



# ANNUAL REPORT 2022-23



Published by the Utilities Commission of the Northern Territory.

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This Annual Report is submitted to the Treasurer, the Hon. Eva Lawler MLA, in accordance with section 35 of the *Utilities Commission Act 2000*.

Date presented to minister: 20 September 2023

ISSN: 22012109 (print)

ISSN: 22012117 (online)

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## Abbreviations and acronyms

Alcan Gove	Alcan Gove Pty Ltd
Commission	Utilities Commission of the Northern Territory
CPI	consumer price index
DIA	Darwin International Airport Pty Limited
DPO	Darwin Port Operations Pty Ltd
EAL	Eni Australia Limited
EDL	EDL NGD (NT) Pty Ltd
ENEB	Eni New Energy Batchelor Pty Ltd
ENEK	Eni New Energy Katherine Pty Ltd
ENEMD	Eni New Energy Manton Dam Pty Ltd
IES	Indigenous Essential Services Pty Ltd
Jacana Energy	Power Retail Corporation, a government owned corporation established in accordance with the <i>Government Owned Corporations Act 2001</i> and trading as Jacana Energy
MW	megawatts
MWh	megawatt hours
NEL	National Electricity Law
NER	National Electricity Rules
NTEOR	Northern Territory Electricity Outlook Report
NTPSPR	Northern Territory Power System Performance Review
Ports Regulations	Ports Management Regulations 2015
PV	photovoltaic
PWC	Power and Water Corporation, a government owned corporation established in accordance with the <i>Government Owned Corporations Act 2001</i>
regulated power systems	refers to the Darwin-Katherine, Alice Springs and Tennant Creek power systems
Territory Generation	Power Generation Corporation, a government owned corporation established in accordance with the <i>Government Owned Corporations Act 2001</i> and trading as Territory Generation



The Honourable Eva Lawler MLA  
Treasurer  
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By email: [Minister.Lawler@nt.gov.au](mailto:Minister.Lawler@nt.gov.au)

Dear Treasurer

In accordance with section 35 of the *Utilities Commission Act 2000*, I am pleased to present the Utilities Commission of the Northern Territory's Annual Report for the year ending 30 June 2023.

The report covers:

- the administration of the Act during the 2022-23 year
- the activities of the Utilities Commission under the *Electricity Reform Act 2000*, *Water Supply and Sewerage Services Act 2000*, and the *Ports Management Act 2015* during the year.

The Utilities Commission notes the Act provides that a copy of this report is to be tabled in the Legislative Assembly within six sitting days of receipt.

Yours sincerely

A handwritten signature in black ink, appearing to read "Lyndon Rowe".

Lyndon Rowe  
Utilities Commissioner

20 September 2023

## Commissioner's overview

I am pleased to present the Utilities Commission of the Northern Territory's Annual Report for the year ending 30 June 2023, which records the key achievements and activities of the Commission during 2022-23.

The Commission delivered on a number of large, longer-term projects in 2022-23 in addition to meeting its legislative obligations across the industries regulated by the Commission.

As in previous years, the Territory's electricity supply industry dominated the Commission's workload during 2022-23. The Commission made significant progress across a range of matters including:

- delivering the Commission's draft and final decisions for the review of the Electricity Retail Supply Code
- delivering the Commission's draft and final decisions for the review of the Electricity Industry Performance Code
- delivering the Commission's draft decision for stage 1 of the electricity licensing regime review (relating to the scope and design of the regime)
- approving Power and Water Corporation's proposed network target standards for the 2024 to 2029 regulatory control period
- issuing a generation licence to Darwin International Airport Pty Limited to generate electricity at the Darwin International Airport following consultation with stakeholders.

The Commission continued to provide proactive, independent and robust advice to the electricity supply industry and government during 2022-23, including through its various reports on power system and retail performance. To more closely align with its role as an economic regulator, the Commission made significant improvements to the annual Northern Territory Power System Performance Review by focusing on standards of services and outcomes of licensee performance as experienced by customers.

Through its electricity demand and supply forecasts, the Commission continued to report on emerging challenges and opportunities in the electricity supply industry, including in relation to increasing solar photovoltaic renewable energy, the ageing and planned retirement of several large gas generators, and related concerns about system security and reliability. The Commission forecasts risks to emerge in the Territory's power systems within the next three to four years.

The Commission is pleased its findings and associated advice is positively influencing action, with the Territory Government acknowledging the challenge and urgency of the issues, and responding through a range of important plans under development. However, it is clear that significant new investment, as well as decisions relating to governance and market, will also be needed to successfully achieve a transition to greater renewable generation and take advantage of the potential opportunities. As an independent statutory body, the Commission will persist in its efforts to promote the importance of making decisions and following with action in this area, and will continue to provide its advice and assistance to the government as appropriate.

During 2022-23 the Commission had a busy workload in terms of the ports industry. The Commission initiated its 2023 review of the port access and pricing regime, which will consider whether there is a need to change the form of regulatory oversight of access and pricing and whether amendments should be made to the access and pricing regime, among other things. The Commission also exercised its existing pricing and access regulatory function, including by publishing its annual Ports Price Monitoring Report and annual report to the minister on material instances of non-compliance by the port operator with determinations made by the Commission and the Access Policy.

The Commission continued to work pursuant to its advisory and compliance monitoring role in the water supply and sewerage services industry, noting the Commission has a relatively limited regulatory role in this area. The Commission also monitored the implementation of action items to address findings from Power and Water Corporation's 2021 and 2022 independent audits of compliance with its water supply and sewerage services licences.

Looking forward to 2023-24, the Commission intends to maintain a focus on compliance and enforcement, as well as provide quality advice to government on various reforms across the regulated industries. The Commission and its small team will be kept active in the year ahead with a variety of novel reviews including a review of the Compliance Framework and Reporting Guidelines, a review of the exemption granted to Alcan Gove Pty Limited for electricity operations at Nhulunbuy, and a stage 2 review of the Commission's electricity licensing regime (relating to the form and content of licences). The Commission will also finalise its review of the port access and pricing regime.

Stakeholder input and advice is critical to ensure the ongoing success of the Commission's work. The Commission appreciates stakeholders' ongoing engagement throughout 2022-23 and looks forward to working with stakeholders in the coming year as the Territory's regulated industries continue to evolve.

Finally, I would like to thank the Associate Commissioner, Richard Owens, for his invaluable expertise, guidance and support over the last year. Richard and I are well supported by a small team of professionals in the Commission office ably led by Director Kimberlee McKay. I thank Kim and her team for their continued dedication, professionalism and hard work throughout 2022-23. I also thank the Under Treasurer and Deputy Under Treasurer (Finance and Corporate) for the continued administrative support provided to the Commission.



Lyndon Rowe  
Utilities Commissioner





# 1 | About the Utilities Commission



The Utilities Commission (Commission) is a statutory authority established under the *Utilities Commission Act 2000*. It is the independent economic regulator for the Northern Territory, constituted by the Utilities Commissioner and Associate Commissioner.

The object of the *Utilities Commission Act 2000* is to create an economic regulatory framework for regulated industries that promotes and safeguards competition and fair and efficient market conduct or, in the absence of a competitive market, promotes the simulation of competitive market conduct and prevention of misuse of monopoly power.

## Primary objective

The Commission considers its primary objective is to protect the long-term interests of Territory consumers of services provided by regulated industries with respect to price, reliability and quality.

## Powers and functions

The *Utilities Commission Act 2000* (s.6(1)) defines a general set of functions for the Commission. However, the Commission's specific roles in regulated industries are defined in industry-specific legislation.

The key regulatory functions of the Commission are to:

- regulate prices and access
- perform licensing functions across the electricity supply, water supply and sewerage services industries
- develop, monitor and enforce compliance with and promote improvement in standards and conditions of service and supply
- make, monitor the operation of and review from time to time codes and rules relating to the conduct or operations of a regulated industry or licensed entities
- investigate and help resolve complaints relating to the conduct or operations of licensed entities
- assist consumers and others with information
- provide advice to the minister on any matters referred by the minister.

In performing the Commission's functions, the *Utilities Commission Act 2000* requires the Commission have regard to the need to:

- promote competitive and fair market conduct
- prevent misuse of monopoly or market power
- facilitate entry into relevant markets
- promote economic efficiency
- ensure consumers benefit from competition and efficiency
- protect the interests of consumers with respect to reliability and quality of services and supply in regulated industries
- facilitate maintenance of the financial viability of regulated industries
- ensure an appropriate rate of return on regulated infrastructure assets.

The Commission must also have regard to any relevant objectives in industry-specific legislation.

## Regulated industry legislation overview

The *Utilities Commission Act 2000* establishes the Commission's objectives, functions and powers.

### Electricity supply industry

In accordance with the *Electricity Reform Act 2000*, the Commission administers a licensing regime and industry codes for industry participants, regulates a pricing order made by the government, prepares annual reviews of the Territory's power system and the electricity supply industry, and deals with complaints relating to the conduct or operations of licensed entities.

The Commission also has some responsibilities under the National Electricity Rules (NER), as amended for the Territory's circumstances.

### Ports industry

In accordance with the *Ports Management Act 2015*, the Commission administers a pricing and access regime for prescribed services provided by a private port operator at a designated port (currently only the Port of Darwin).

### Water supply and sewerage services industry

In accordance with the *Water Supply and Sewerage Services Act 2000*, the Commission administers a licensing regime and industry codes for industry participants, regulates a pricing order made by the government and deals with complaints from industry participants.

