For example, the network operator in Western Australia has been implementing stand-alone, renewable power solutions to address edge-of-grid reliability issues with significant success. This outcome has resulted from the consideration of both cost and reliability together to deliver an optimal, long-term, sustainable solution (rather than prioritising one constraint over the other).

With this in mind, while Jacana Energy is supportive of the desire to target reliability improvements to poorly-served customers it is not clear how the proposed targets will achieve this – for example, if the most poorly-served customers are at the end of a long rural feeder, then it potentially makes sense to invest more resources in these locations to achieve a longer term, more sustainable customer outcome that may meet or even exceed the proposed targets.

Consequently, Jacana Energy is concerned that the current proposed targets for the Rural Long and Urban feeders are currently below the historic five-year average performance, albeit marginally, in addition to being below the previous targets for both SAIDI and SAIFI. Jacana Energy notes that Power and Water Corporation were able to meet or exceed their previous targets, suggesting that performance is not dependent on the targeted standard.

Jacana Energy therefore suggests maintaining the existing targets for these two feeder types to provide a more sustainable and achievable outcome for customers, noting that network augmentation may not be the only solution in some circumstances.

While it is useful to include comparison to other, similar DNSPs, there are many other considerations that may factor into a benchmarking exercise which have not been clarified in the submission, including (but not limited to) consideration of average feeder length, presence of variable renewable energy sources on the feeder, and impacts of weather specific for the region.

In particular, the proposed target for SAIDI for the Urban feeder is below many other similar DNSPs historic performance (noting Ergon Energy operates in a similar climatic condition and has similar network characteristics to DKIS in particular).

Additionally, the benchmarking only considers DNSP averages and not their targets. Jacana Energy suggests further information should be sought to inform the benchmarking process if the final objective is to create targets rather than to compare historic performance.

Jacana Energy encourages Power and Water Corporation and the Utilities Commission to consider the implications of the presence of distributed, variable renewable energy sources on the network, and the role customers play in the energy transition, when setting network target standards.

Please contact Diane Holmes, Senior Compliance Officer, by phone 08 89436514 or email to Compliance@jacanaenergy.com.au if you require further information regarding the details of this letter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'L Kinnear', with a stylized, cursive script.

Louisa Kinnear
Chief Executive Officer
Jacana Energy