

16/06/2023

Utilities Commission
GPO Box 915
DARWIN NT 0801

Review of Northern Territory's Electricity Supply Licencing Regime – Draft Decision

Via email to: utilities.commission@nt.gov.au

LMS Energy Pty Ltd (LMS) are holders of an independent power producer licence (IPP) (granted 2005) and note the Utilities Commission have made a draft decision on changes to the scope and design of the licencing regime. LMS appreciate the opportunity to comment on the draft decision.

Given that LMS are holders of an existing IPP licence, under legacy arrangements LMS are not anticipating any changes to existing conditions. It is understood that the existence of a Power Purchase Agreement in relation to electricity produced effectively manages compliance conditions under the arrangement.

LMS agree that the absence of a licence expiry term is an appropriate approach and is consistent with licencing in other jurisdictions.

In relation to alternative supply models, it is noted that no other changes are currently proposed by the Commission, with assessment to be conducted on a case-by-case basis, and this is consistent with LMS's business as usual experience in other jurisdictions. LMS note increasing enquiries relating to behind the meter supply of electricity across Australia and the emergence of codes of practice. This reflects changing market expectations allowing for innovative business models. As a result, exemptions from the burdens of licencing should address flexibility for large customer, industrial applications whereby small customer protections are not reflective of supply arrangements.

Assessment should ensure the rapid emergence of alternative supply arrangements is facilitated, allowing flexibility to supply and sell to on-site customers within a site boundary, thereby ensuring balanced assessment of costs and benefits of licencing, and applicability of compliance obligations.

It is LMS understanding that Small Scale Renewable Energy (SSRE) exemptions are intended for operations generating electricity primarily for own use and subsequent sale of any excess into the distribution network, and are not intended to facilitate alternative supply arrangements.

Should have you any queries, please don't hesitate to contact me on _____ or via email at _____