Figure 1: Legislative framework administered by the Commission during 2022-23

Legislation	Codes and other		Licences	Price regulation
<p><i>Utilities Commission Act 2000</i></p> <p>Utilities Commission Regulations</p>	<p>Developed by the Commission</p>	<p>Developed by industry participants, subject to the approval of the Commission</p>		
	<p>Electricity Industry Performance Code</p> <p>Ring-fencing Code</p> <p>Electricity Retail Supply Code</p>			
<p><i>Ports Management Act 2015</i></p> <p>Ports Management Regulations</p>		<p>Port Operator's access policy</p>		<p>Price Determination for price monitoring</p>
<p><i>Electricity Reform Act 2000</i></p> <p>Electricity Reform (Administration) Regulations</p>	<p>System Control Technical Code</p> <p>Network Technical Code</p>	<p>Retail licence</p> <p>Network licence</p> <p>Generation licence</p> <p>System Control licence</p> <p>Special licence – independent power producer</p> <p>Licence exemption</p>	<p>Electricity Pricing Order for prescribed customers using &lt;750MWh per annum<sup>1</sup></p>	
<p><i>Water Supply and Sewerage Services Act 2000</i></p> <p>Water Supply and Sewerage Services Regulations</p>	<p>Trade Waste Code</p> <p>Water Metering Code</p>	<p>Sewerage services licence</p> <p>Water supply licence</p> <p>Licence exemption</p>	<p>Water and Sewerage Pricing Order<sup>1</sup></p>	

<sup>1</sup> Pricing orders are issued by the minister. The Commission is responsible for compliance, monitoring, enforcement and investigation of complaints from customers in relation to pricing orders.

## The Commission

### Commissioners

Mr Lyndon Rowe was appointed Utilities Commissioner (part-time) from 1 January 2019 for five years, and previously served as an Associate Commissioner (appointed on 6 April 2018). Mr Rowe is currently a Director of Perth Airport Pty Ltd and associated companies. From 2014 to 2017, he was the full-time Chair of the Electricity Generation and Retail Corporation of Western Australia (trading as Synergy). For the previous 10 years, Mr Rowe was the inaugural Executive Chair of the Economic Regulation Authority of Western Australia. He is a Fellow of the Australian Institute of Company Directors and holds an economics degree from the University of Adelaide.

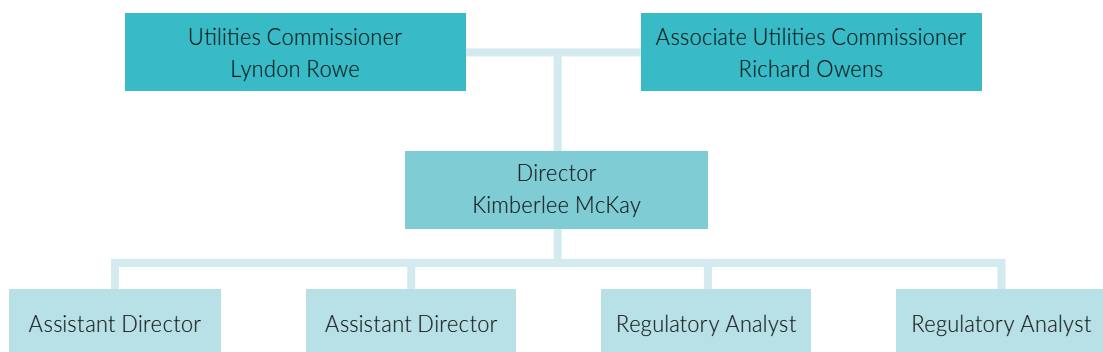
Mr Richard Owens was appointed as Associate Utilities Commissioner (part-time) on 6 April 2018. He is also a director at farrierswier consulting where he advises governments, regulators and businesses on energy and infrastructure regulation and policy. He was a member of the Consumer Panel for the Integrated System Plan from 2020 to 2022, Executive General Manager at the Australian Energy Market Commission from 2011 to 2020, and a member of the taskforce for the Finkel Review into the future security of the national electricity market during 2016-17. He previously worked as a lawyer in major law firms and government specialising in utility regulation, competition and consumer law. He has a Bachelor of Laws (Hons) and a Master of Laws, and is a graduate of the University of California, Berkeley Executive Leadership Program. Mr Owens is a fellow of the Australian Institute of Energy and a graduate member of the Australian Institute of Company Directors.

### Commission staff

Section 13 of the *Utilities Commission Act 2000* provides for the staff of the Commission to comprise Territory public servants assigned to assist the Commission.

At 30 June 2023, the Commission was supported by five staff seconded from the Department of Treasury and Finance and located in Darwin.

Figure 2: Organisational chart as at 30 June 2023



### Commission meetings and decisions

The commissioners and Commission staff meet regularly to consider and discuss Commission tasks, obligations and issues. During 2022-23, the Commission formally met seven times by videoconference and three times by a combination of videoconference and in person.

In addition to meetings, the Commission considered various issues and made 21 associated out-of-session decisions.

Appendix A sets out the Commission meetings, dates and attendance, and major decisions made during 2022-23.

### Engagement with stakeholders

The commissioners and Commission staff seek to engage with stakeholders regularly, genuinely and transparently, including meeting face to face or by videoconference as necessary, to build and maintain strong relationships, build an understanding of economic and regulatory issues, including in terms of the Territory's regulated industries, and enable the Commission to make the best, most informed decisions.

The commissioners and Commission staff met regularly with stakeholders throughout 2022-23, including in person and through videoconference facilities. Stakeholders with whom the commissioners met included licensees, representative bodies, relevant ministers and government department staff.

### Commission funding

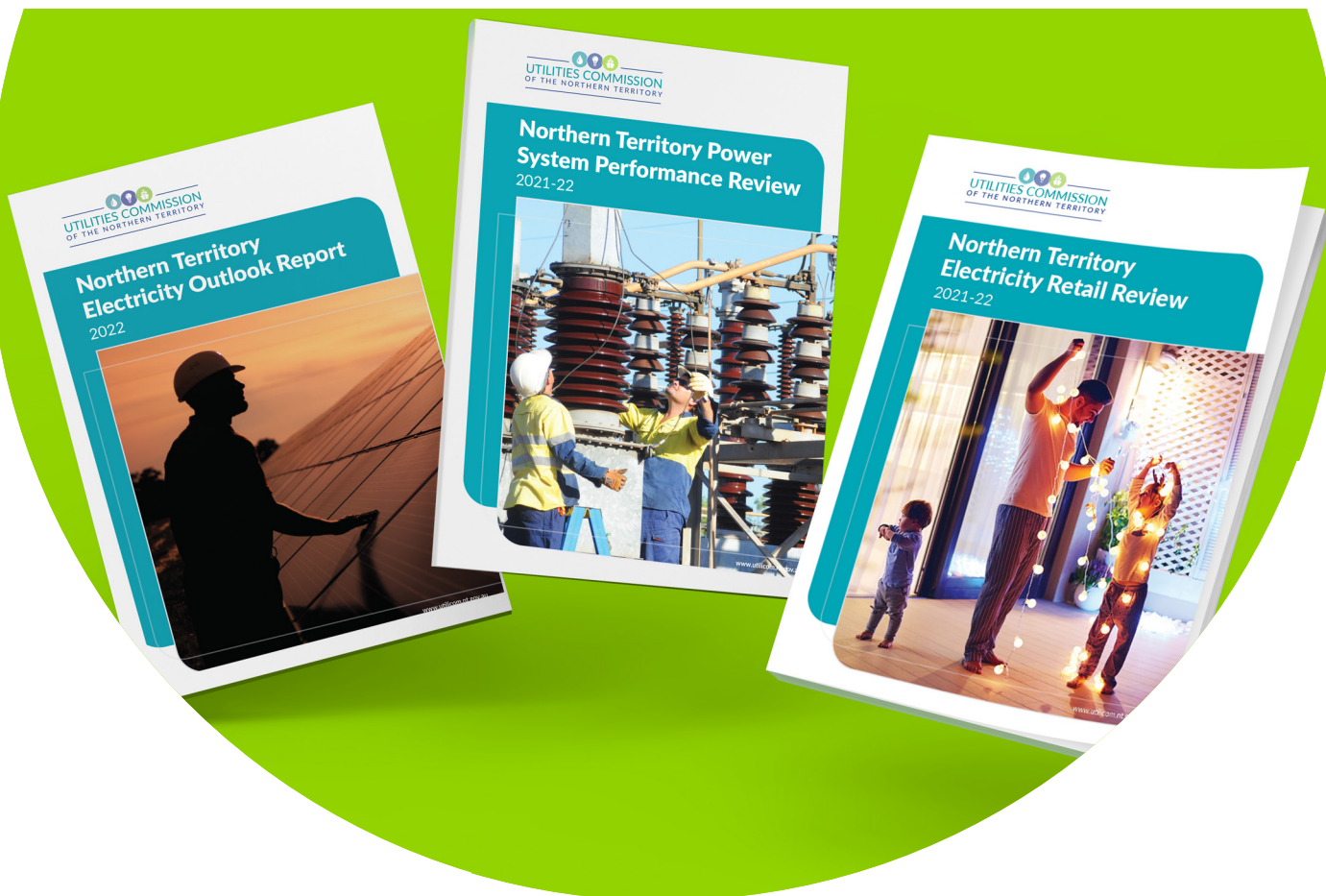
The Commission is funded directly from consolidated revenue through the Department of Treasury and Finance. Appendix B provides a summary of the Commission's financial outcomes in 2022-23. Total direct expenditure for 2022-23 was \$1.26 million.

The Commission charges licence application fees and annual licence fees, which are receipted directly into consolidated revenue. Fees are fixed for each type of licence by the minister and is an amount the minister considers to be a reasonable contribution towards administrative costs of the Commission. Total licence fee revenue for 2022-23 was \$0.53 million, which relates primarily to electricity supply industry licences.

The Commission engages appropriate expert advice through the use of consultants and legal advisers (see Appendix C for additional detail). Total expenditure on expert advice was \$0.29 million in 2022-23.



## 2 | Performance summary



This chapter provides details on the key highlights for the Commission in undertaking its functions in 2022-23 and its key priorities for 2023-24.

## Highlights for 2022-23

### Licensing

During 2022-23, the Commission issued four new generation licences.

Three generation licences with an expiry date of 30 June 2023 were issued following stakeholder consultation:

- Eni Australia Limited (EAL), as agent for Eni New Energy Katherine Pty Ltd (ENEK) for generation at the Katherine Solar power station
- EAL, as agent for Eni New Energy Batchelor Pty Ltd (ENEB) for generation at the Batchelor Solar Farm power station
- EAL, as agent for Eni New Energy Manton Dam Pty Ltd (ENEMD) for generation at the Manton Dam Solar Farm power station.

