25 October 2024

Mr L Rowe
Utilities Commissioner
Utilities Commission
GPO Box 915
Darwin NT 0801

By email utilities.commission@nt.gov.au

Dear Mr Rowe

2024 ELECTRICITY INDUSTRY PERFORMANCE CODE REVIEW - CONSULTATION PAPER

Thank you for your letter dated 10 September 2024, and for providing EDL NGD (**NT**) Pty Ltd (**EDL**) the opportunity to provide submissions in connection with the Utilities Commission's review of the Electricity Industry Performance Code (**EIP Code**).

EDL has considered the Review of the Electricity Industry Performance Code Consultation Paper (**Consultation Paper**) and offers its comments below in response to the noted questions raised therein.

Question 2:	Is the current reporting exemption provision under clause 5.1.3 of the EIP Code appropriate for licensees in terms of ensuring EIP Code reporting compliance? Why or why not?
EDL Response:	Consideration should be given to extending the current reporting exemption provision under clause 5.1.3 to enable electricity entities to seek an exemption from obligations to report not only where the entity cannot report, but where for other reasons it is inappropriate that the entity be required to report (for example where the entity has no relevant data to report or there would be no practical benefit to be derived from the entity reporting).
Question 3:	Should there be a broader exemption clause in the EIP Code to cover more than reporting obligations? Why or why not?
EDL Response:	EDL would be supportive of the inclusion of a broader exemption clause in the EIP Code providing the Commission with powers to exempt licensees, where appropriate, from reporting and other obligations under the EIP Code. This would enable the Commission to recognise that there may be circumstances in which the EIP Code is not practically applicable to or appropriate for a particular licensee, thereby removing unnecessary compliance workloads from the licensee without undermining the objects of the EIP Code. By way of example, some entities may be the holder of a retail licence, but not presently have any retail customers. Under the current EIP Code, such entities are required to dedicate resources and expend costs ensuring compliance with various obligations that are of little practical application in the absence of having retail customers (eg. reporting against Retail Services Performance Indicators).

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	Exemptions provided by the Commission under a broader exemption clause could be conditional and subject to review, allowing for revision or revocation where circumstances warranting the exemption cease or change (ie. retail licensees could be provided exemption from complying with particular provisions of the code during periods where they do not have any retail customers, but be required to resume full compliance in the event that retail customers are later taken on).
Question 4:	If the answer to question 3 is yes, should the EIP Code include criteria or principles that the Commission must consider when granting an exemption? If so, are the criteria/principles outlined in this paper appropriate? Why or why not?
EDL Response:	The criteria/ principles outlined in the paper are appropriate in circumstances where the exemption is granted to overcome a temporary inability to comply with relevant requirements in circumstances where it is otherwise accepted that those requirements ought to apply. Consideration should be given though to adding further criteria to address situations where the exemption is being granted in recognition of the fact that, for practical or other compelling reasons, it is not appropriate that the relevant requirements be applied at all in a particular circumstance. In such instances, the focus on returning to full compliance and ensuring the temporary nature of the exemption should not form part of the relevant criteria.
Question 9:	Should generators continue to be required to report their performance under the EIP Code, particularly given the evolving market dynamics in the Darwin-Katherine, Alice Springs and Tennant Creek power systems? Why or why not from a cost-benefit perspective?
EDL Response:	We do not consider that the retention of generator performance reporting is desirable on a cost-benefit basis having regard to the evolving market dynamics in the Darwin-Katherine, Alice Springs, and Tennant Creek power systems. We consider that the entry of privately-owned generators and the consequent increase in competition has (and will continue to) be an effective force in driving performance and improvements and securing reliability and availability. It is also worthwhile noting that separate to EIP Code Reporting the system operator already requires extensive and detailed reporting from generators on operational performance, environmental impacts and compliance. This includes real time monitoring, data submission and emissions and other critical environmental indicators. These reports are not only frequent but also mandatory. Present EIP Code generator performance reporting necessitates considerable duplication of these reporting processes (including associated cost and effort) for little identifiable benefit. Streamlining generator reporting to a single, central system (ie via system control) and eliminating unnecessary reporting may serve to free up significant resources and allow generators to focus on improving operational efficiencies and customer service enhancements.

Question 10:	What happens in other Australian jurisdictions and relevant jurisdictions around the world regarding generator performance reporting? Are there any alternative approaches that the Commission should consider?
EDL Response:	In many Australian jurisdictions, particularly those connected to the National Electricity Market (NEM), it is not standard practice for generators to report performance indicators to state or territory regulators. This reflects a reliance on market mechanisms rather than regulatory oversight to ensure generator performance. In some cases, performance reporting is driven by industry-led initiatives or voluntary standards rather than mandated regulatory frameworks. This model may provide a more flexible and responsive approach to performance monitoring, allowing generators to prioritize what is most relevant to their operational contexts. Internationally, similar trends can be observed. In various countries, competitive electricity markets often rely on market dynamics to ensure reliability and performance. Generators are incentivized to improve performance through mechanisms like performance-based contracts or penalties for underperformance, rather than through extensive regulatory reporting. Given this context, the Commission could consider alternative approaches that leverage market-driven incentives while still ensuring accountability.
Question 11:	Has the entry of new privately-owned competitors in the Darwin-Katherine power system changed the need for oversight in that power system?
EDL Response:	As noted above, the entry of privately-owned competitors has (and will continue to) increase competition, which in turn incentivises increased performance and reduces the need for detailed regulatory oversight to achieve these objectives.
Question 14:	Are the current generating unit availability-related performance indicators (AF, UAF,EAF, FOF, EFOF) suitable for all types of generation, including solar PV and batteries? Why or why not?
EDL Response:	We do not consider that current generating unit availability-related performance indicators are suitable for all types of generation, particularly renewable energy (solar PV and wind) and batteries as: - in the case of renewables, irradiance and wind resource are not currently taken into consideration; and - batteries are a storage facility rather than a generation source so performance cannot be meaningfully tracked using existing performance indicators.
Question 15:	If the answer to question 14 is no, should the relevant licensees be excluded from generating unit availability reporting, or are there other more relevant performance indicators?
EDL Response:	EDL considers that relevant licensees ought be excluded from generating unit availability reporting.

Question 16:	Is the reporting of SAIDI and SAIFI by generators relevant and appropriate? Why or why not?
EDL Response:	EDL maintains its previously expressed position that SAIDI and SAIFI are not relevant performance indicators for generators and should be excluded. EDL notes and endorses previous submissions made by other parties that the network operators are better equipped to report on these indicators, especially in power systems with multiple generators (where it can be difficult to accurately attribute interruptions to specific generators, leading to inaccurate reporting of metrics and distorting performance assessment results).
Question 17:	Does the interconnected nature of power systems with multiple generators create challenges in accurately reporting generators' SAIDI and SAIFI? If yes, what are the challenges and how might they be overcome?
EDL Response:	EDL notes and endorses previous submissions made by other parties in regard to the challenges in accurate reporting in power systems with multiple generators. EDL considers such challenges may be best dealt with by reporting on these indicators at a network operator level rather than a generator level.

Should you require additional information in relation to EDL's responses, please contact me at [redacted]

Yours sincerely

[redacted]

Geoff Hobley
General Manager Remote Energy

Copy [redacted]

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new energy