Following a request by EAL to vary the licences, the Commission approved an extension of the term of expiry to 30 June 2025.

The fourth generation licence was issued to Darwin International Airport Pty Limited (DIA) following stakeholder consultation. The licence allows DIA to generate electricity at the Darwin International Airport, and sell electricity to the persons described in the licence.

### Review of the Northern Territory electricity supply licensing regime

Consistent with its 2022-23 priorities, the Commission progressed the first stage of its review of the electricity licensing regime, which focuses on the coverage, relevance and flexibility (scope and design) of the Territory's electricity supply licensing regime. The Commission published a draft decision on 20 April 2023 that covers the following matters:

- proposed licensing requirements for energy storage systems, virtual power plants, electric vehicle recharging and other alternative supply models
- proposed principles to further guide the Commission's decision-making on exemptions from the requirement to hold a licence
- proposed changes to the standing exemption for small scale renewable energy generation.

Seven submissions were received from a broad range of stakeholders, which were under consideration at 30 June 2023.

Stage 2 of the Commission's review of the electricity licensing regime, which focuses on the form and content of licences, commenced in late 2022-23.

### Stage 2 review of Electricity Retail Supply Code

Consistent with its 2022-23 priorities, the Commission released its draft decision on stage 2 of the Electricity Retail Supply Code review on 2 November 2022, and sought stakeholder feedback across matters including, but not limited to, credit support requirements, coordination agreements, metrology, retailer of last resort arrangements and consumer protections.



Five submissions were received and considered by the Commission before issuing its final decision on 8 June 2023. The varied Electricity Retail Supply Code commenced on 1 July 2023 and introduced new protections for electricity customers in relation to dispute resolution, hardship and family violence.

### Review of the Electricity Industry Performance Code

The Commission published a draft decision on its review of the Electricity Industry Performance Code on 17 February 2023, covering matters including guaranteed service levels, performance indicators and independent audit obligations.

Two submissions were received and considered by the Commission before issuing its final decision on 8 June 2023. The varied Electricity Industry Performance Code commenced on 1 July 2023 and amended the guaranteed service level scheme, independent audit obligations, and generation services and retail services performance indicators, among others. The Commission also issued an associated direction to clarify transitional matters.

### Network target standards

The Commission released Power and Water Corporation's (PWC) proposed network target standards for the 2024-29 regulatory control period for consultation on 18 January 2023. One submission was received and considered by the Commission before approving the proposed network target standards.

### Power system reporting

To meet its legislated reporting requirements to the minister and inform government, licence holders and stakeholders, during 2022-23 the Commission published:

- the 2021-22 Northern Territory Electricity Retail Review, which focuses on retail performance and quality of service provided to residential and small business electricity customers
- 2021-22 Northern Territory Power System Performance Review (NTPSPR), which focuses on the 2021-22 generation and network performance of the Darwin-Katherine, Alice Springs and Tennant Creek power systems (the regulated power systems)
- 2022 Northern Territory Electricity Outlook Report (NTEOR), which focuses on the system demand and supply reliability outlook for the regulated power systems.

Consistent with its commitment to continually refine and improve the usefulness of its annual reporting to the minister, and for electricity entities and other stakeholders, the Commission undertook a post-project review of the reports and associated data collection, and analysis processes immediately following completion of the reports.

### Township of Nhulunbuy Guaranteed Service Level Performance Report

The Commission published its second Township of Nhulunbuy Guaranteed Service Level Performance Report in March 2023, which provides an assessment of Alcan Gove Pty Ltd's (Alcan Gove) guaranteed service level performance in relation to the operation of the electricity network in the township of Nhulunbuy. Guaranteed service levels provide for payments to eligible customers when performance does not meet the defined standard of service.

## Progress reports – Alice Springs system black incident recommendations implementation

As part of the government's response to the Commission's independent investigation into the 13 October 2019 Alice Springs system black, the Commission was requested by a former Treasurer to monitor and report progress on the implementation of recommended actions and other major incident reports, with progress reports to be published every six months for a period of two years. Subsequently, on 24 March 2021, the former Minister for Essential Services wrote to the Commission requesting it continue to report progress until all Alice Springs system black recommended actions are complete.

As requested, the Commission published its sixth and seventh six-monthly progress reports during 2022-23, on 19 August 2022 and 23 February 2023, respectively.

## Price monitoring – Port of Darwin

One of the Commission's roles is to regulate standard charges for prescribed services for the Port of Darwin. The regulatory framework specifically states that the Commission must use price monitoring as the form of price regulation. Consistent with its price determination, the Commission uses the national consumer price index (CPI) to monitor and report on pricing for prescribed services at the Port of Darwin.

On 1 July 2022, Darwin Port Operations Pty Ltd (DPO) increased its tariffs for prescribed services by 5%, except for port induction fees. This was lower than the national CPI for the 12 months to March quarter 2022, which was 5.1%. The Commission advised stakeholders of the tariff changes through publishing the details on its website and direct correspondence as appropriate.

In November 2022, the Commission published its 2022 Ports Annual Price Monitoring Report, which was the fourth annual price monitoring report published by the Commission since the Port of Darwin became privately operated in November 2015. The report provides a summary to ports users, industry and stakeholders of standard charges for prescribed services at the Port of Darwin, over a seven-year period. Further, it provides a summary of the revenue received by the private port operator for prescribed services.

## 2023 Review of the Port Access and Pricing Regime

The Commission is required under the *Ports Management Act 2015* to periodically review the Territory's port access and pricing regime to assess whether the regime remains fit for purpose. The Commission commenced a second review of the port access and pricing regime with the release of an issues paper in November 2022. The purpose of the review is to determine whether:

- there is an ongoing need for regulatory oversight of access to, and pricing of, prescribed services provided by the private port operator
- there is a need to change the form of regulatory oversight of access, and if so, how
- there is a need to change the form of regulatory oversight of pricing, and if so, how
- amendments should be made to the access and pricing regime, and if so, the nature of those amendments.

Three submissions were received and considered by the Commission before issuing its draft report on 8 May 2023. The draft report was open for consultation at 30 June 2023.

## Water supply and sewerage services

Although the Commission's authority in relation to regulating water supply and sewerage services is limited, it continued to monitor compliance with licence obligations and the pricing order, and provided advice and assistance to customers regarding the Territory's regulatory framework.

## Compliance

The Commission has a targeted, risk-based approach to compliance and enforcement whereby it seeks to effectively monitor and report on regulated entities' compliance, and focus enforcement action where the risks and potential impacts are greatest.

As a condition of licence, licensees are required to maintain and report on their compliance framework. The annual compliance reports in relation to electricity supply, water supply and sewerage services are due each year by 31 August, as set out in the Commission's Compliance Framework and Reporting Guidelines.

In the interests of transparency and to be consistent with the practices of other jurisdictions, the Commission publishes a summary of the compliance reports received, a description of the breaches reported by each licensee and remedial action proposed or taken by the licensee in order to resolve the breach, and the enforcement action taken by the Commission, if any.

The Commission's Annual Compliance Monitoring Report in relation to 20 licences on issue during the 2021-22 reporting period was published on 15 November 2022.

During 2022-23, the Commission also required or requested (as appropriate) a number of electricity supply industry licensees to undertake audits of their compliance with various regulatory obligations, including but not limited to, safety management and mitigation plans, the System Control Technical Code, the Commission's Compliance Framework and Reporting Guidelines, and adequacy of associated compliance systems and processes. The Commission is actively monitoring relevant licensees' implementation of audit recommendations.

In relation to compliance with the ports access and pricing regime, on 6 October 2022 the Commission delivered to the minister its annual report on material instances of non-compliance with the private port operator's access policy and the Commission's price determination as required by the *Ports Management Act 2015*.

## Complaints

The Commission has a role to investigate and help resolve complaints relating to the conduct or operations of licensed entities.

During 2022-23, the Commission investigated one complaint in relation to an alleged non-compliance with the *Water Supply and Sewerage Services Act 2000*. The Commission's findings as to the complaint, as well as the licensee's remedial actions, are detailed in the Commission's most recent annual compliance monitoring report.

The Commission also sought information from relevant licensees on an ad hoc basis to assist in addressing various queries and concerns from members of the public.

## General advice and information

Throughout 2022-23, the Commission published general information, consultation papers and decision advice on its website, and through email and e-newsletter updates. In addition, the Commission regularly provided advice and guidance to stakeholders on matters relevant to the Commission's work when contacted through its public communication channels.

The Commission also continued to actively engage in providing advice to government in relation to its various renewable energy and electricity reform initiatives, and its planned ship lift access and pricing regulatory regime as appropriate.

## Strategic plan and priorities

In June 2021, the Commission published its 2022–2024 Strategic Plan, which sets out the Commission's organisational goals and planned actions to achieve these goals over the 2021-22 to 2023-24 financial years. In line with its Strategic Plan, the Commission published its annual priorities to, among other things, ensure the Commission is accountable for achieving its goals.

### Completed 2022-23 priorities

The Commission delivered all 2022-23 priorities published in its 2021-22 Annual Report, other than:

- delivering the final decision for stage 1 of the electricity licensing regime review on the scope and design of the regime, which was subsequently published in August 2023
- conducting site visits with stakeholders.

### Stakeholder survey

As part of the Commission's 2022–2024 Strategic Plan, the Commission identified undertaking a regular stakeholder survey as a priority, with an indicator of success being a stakeholder survey undertaken at least once within a three-year period. The Commission's last stakeholder survey was conducted in 2020.

In June 2023, the Commission's 2023 stakeholder survey was emailed to about 80 stakeholders. The survey was also published on the Commission's website and included in the Commission's e-newsletter. The survey asked 15 questions that pertained to the Commission's conduct and outputs, and whether stakeholders were satisfied with the Commission in achieving its objective of protecting the long-term interests of consumers. Some questions were comparable but not identical to questions featured in the 2020 survey.

Responses were received from 21 stakeholders including regulated businesses, government or regulatory bodies, commercial businesses and others. Almost 70% of stakeholder responses identified as having more than 10 interactions with the Commission in the 12 months prior.

Overall, 71% of responses were positive, up from 63% in the 2020 survey. Notable results from the survey include:

- 90% of stakeholders agreed or strongly agreed the Commission conducts itself in a professional manner. This is an increase from 81% in the 2020 survey
- 86% of stakeholders agreed or strongly agreed the Commission engages and communicates effectively with its stakeholders. This is an increase from 78% in the 2020 survey

- 81% of stakeholders agreed or strongly agreed the Commission holds regulated businesses accountable for compliance with regulatory obligations. This is an increase from 44% in the 2020 survey
- 81% of stakeholders agreed or strongly agreed the Commission's processes are conducted in a timely manner. This is an increase from 66% in the 2020 survey
- 76% of stakeholders agreed or strongly agreed the Commission's website is up to date and easy to navigate
- 71% of stakeholders agreed or strongly agreed the Commission is transparent and accountable in its actions
- 71% of stakeholders agreed or strongly agreed the Commission provides independent and impartial advice and decisions
- 67% of stakeholders agreed or strongly agreed the type and quality of the reports published by the Commission meets the needs of stakeholders. This is a decrease from 76% in the 2020 survey
- 62% of stakeholders agreed or strongly agreed the Commission is achieving its long-term objective. This is an increase from 38% in the 2020 survey.

While the proportion of negative responses was relatively low, the Commission received written negative feedback regarding the length of time taken to conduct reviews, the Commission's website and the timing of publication for the NTEOR. Government or regulatory bodies and commercial businesses had the highest proportion of negative responses. Moving forward, the Commission will consider this feedback in its decision-making and consideration of priorities.

### 2023-24 priorities

The Commission published its 2023-24 priorities on 8 June 2023.

The Commission's 2023-24 priorities are to:

- monitor licensees' compliance with regulatory obligations, including ensuring regular internal audits and requiring independent audits of compliance as appropriate
- publish an annual compliance report of licensees' compliance with obligations
- review the Commission's Compliance Framework and Reporting Guidelines including the Commission's statement of approach on compliance
- meet regularly with stakeholders, including site visits, and undertake the Commission's triennial stakeholder survey
- publish annual reports on power system and retail performance, and an electricity outlook report providing 10-year forecasts of electricity consumption, demand and generation adequacy
- finalise and implement the Commission's decisions for stage 1 of the electricity licensing regime review on the scope and design of the regime and progress stage 2 of the review relating to the form and content of the licences
- review the exemption granted to Alcan Gove for electricity operations at Nhulunbuy
- commence the regulatory process for determining system control and market operator charges for 2024-25 and subsequent years

- publish an annual price monitoring report for the Port of Darwin
- deliver the Commission's annual report to the minister regarding any material instances of non-compliance with the private port operator's access policy and determinations made by the Commission
- complete the 2023 review of the port access and pricing regime
- continue to provide advice to the Territory government as appropriate, including in relation to priority electricity market reforms and the planned Darwin ship lift access and pricing regulatory regime
- develop the Commission's strategic plan for 2025–2027
- identify and have staff participate in, relevant professional development.

# 3 | Electricity supply industry





## Responsibilities under the *Electricity Reform Act 2000*

The electricity supply industry in the Territory is regulated by the *Electricity Reform Act 2000*, *Utilities Commission Act 2000* and associated legislation, and the National Electricity Law (NEL) and NER. This statutory framework was introduced in 2000, with parts of the NER, as modified, being progressively applied from 1 July 2016.

The *Electricity Reform Act 2000* is the primary electricity supply legislation relevant to the Commission. Accordingly, the Commission is responsible for certain regulatory functions in the electricity supply industry. Its activities relate mainly to licensing, codes and guidelines, price regulation, reporting, general compliance monitoring, complaints investigation and providing advice in relation to the Territory's electricity supply industry.

The Australian Energy Regulator is the regulator for third-party access and network pricing under the NEL and NER as applied in the Territory.

The objects of the *Electricity Reform Act 2000* are to:

- promote efficiency and competition in the electricity supply industry
- promote the safe and efficient generation, transmission, distribution and selling of electricity
- establish and enforce proper standards of safety, reliability and quality in the electricity supply industry
- establish and enforce proper safety and technical standards for electrical installations
- facilitate the maintenance of a financially viable electricity supply industry
- protect the interests of consumers of electricity.

The *Electricity Reform Act 2000* and the Administrative Arrangements Order (at 30 June 2023) allocate ministerial responsibility for the *Electricity Reform Act 2000* as follows:

- the Treasurer is responsible for price regulation and the setting of licence fees
- the Minister for Renewables and Energy is responsible for economic regulation and utilities market regulation
- the Minister for Essential Services is responsible for supply and service provision under licence
- the Attorney-General is responsible for safety regulation.

## Licensing

The Commission is responsible for administering the licensing of the electricity supply industry in the Territory.

The *Electricity Reform Act 2000* requires the following operations be licensed:

- generation of electricity
- owning or operating an electricity network or a dedicated connection asset
- selling electricity
- system control over a power system
- other operations for which a licence is required by the Regulations.



The Commission has established licences, subcategories of licences and combined licences to suit particular circumstances. Table 1 sets out the various licence types currently on issue for participation in the electricity supply industry.

Table 1: Types of licences currently issued

Licence type	Description
Standard generation licence	Authorises the electricity entity to generate electricity for sale to electricity entities holding generation or retail licences (or as otherwise stated in the licence).
Retail licence	Authorises the electricity entity to trade in electricity (where 'trade' means the buying and selling of electricity other than to final consumers) and retail electricity to customers (where 'retail' means the selling of electricity to specified groups of final consumers).
Network licence	<p>Authorises the electricity entity to operate the electricity network in the geographical area stated in the licence.</p> <p>If stated in the licence, it allows entities to connect the electricity network to another electricity network.</p>
System control licence	<p>Authorises the electricity entity to monitor, plan and control the operation of the power system with a view to ensuring the system operates safely and securely. It provides the authority to issue directions to other licensed electricity entities.</p> <p>In May 2015, the Electricity Reform (Administration) Regulations were amended to prescribe operating a wholesale market as an operation for which a licence is required. These Regulations also define that an entity licensed for system control is also licensed to operate a wholesale market in relation to that power system.</p> <p>A system control licence is only issued where the power system is of sufficient size and complexity to warrant monitoring and control 'at arm's length'. In isolated communities with a single generator of electricity, management of system loads and frequency control is undertaken by the generator. Coordination of generation with third-party interconnected networks would be a matter for normal commercial contractual arrangements.</p> <p>In relation to the Interim Northern Territory Electricity Market, which operates in the Darwin-Katherine system only, the system control licensee is the market operator.</p>
Special generation licence – independent power producer	<p>Authorises the electricity entity to generate electricity for sale to electricity entities holding a standard generation licence (or as otherwise stated in the licence).</p> <p>This licence is a 'cut down' version of a generation licence for those entities that do not wish to participate fully in the electricity supply market and instead generate electricity under contract for another generator. It was developed to accommodate legacy arrangements. The Commission does not expect to issue this type of licence for new operations.</p>
Special licence – isolated system operations	<p>Authorises the electricity entity to generate electricity at specified electricity generating plants. It also allows entities to sell electricity to other generators or a retailer.</p> <p>Entities can also sell electricity to customers but only in respect to electrical installations or premises situated within specified locations.</p> <p>Finally, it allows entities to own and operate an electricity network within specified geographic areas and connect that network to another specified electricity network.</p> <p>This licence is for a combination of generation, network and retail for entities operating in remote locations, for example, where a mining company supplies electricity to a nearby town that predominantly houses workers associated with the mine. It was developed to accommodate legacy arrangements. The Commission does not expect to issue this type of licence for new operations.</p>

### New and varied licences during 2022-23

During 2022-23, the Commission issued four generation licences and varied three generation licences.

On 17 May 2022, the Commission received three applications from EAL, as agent for ENEK, ENEB and ENEMD, for generation licences to generate electricity from the Katherine Solar power station, the Batchelor Solar Farm power station and the Manton Dam Solar Farm power station, respectively. On 1 July 2022, the Commission granted the three generation licences with a term of expiry of 30 June 2023.

On 9 February 2023, the Commission received a request from EAL, as agent for ENEK, ENEB and ENEMD, to extend the term of expiry of the three generation licences. The request to vary the licences was approved by Commission on 23 March 2023, with the term of expiry extended to 30 June 2025.

On 26 August 2022, the Commission received a generation licence application from DIA to generate electricity at Darwin International Airport and to sell electricity to other entities holding a retail or generation licence and to customers on the premises. The Commission undertook consultation and did not receive any submissions in relation to the application. The generation licence was approved by the Commission and issued on 3 March 2023. The generation licence varies from a standard generation licence to allow DIA to sell electricity to tenants located within Darwin International Airport precinct. The Commission also published its reasoning behind the decision on 3 March 2023.

### Suspended licences during 2022-23

On 23 January 2023 the Commission suspended QEnergy Limited's retail licence, which allowed QEnergy Limited to trade in electricity and retail electricity to customers in Darwin, Katherine, Alice Springs and Tennant Creek.

### Surrendered licences during 2022-23

EAL submitted a notice to the Commission on 17 May 2022 to surrender its generation licence to generate electricity from the Katherine Solar power station, Batchelor Solar Farm power station and Manton Dam Solar Farm power station, subsequent and subject to the issue of new generation licences which apply to the same power stations. The surrender was completed on 1 July 2022.

### Current standard generation licences

At 30 June 2023, there were 11 standard generation licences in the Territory.

The standard generation licensees were:

- Assure Energy Asset Pty Ltd, as trustee for the Assure Energy Asset Trust, for a 10 megawatt (MW) solar photovoltaic (PV) power station and 3.02 MW battery energy storage system at Robertson Barracks, and a 3.2 MW solar PV power station and 0.98 MW battery energy storage system at RAAF Base Darwin
- BSF Co Pty Ltd, as trustee for the BSF Unit Trust, for a 10 MW solar PV power station at Batchelor
- DIA for a 7.75MW AC solar PV plant and 3.3MW AC back-up diesel generating plants at Darwin International Airport
- EAL (agent) and ENEB (principal) for a 10 MW AC solar PV plant at Batchelor

- EAL (agent) and ENEK (principal) for a 25 MW AC solar PV plant and 5.7 MW battery energy storage system at Katherine
- EAL (agent) and ENEMD (principal) for a 10 MW AC solar PV plant at Manton Dam
- EDL Jabiru Pty Ltd for a 4.5 MW diesel generating plant, a 3.845 MW AC solar PV plant and 4.95 MW AC battery energy storage system at the Jabiru power station
- EDL NGD (NT) Pty Ltd (EDL) for the Pine Creek power station
- HCPS Co Pty Ltd as trustee for the HCPS Unit Trust, for a 15 MW gas-fired power station (Hudson Creek power station) at Wishart, Darwin
- Power Generation Corporation (trading as Territory Generation), which owns and operates various power stations including Channel Island, Weddell, Katherine, Tennant Creek, Ron Goodin, Owen Springs, Yulara and Kings Canyon power stations
- PWC, which owns and operates power stations at Berrimah (decommissioned), in Aboriginal communities under the Indigenous Essential Services Pty Ltd (IES) program and minor commercial power stations (Elliott, Daly Waters, Ti Tree, Timber Creek and Borroloola).

### Current retail licences

At 30 June 2023, there were seven electricity retailers licensed in the Territory. The retail licensees were:

- Department of Defence to sell electricity generated from behind the meter at RAAF Base Darwin and Robertson Barracks to electricity entities holding a retail licence
- EDL for Darwin, Katherine, Alice Springs and Tennant Creek (townships and surrounding rural areas)
- Next Business Energy Pty Ltd for Darwin, Katherine, Alice Springs and Tennant Creek (townships and surrounding rural areas)
- Power Retail Corporation (trading as Jacana Energy) for the townships and surrounding areas of Darwin, Katherine, Tennant Creek and Alice Springs, as well as Daly Waters, Borroloola, Timber Creek, Elliott, Newcastle Waters, Yulara, Ti Tree and Kings Canyon
- PWC for Jabiru, Nhulunbuy, Alyangula, McArthur River Mine and Aboriginal communities under the IES program
- Rimfire Energy Pty Ltd for Darwin, Katherine, Alice Springs and Tennant Creek (townships and surrounding rural areas)
- Territory Generation for the supply of electricity at the Joint Defence Facility Pine Gap.

### Current network and system control licences

PWC holds a network licence to own and or operate an electricity network in designated regulated and non-regulated electricity networks. It also holds a system control licence for the Darwin-Katherine, Tennant Creek and Alice Springs power systems.

### Current special licences

As of 30 June 2023, there were five special independent power producer licences held by:

- EDL for generating plants at the McArthur River Mine site and electricity sales to McArthur River Mining Pty Ltd

- Energy Resources of Australia Ltd for the generating plant at the Ranger uranium mine site and electricity sales to persons specified in schedule 2(b) of the licence
- LMS Energy Pty Ltd for generation at the Shoal Bay renewable energy facility (1.1 MW landfill gas-fuelled renewable energy facility)
- TKLN Solar Pty Ltd for various remote solar PV systems at Ti Tree, Kalkarindji and Alpururulam
- Uterne Power Plant Pty Ltd for generation via a single-axis tracking solar PV system at Alice Springs.

There was one special isolated system operations licence at 30 June 2023, which is held by Groote Eylandt Mining Company Pty Ltd for electricity generation, electricity sales and owning and operating a network at Alyangula.

### Review of the Northern Territory electricity supply licensing regime

During 2022-23, the Commission progressed a review of the Territory's electricity supply licensing regime, noting the regime has not been subject to major review since its establishment in 2000 and the industry, market and regulatory environment has evolved during this time. This evolution includes an increased demand for renewable energy that has resulted in the rapid growth of alternative electricity supply arrangements not contemplated at the time the licensing regime was established.

The Commission's review will ultimately examine all aspects of the regime, with the first stage of the review focused on the coverage, relevance and flexibility (scope and design) of the Territory's licensing regime.

The review commenced on 8 April 2022 with the release of an issues paper seeking input from stakeholders on the types of activities that should be subject to licensing, a framework for circumstances where an exemption would be appropriate and conditions that should be placed on licensees and those exempted. Nine submissions were received on the issues paper from a broad range of stakeholders.

Following consultation and a review of the submissions, the Commission published its draft decision on 20 April 2023 for consultation. The draft decision covers matters including:

- implementing standard licence conditions for new applicants, unless an applicant can demonstrate the condition is not appropriate
- classifying energy storage systems and virtual power plants as generation and requiring a licence or exemption for such operations
- providing a summary of the Commission's licensing decisions and reasoning to improve transparency
- applying a proposed set of principles to guide Commission decision-making on when an exemption may be appropriate
- changing the Small Scale Renewable Energy Operations exemption
- writing to the minister recommending a review of the on-supplier exemption and noting EV charging stations are exempt from holding a licence.

Seven submissions were received on the draft decision from a broad range of stakeholders. At 30 June 2023, the feedback from stakeholders was still under consideration.

Stage 2 of the Commission's review of the electricity licensing regime, which focuses on the form and content of licences, commenced in late 2022-23.

## Exemptions from licensing

The Electricity Reform (Administration) Regulations 2000 provide an exemption from the requirement to be licensed for some activities. Licences are not currently required for:

- own-use generation and low volume sales of electricity
- on-supply of electricity, as long as the on-supplier complies with certain conditions.

The Commission may, under section 87 of the *Electricity Reform Act 2000* and with the approval of the minister, grant an exemption from the requirement to be licensed.

### New and varied exemptions

During 2022-23, the Commission issued no new exemptions from the requirement to be licensed under section 87 of the *Electricity Reform Act 2000*. The Commission also issued no variations to existing exemptions.

### Current exemptions

At 30 June 2023, there were three section 87 *Electricity Reform Act 2000* exemptions:

- an exemption from the requirement to hold a network licence to own or operate its electricity network at RAAF Base Darwin and Robertson Barracks, issued to the Department of Defence
- an exemption from the requirement to hold a licence regarding its electricity operations in the township of Nhulunbuy and at the mine, issued to Alcan Gove
- a class exemption – the Small Scale Renewable Energy Operations exemption – issued for the generation of electricity by small-scale solar PV systems and the sale of any residual electricity exported to the distribution network.

## Codes and guidelines

### Stage 2 review of the Electricity Retail Supply Code

The Electricity Retail Supply Code provides for matters such as the transfer of customers between retailers, credit support arrangements, billing, metrology, service order arrangements, dispute resolution and protections for electricity customers that require life support equipment at their premises.

The Commission completed a review of the Electricity Retail Supply Code in November 2019, which also committed to a stage 2 review to consider known issues, gaps, and its overall relevance and effectiveness.

The Commission's stage 2 review of the Electricity Retail Supply Code commenced with the publication of an issues paper in June 2021. Following consultation and a review of the submissions, the Commission released its draft decision on 2 November 2022 for consultation. The draft decision covers matters including retailer of last resort arrangements, dispute resolution, hardship policies and family violence policies.

Stakeholder submissions were due by 14 December 2022, with five submissions received. The Commission reviewed and considered stakeholder feedback, and sought further advice on some matters.

On 8 June 2023, the Commission released its final decision on the stage 2 review of the Electricity Retail Supply Code. Key developments resulting from the final decision include:

- changes to credit support requirements
- changes to requirements for coordination agreements
- changes to service order procedures and customer transfer procedures
- changes to retailer of last resort arrangements
- new requirements for life support equipment procedures for outside major centres and the publishing of information to strengthen protections for customers who require life support equipment at their premises
- new customer protections through requirements for retailer and network provider internal dispute resolution mechanisms
- new customer protections through requirements for retailers to develop, implement and comply with approved hardship policies, including for prepayment customers
- new customer protections through requirements for retailers to develop, implement and comply with approved family violence policies.

The amended Electricity Retail Supply Code commenced on 1 July 2023.

### Review of the Electricity Industry Performance Code

The Electricity Industry Performance Code commenced in 2017 following a significant review of the former Electricity Standards of Service Code and Guaranteed Service Level Code, which resulted in these codes being merged into what is now the Electricity Industry Performance Code. At the time, the Commission committed to a separate review into generation performance indicators. Subsequently, the Commission became aware of anomalies in the Electricity Industry Performance Code that also indicated a review and update of the code was necessary.

The review of the Electricity Industry Performance Code commenced in September 2020 through publishing an issues paper. Eight stakeholder submissions to the issues paper were received from six stakeholders. Following consultation and a review of the submissions, the Commission decided to address the immediate regulatory issues in the current review and defer some matters to a future stage 2 review.

The Commission published its draft decision on 17 February 2023 for consultation. The draft decision covers matters including guaranteed service levels, performance indicators and independent audit obligations.

Stakeholder submissions were due by 31 March 2023, with two submissions received. Following consultation and a review of the submissions, the Commission released its final decision on 8 June 2023 with an associated direction to clarify transitional matters. Key developments resulting from the final decision include changes to:

- the guaranteed service level scheme
- the reporting of historical data
- independent audit obligations
- generation and retail services performance indicators.

The revised Electricity Industry Performance Code commenced on 1 July 2023.

## Network target standards

An electricity network service provider is required under the Electricity Industry Performance Code to develop network target standards for a regulatory control period and submit the proposed standards to the Commission for approval. The Electricity Industry Performance Code also requires the Commission to make a decision on the proposed network target standards within three months of receipt of the submission.

On 28 March 2018, the Commission approved PWC's proposed network target standards for the 2019 to 2024 regulatory control period. On 20 December 2022, the Commission received PWC's proposed network target standards for the 2024 to 2029 regulatory control period.

The Commission published PWC's proposed network target standards for consultation on 18 January 2023. Stakeholder submissions were due by 15 February 2023, with one submission received.

On 9 March 2023, the Commission approved PWC's network target standards for the 2024-29 regulatory control period and published its associated reasoning. The network target standards for the 2024-29 regulatory control period were:

- maintained for the CBD network
- strengthened for the urban network
- maintained for the rural short network
- strengthened for the rural long network.

## Price regulation

The Commission regulates certain prices in the monopoly sectors of the Territory's electricity supply industry, and other relevant prices, in accordance with relevant industry legislation.

### Electricity pricing orders

Retail electricity prices charged to residential and commercial customers (those consuming less than 750 megawatt hours (MWh) of electricity per annum) are regulated by the Territory Government through a pricing order made by the Treasurer under section 44 of the *Electricity Reform Act 2000*.

On 1 June 2022, the Treasurer issued an Electricity Pricing Order to regulate associated prices to take effect from 1 July 2022 to 30 June 2023.

The Commission is required to enforce compliance with the pricing order as if the order were a determination of the Commission under the *Utilities Commission Act 2000*. At 30 June 2023, the Commission was not aware of any material breaches of the pricing orders during 2022-23.

### System control charges

On 30 April 2019, the Commission published its final decision in relation to the system control charge to be applied for the 2019-20 to 2023-24 regulatory period. The charge consists of two components: a system control component and a market operator component, with the market operator component only to be paid by customers supplied by the Darwin-Katherine regulated system.

In March 2023, PWC submitted to the Commission its 2023-24 Annual Pricing Proposal for System Control and Market Operator charges.

The Commission assessed PWC's pricing proposal as compliant with the Commission's System Control Charges Final Decision for the 2019-20 to 2023-24 regulatory period and consequently approved the proposed charges. The charges approved for 2023-24 are the maximum PWC is able to charge for services provided by the power system controller with respect to the regulated electricity networks.

### Ancillary services pricing

Ancillary services (also known as essential system services) are defined in the System Control Technical Code as these services provided by generators or other system participants: voltage control, reactive power control, frequency control and black start capability. Regulation 3(2) of the Utilities Commission Regulations 2001 authorises the Commission to make determinations relating to prices for providing ancillary services in the electricity supply industry.

The ancillary services price in relation to the provision of ancillary services by Territory Generation in the Darwin-Katherine system is embedded in the System Control Technical Code. The Commission approved the amended System Control Technical Code in 2015, which incorporates this charge.

The Territory Government consulted during 2020-21 in relation to essential system services arrangements. However, at 30 June 2023, government had not published its final position in relation to this matter.

## Power system reporting

The Commission's position is that regular and comprehensive reporting on the electricity supply industry assists greater understanding and transparency of issues, and improves planning, investment, understanding of value for money (price compared to level of service) and general performance.

The *Electricity Reform Act 2000* (section 45) requires the Commission to report to the minister and electricity entities on various matters in relation to the Territory's power system. Further, the Commission must advise the minister, either on its own initiative or at the request of the minister, on other electricity supply industry and market policy matters.

To meet its legislated reporting requirements, the Commission publishes three reports annually:

- Northern Territory Electricity Retail Review
- Northern Territory Power System Performance Review
- Northern Territory Electricity Outlook Report.

Each of these reports is discussed below, including a summary of key findings reported in 2022-23.

### 2021-22 Northern Territory Electricity Retail Review

The 2021-22 Northern Territory Electricity Retail Review was published on 29 March 2023. This report focuses on electricity retail performance and quality of service provided to residential and small business electricity customers, defined as consuming less than 160 MWh per annum by the Electricity Industry Performance Code.



The Northern Territory Electricity Retail Review focuses solely on Territory retail performance.

The 2021-22 review found, among other things:

- there continued to be limited retail competition in the Territory in 2021-22, particularly for residential and small business customers, with no indication of increased competition eventuating under current market conditions
- regulating prices for customers up to 750 MWh per annum results in a number of large commercial customers receiving taxpayer subsidised and below-cost reflective prices
- the Territory Government's community service obligation payment to electricity retailers continues to lack transparency for customers and industry, and may be a barrier to competition. In 2021-22, the average subsidy was \$1,076 per customer
- customer complaints to retailers increased in 2021-22 relative to 2020-21 levels, but remained below the average result for the past five years. The level of customer complaints compares favourably with other jurisdictions
- there was a large increase in the percentage of residential customers with energy bill debt in the Territory during 2021-22, with the associated average amount of energy bill debt also increasing substantially
- the percentage of residential and small business customers disconnected for non-payment increased in 2021-22, however it continued to be very low, consistent with advice to the Commission that Jacana Energy, which has the majority share of small customers in the Territory, took a last-resort approach to customer disconnections.
- the frequency of self-disconnection events for prepayment meter customers increased during 2021-22, while the duration of self-disconnection events for prepayment meter customers decreased
- the percentage of small business customers with energy bill debt decreased in the Territory during 2021-22. The associated average energy bill debt increased to the second highest result in the past five years, however it compares favourably with other jurisdictions
- the percentage of residential customers on a hardship program in the Territory decreased in 2021-22
- in the absence of the Territory Government completing work to implement a fulsome energy customer protection framework, the Commission continued to work with the Office of Sustainable Energy toward this end and subsequently amended the Electricity Retail Supply Code to address gaps in the framework, including in relation to dispute resolution mechanisms and hardship policies.

The Commission will continue to develop the Northern Territory Electricity Retail Review over the coming years. This will be achieved primarily through improvements to the data the Commission receives from licensed retailers. Relevantly, the Commission worked with retailers to identify potential improvements in Electricity Industry Performance Code data reporting through the Electricity Industry Performance Code review, which was completed during 2022-23.

## 2021-22 Northern Territory Power System Performance Review

The 2021-22 NTPSPR was published on 19 May 2023 and focuses on the 2021-22 generation and network performance of the regulated power systems.

The Commission revised the scope of the 2021-22 NTPSPR to focus on standards of service and outcomes of licensee performance as experienced by customers. The review found that on average across the Territory, overall power system performance is improving, however customers in the Katherine and Tennant Creek regions receive a lower standard of service, which is deteriorating in some aspects. The following is a summary of the review findings.

- Generation and network performance improved in the Darwin region to its highest level in five years. The Darwin region is the highest performing of the four regions considered in the NTPSPR. The majority of interruptions in the Darwin region are as a result of network-related performance.
- In the Katherine region, generation performance improved while network performance deteriorated. Katherine was the worst performing of the regions considered in the NTPSPR. The majority of interruptions in the Katherine region are a result of network-related performance, specifically, issues associated with the transmission line connecting it to the Darwin-Katherine power system.
- Generation and network performance improved in the Alice Springs power system to its best result in five years. In 2021-22, the Alice Springs region outperformed the other regions considered in terms of the frequency and duration of customer interruptions. Improved generation performance in particular contributed to the overall improvement in the region.
- The duration and frequency of interruptions in the Tennant Creek region deteriorated in 2021-22. The duration of outages reached its highest level in five years. The lower level of performance is driven by network and generation-related performance, and the coordination between those assets.
- Four of the previous NTPSPR recommendations have been completed. These recommendations pertained to ensuring learnings from the Owen Springs Jenbacher project are embedded in the Tennant Creek Jenbacher project, the reporting of causes for single unit trips, responsiveness to calls and a review of the processes used for reconnection and incident recovery.

Regular reporting on the electricity supply industry, such as through the annual NTPSPR, should help increase understanding and transparency of issues and, consequently, improve planning, investment, understanding of value for money and general performance by holding electricity businesses accountable for their performance and impacts on customers.

## 2022 Northern Territory Electricity Outlook Report

The 2022 NTEOR was published on 29 June 2023 and focuses on the system demand and supply reliability outlook for the regulated power systems.

The report presents electricity consumption, maximum and minimum demand, and generation adequacy forecasts for the Territory's regulated power systems over the 10-year outlook period from 2022-23 to 2031-32. Consistent with the previous year's NTEOR, it focuses on a single business-as-usual scenario, which forecasts and considers consumer demand over the outlook period against the current operating state of the power system, including committed new investments and scheduled decommissioning.

Consistent with previous years, developments not yet considered committed based on the Commission's threshold were excluded to highlight the challenges and emerging risks to the Territory's power systems in the absence of appropriate, committed, funded and timely delivered solutions. The following is a summary of issues discussed in the 2022 NTOER.

- Increased renewable generation introduces increased complexity in managing the system and there will be a need for significant new investment to keep the system reliable and secure.
- As early as 2026-27, there are forecast risks to maintaining a secure Darwin-Katherine power system due to minimum falling demand during the day. This is as a result of increasing amounts of electricity from uncontrollable residential and commercial rooftop solar PV systems.
- Several current large gas generators in Darwin are ageing and due to be retired within the next few years. Should a solution not be delivered in time to address this expected retirement, customer demand in the Darwin-Katherine power system may not be met by 2027-28.
- The Alice Springs power system is forecast to have challenges meeting customer demand and maintaining a secure power system. This is due, in part, to expected high outage rates at the Owen Springs power station in the initial years of the outlook period and the expected retirement of the Ron Goodin power station from the end of 2025.
- The Tennant Creek power system is forecast to have significant surplus capacity over the outlook period, with no material challenges anticipated in meeting customer demand or system security requirements.
- Electricity consumption in the Darwin-Katherine and Alice Springs power systems is forecast to decline over the outlook period due to increases in residential and commercial rooftop solar PV systems. Expected new industrial loads are forecast to offset or reverse the decline in the first few years of the outlook period. Electricity consumption in the Tennant Creek power system is forecast to remain constant.
- The urgency and lack of policy certainty in the Territory is likely to make it more difficult to attract private industry investment in the electricity supply industry without projects being underwritten by the Territory government. Nevertheless, the Commission encourages the Territory Government to utilise private investment to help address some of the challenges and risks.
- The Commission is encouraged by the Territory Government's progress over the last 12 months and considers it is now time to increase the momentum and move from plans to committed investment decisions.

### Township of Nhulunbuy Guaranteed Service Level Performance Report

The Commission published its second Township of Nhulunbuy Guaranteed Service Level Performance Report in March 2023, which provides an assessment of Alcan Gove's guaranteed service level performance in relation to the operation of the electricity network in the township of Nhulunbuy. Guaranteed service levels provide for payments to eligible customers when performance does not meet the defined standard of service.

Alcan Gove reported that it was required to make 98 guaranteed service level payments to customers in 2021-22, including payments to:

- 56 customers experiencing more than 12 interruptions to their electricity supply

- 41 customers who were not provided the required two business days' notice of a planned interruption
- one customer who was not reconnected within 24 hours of receipt of a valid request for reconnection.

When compared with other Territory power systems, overall power system performance in Nhulunbuy was poor during 2021-22.

## Compliance

### Life support equipment procedures

The Electricity Retail Supply Code provides a flexible approach for a retailer and network provider to protect life support equipment customers who reside outside major centres. Under the code, a relevant retailer and network provider must provide to the Commission within a specified period, proposed life support equipment procedures for each geographical area it provides services to outside the regulated networks of Darwin-Katherine, Alice Springs and Tennant Creek. The procedures must seek to deliver similar outcomes as for customers in the regulated networks.

No new or amended life support procedures were submitted to the Commission for approval during 2022-23.

### Ring-fencing procedures

Where electricity entities operate both natural monopoly and competitive businesses, the role of ring-fencing is to prevent them from using their position in the regulated sectors to give themselves an advantage in the competitive sectors. This is achieved by separating the regulated business activities, costs and revenues from those related to providing services in the competitive sectors.

The Northern Territory Electricity Ring-fencing Code requires PWC to submit to the Commission for approval draft information procedures, accounting procedures and cost allocation procedures. No new or amended procedures in relation to ring-fencing were submitted to the Commission for approval during 2022-23.

### System Control incident reporting

Under the System Control Technical Code, the system controller is required to report power system incidents that occur within the parameters of the code to the Commission. The Commission's view is this incident reporting is vital to ensure System Control is identifying and addressing problems with relevant system participants as appropriate, and learning lessons from this to, among other things, ensure ongoing reliability and quality of electricity services and supply.

Further to this, in the Commission's Independent Investigation of Alice Springs System Black Incident on 13 October 2019, the Commission made a recommendation regarding placing a focus on determining if the recommendations of the independent investigation report and other major event (incident) reports have been tracked and implemented, which the Territory Government accepted.

The Commission continued to actively monitor and engage with System Control in relation to its incident reporting during 2022-23 and noted in its progress report on implementing the recommendations from the independent investigation of the Alice Springs system black incident on 13 October 2019, published on 23 February 2023, that System Control continued to actively track, implement and close out recommendations from incident reports. Further, the Commission continues to monitor System Control's compliance with System Control Technical Code incident reporting obligations.

In 2022-23, PWC proposed amendments to the System Control Technical Code to change the classification of reportable incidents and requirements relating to investigation and reporting. The Commission published the proposed changes for consultation on 5 May 2023. Stakeholder submissions were due by 16 June 2023. At 30 June 2023, the Commission was still considering stakeholder feedback, with a decision expected in early 2023-24.

### Safety management and mitigation plans

All generation and network licences issued by the Commission require the relevant licensee to have an approved safety management and mitigation plan, and to annually review and if necessary update the plan to ensure it is consistent with and reflects good electricity industry practice.

The main purpose of a safety management and mitigation plan is to ensure appropriate oversight of safety around electricity infrastructure to protect employees, contractors and the public.

Although the Commission considers and approves electricity network and generation licensees' plans under the current regulatory framework, it does so in consultation with the Electricity Safety Regulator, NT WorkSafe and makes it clear to all parties that the Commission's approval does not detract from the relevant board's responsibility in relation to ensuring safety including public safety as it relates to licensed operators. When the *Electrical Safety Act 2022* commences, NT WorkSafe will be responsible for approving safety management and mitigation plans.

During 2022-23, the Commission considered and approved six new and updated safety management and mitigation plans.

### Compliance audits

One of the Commission's priorities is to monitor licensees' compliance with regulatory obligations, including ensuring regular internal audits and requiring independent audits of compliance as appropriate.

During 2022-23, the Commission required or requested (as appropriate) a number of electricity supply industry licensees undertake audits of their compliance with various regulatory obligations including but not limited to safety management and mitigation plans, electricity pricing orders, the Commission's Compliance Framework and Reporting Guidelines, and the adequacy of associated compliance systems and processes. The licensees were required or requested to submit their respective audit scope (or scopes) to the Commission for approval, along with the final reports and management responses to the findings following completion of the audits.

The Commission is actively monitoring relevant licensees' implementation of audit recommendations.

## Assessment of network outage event

The Electricity Industry Performance Code includes requirements for network performance reporting and guaranteed service levels. If a network entity does not meet the guaranteed service levels approved by the Commission it must pay affected customers an associated guaranteed service level payment. Clause 5.4 of the Electricity Industry Performance Code provides that certain network outages may be excluded from these obligations.

PWC proposed to exclude a network outage event, which occurred in the Alice Springs region on 12 November 2022, from network performance reporting and guaranteed service level payments under clause 5.4 of the Electricity Industry Performance Code. The event was a severe thunderstorm that caused extensive damage to electricity distribution infrastructure in the Alice Springs power system and resulted in prolonged network outages.

On 5 January 2023, the Commission published an assessment that verified the network event in the Alice Springs region was a statistical outlier and outside the control of PWC. The event was able to be excluded from PWC's network performance reporting and guaranteed service payments.

## Complaint investigation

Under section 48 of the *Electricity Reform Act 2000*, the Commission must investigate complaints against any electricity entity made on the grounds the entity is engaging in conduct contrary to the objects of the *Electricity Reform Act 2000* or the *Utilities Commission Act 2000*.

The Commission is exempt from investigating a complaint if it believes the complainant is not or is unlikely to be adversely affected by the alleged complaint, the complainant has not shown a genuine attempt to resolve the complaint with the electricity entity, or the complaint is frivolous or vexatious.

During 2022-23, no complaints were made to the Commission under the *Electricity Reform Act 2000* that required investigation under the legislation.

## Advice to the minister

The Commission provides independent advice to the minister on matters such as utility pricing, access to infrastructure, service quality and security of supply.

Advice to the minister can be provided:

- when the minister refers a matter to the Commission for inquiry under Part 7 of the *Utilities Commission Act 2000*, which is a public inquiry, and the Commission's final report must be tabled in the Legislative Assembly
- when the minister requests advice from the Commission in accordance with section 6(1)(g) of the *Utilities Commission Act 2000*, which may include a requirement in the terms of reference that the report setting out the Commission's findings and recommendations remains confidential to government.

The Commission is also empowered to provide advice to the minister on electricity supply industry and market policy matters, either on its own initiative or at the request of the minister, in accordance with section 45(1)(d) of the *Electricity Reform Act 2000*.

During 2022-23, no advice was requested from the Commission. However, the Commission informally provided advice and feedback to government on various electricity supply matters, including in relation to the government's electricity market reforms.

## Progress reports – Alice Springs system black incident recommendations implementation

As part of the Territory Government's response to the Commission's Independent Investigation of Alice Springs System Black Incident on 13 October 2019, a former Treasurer requested the Commission to monitor and report progress on implementing the recommended actions and other major incident reports, with the first report on progress to be published by the end of February 2020 and further reports every six months for a period of two years.

On 24 March 2021 the former Minister for Essential Services wrote to the Commission requesting it continue to report progress until all Alice Springs system black recommended actions are complete. The Commission agreed to the request.

The Commission published its sixth and seventh six-monthly reports during 2022-23, on 19 August 2022 and 23 February 2023, respectively. The 23 February 2023 progress report advised that one recommended action was still outstanding, although underway, and reiterated the Commission would continue to publish six-monthly reports until the final outstanding action is complete.





# 4 | Port access and price regulation



## Responsibilities under the *Ports Management Act 2015*

The *Ports Management Act 2015* and Ports Management Regulations 2015 (Ports Regulations) provide for the control, management and operation of ports, and for related purposes. The Minister for Infrastructure, Planning and Logistics is responsible for the *Ports Management Act 2015* and Ports Regulations.

The Commission is the regulator for Part 11 of the *Ports Management Act 2015* and Part 3 of the Ports Regulations, which establish the ports access and pricing regime for Territory ports. The access regime is of the negotiate-arbitrate type, while the pricing regime is based on price monitoring.

The object of Part 11 and the associated Ports Regulations is to promote the economically efficient operation of, use of and investment in major port facilities in the Territory by which services are provided, so as to promote effective competition in upstream and downstream markets.

Under the *Ports Management Act 2015*, a private port operator is taken to be a licensed entity for the purpose of the *Utilities Commission Act 2000*, as it applies to the regime.

The Commission regulates access to and pricing of prescribed services provided by a private port operator of a designated port, that is, DPO for the Port of Darwin.

The port services regulated by the Commission, as prescribed by Regulation 12, are:

- providing, or allowing for, access for vessels to the designated port
- providing facilities for loading or unloading vessels at the designated port
- providing berths for vessels at the designated port
- providing or facilitating the provision of pilotage services in a pilotage area within the designated port
- allowing entry of persons and vehicles to any land on which port facilities of the designated port are located.

As required by the regulatory regime, the Commission has issued a price determination and reporting guidelines, and has approved DPO's access policy for the Port of Darwin.

The Commission's role in port regulation was established with the intention of being a light-handed regulatory regime, with the threat of stronger regulation if justified.

## Review of the regime

The Commission is required to review the port access and pricing regime, in accordance with section 12 of the *Ports Management Act 2015*, three years from the appointment of a private operator and in each successive five-year period thereafter. The first review was provided to the minister in November 2018. The second review is due to be completed by November 2023.

The purpose of the review is to determine whether:

- there is a need for ongoing regulatory oversight of access to and pricing of prescribed services provided by the private port operator
- there is a need to change the form of regulatory oversight of access and if so how
- there is a need to change the form of regulatory oversight of prices and if so how

- amendments should be made to Part 11 of the *Ports Management Act 2015* or the Ports Regulations and if so the nature of those amendments.

The Commission commenced the 2023 Review of the Port Access and Pricing Regime in November 2022, with the release of an issues paper. On 8 May 2023, the Commission published the draft report. In simplified terms, the draft report recommends:

- continuing regulatory oversight of access to and pricing of prescribed services
- continuing the current form of regulatory oversight for access to prescribed services
- amending the regulations to improve the negotiate/arbitrate framework
- continuing the current form of regulatory oversight for pricing of prescribed services, with changes regarding the provision of financial accounts and the timeframe that a price determination can be in effect
- amending the legislation and or regulations to ensure all prescribed services, whether provided under a lease or not, are subject to the regulatory regime
- amending the regime to prevent an access policy permitting carve-outs from certain obligations under the legislation
- amending the regime to give the Commission oversight of the classification of services and to allow the Commission to determine non-standard services for which indicative access policy terms and indicative charges must be published
- amending the regime to give the Commission power to initiate an independent audit of compliance
- amending the regime, including relevant legislation and regulations, to improve the approach to compliance and enforcement
- amending the regime to include a process for the relevant operator or provider to report on performance against approved measures of service
- amending the relevant legislation to improve the access policy approval process.

Throughout the review, the Commission has consulted with DPO, port users and other stakeholders, including by seeking submissions on both the issues paper and draft report. The Commission received eight submissions from five stakeholders, and the submissions received will inform the Commission's final report, which will be delivered to the Minister for Infrastructure, Planning and Logistics by 15 November 2023. The minister is required to table the final report in the Legislative Assembly within seven sitting days of receipt.

## Price monitoring

The Ports Regulations require the Commission to use price monitoring as the form of price regulation for prescribed services. Price regulation only applies to standard charges for prescribed services.

Under the regime, DPO sets the prices for standard charges for prescribed services but must provide 20 days' notice to the Commission if it intends to introduce, change or remove a charge. DPO is also required to publish the changes and new charges on its website 10 days before they take effect. Consistent with its price determination, the Commission uses the national CPI to monitor and report on pricing for prescribed services at the Port of Darwin.

On 1 June 2022, DPO advised the Commission it would be increasing its standard charges for prescribed services by 5%, except for port induction fees, from 1 July 2022. This increase was lower than the national CPI for the 12 months to March quarter 2022, which was 5.1%. The Commission advised stakeholders of the tariff changes through publishing the details on its website and direct correspondence as appropriate.

In November 2022, the Commission published its 2022 Ports Price Monitoring Report, which was the fourth annual price monitoring report published by the Commission since the Port of Darwin became privately operated in November 2015. The report provides a summary to port users, industry and stakeholders of standard charges for prescribed services at the Port of Darwin, over a seven-year period. Further, it provides a summary of the revenue received by the private port operator for prescribed services.

In reviewing the standard charges for prescribed services at the Port of Darwin for the last seven years, the Commission found the annual increases in DPO's charges for prescribed services moved within a band similar to that for the change in national CPI. Since commencing as the private port operator for the Port of Darwin, DPO has met its reporting and publication requirements for pricing, in accordance with the price determination in all seven years.

## Annual report to the minister

The Commission monitors the private port operator's compliance with the access and pricing regime, and is required to report to the minister by 1 December each year about any reports received from the private port operator on material instances of non-compliance with the access policy and any instances of non-compliance with a determination made by the Commission.

The Commission reported to the minister on 6 October 2022, advising it was not aware of any material breaches by DPO in 2021-22. The report was deemed tabled in the Legislative Assembly on 23 November 2022, as required by the *Ports Management Act 2015* and subsequently published on the Commission's website.

# 5 | Water supply and sewerage services





## Responsibilities under the *Water Supply and Sewerage Services Act 2000*

The Commission is responsible for certain regulatory functions in the water supply and sewerage services industries. Its activities relate mainly to licensing, price regulation and compliance monitoring.

The *Water Supply and Sewerage Services Act 2000* regulates the Territory's water supply and sewerage services industries to:

- promote the safe and efficient provision of water supply and sewerage services
- establish and enforce standards of service in water supply and sewerage services
- facilitate the provision of financially viable water supply and sewerage services
- protect the interests of customers.

The *Water Supply and Sewerage Services Act 2000* and Administrative Arrangements Order allocate ministerial responsibility for the *Water Supply and Sewerage Services Act 2000* as:

- The Minister for Health is responsible for provisions in relation to the quality of drinking water (section 46), compliance with the minimum water quality standards (section 49(3)) and compliance with the minimum water quality monitoring program (section 50(2)).
- The Treasurer is responsible for provisions including declaration of water supply and sewerage services licence areas (sections 8 and 9), setting licence application and annual fees (sections 15(2) and 19(3)), approving varied terms or conditions of a licence (section 20(1)), approving the Commission to grant an exemption (section 26(1)), approving an authorised officer (section 35(1)), approving conditions under a licence (section 42(1), (3) and (4)), specifying minimum standards that a licensee must meet in providing water supply or sewerage services to customers (section 45(1)), issuing a pricing order to regulate the prices for the sale of water supply and sewerage services (section 60(1) and (7)), and restricting the consumption of water or use of sewerage services (section 80).
- The Minister for Essential Services is responsible for making a determination in relation to the Commission taking over operations (section 32(1) and (5)), approving a code for connections, upgrading connections and increased loads on a licensee's infrastructure (section 52(2)), appointing a services officer and associated identity card form (sections 55(1) and 57(2)), declaring a water supply or sewerage services extension area (section 61(1)), and dealing with a dispute between a licensee and agency in relation to carrying out work on public land (section 63(5), (6) and (7)).

## Licensing

The Commission issues licences to persons wishing to carry on operations in the Territory's water supply and sewerage services industries under a sole supplier model.

Specific geographical areas may be declared by the minister, by way of a notice in the Northern Territory Government Gazette, to be a water supply or sewerage services licence area pursuant to sections 8 and 9 of the *Water Supply and Sewerage Services Act 2000*.

A licence is required to provide water supply and sewerage services within an area gazetted under the *Water Supply and Sewerage Services Act 2000*.

For each water supply or sewerage service within a licence area, the Commission may only grant a single licence for each of the relevant services provided. The Commission is not empowered to issue licences to provide services that take place outside a water supply or sewerage services licence area.

The Commission must make a water supply or sewerage services licence subject to conditions approved by the minister.

At 30 June 2023, PWC held two licences under Part 2 of the *Water Supply and Sewerage Services Act 2000* for:

- water supply
- sewerage services.

A general exemption from the need to hold a licence is also in effect for entities on-supplying water services within prescribed licence areas. This is conditional on the person having been granted approval of the licensee of the water supply licence area to perform on-supply operations in the water supply licence area.

During 2022-23 there were no applications for water supply or sewerage services licences or exemptions, and no variations applied for or made to the terms and conditions of existing licences.

## Price regulation

Water supply and sewerage services prices paid by customers, whether residential or commercial, are regulated by the Territory Government through a pricing order made by the Treasurer under section 60 of the *Water Supply and Sewerage Services Act 2000*.

On 14 June 2022, the Treasurer issued a pricing order to regulate water supply and sewerage services to take effect from 1 July 2022 to 30 June 2023.

The Commission is required to enforce compliance with pricing orders as if the orders were a determination of the Commission under the *Utilities Commission Act 2000*. At 30 June 2023, the Commission was not aware of any material breaches of the pricing orders during 2022-23.

## Asset management plans

PWC is required to maintain and implement asset management plans for its water supply and sewerage services infrastructure, and each year submit an updated copy of the plan to the Commission. The Commission is not required to approve the plans, but as stated at section 48(2) of the *Water Supply and Sewerage Services Act 2000* and clause 12.1 of PWC's water supply and sewerage services licences, the purpose of the plans is to ensure optimal arrangements for creating, repairing and replacing the licensee's water supply and sewerage services infrastructure.

On 31 October 2022, PWC submitted to the Commission its water and sewerage asset management plans for the major and minor centres as required. The Commission reviewed and noted PWC's asset management plans.

## Service performance

The Commission has no role in developing service standards in the water supply and sewerage services industries.

Minimum standards that a licensee must meet in providing water supply or sewerage services to customers may be set by the Treasurer in accordance with section 45 of the *Water Supply and Sewerage Services Act 2000*.



As of 30 June 2023, no service standards have been set by the Treasurer and subsequently no service standard monitoring functions have been assigned to the Commission.

### Advice to the minister

During 2022-23, the Commission did not receive any requests from the minister for advice in relation to water supply and sewerage services.



# | A p p e n d i c e s

## Appendix A: Utilities Commission meetings and major decisions

Table A1: Commission meetings

Commission meeting	Location	Lyndon Rowe	Richard Owens
28 July 2022	Videoconference and in person	Present	Present
1 September 2022	Videoconference	Present	Present
6 October 2022	Videoconference	Present	Present
10 November 2022	Videoconference	Present	Present
7 December 2022	Videoconference and in person	Present	Present
11 January 2023	Videoconference	Present	Present
2 February 2023	Videoconference	Present	Present
22 March 2023	Videoconference and in person	Present	Present
4 May 2023	Videoconference	Present	Present
8 June 2023	Videoconference	Present	Present

Table A2: Major decisions

Date	Agenda item	Item	Industry
16 Aug 2022	OOS no. 2	Approved the sixth Progress Report: Implementation of Recommendations – Alice Springs System Black Incident on 13 October 2019	Electricity
1 Sept 2022	2.5	Approved the proposed safety management and mitigation plan for BSF Co Pty Ltd and HCPS Co Pty Ltd	Electricity
24 Sept 2022	OOS no. 3	Approved the 2021-22 Annual Report, including publication	All
6 Oct 2022	2.1	Approved Assure Energy Asset Pty Ltd's updated safety management and mitigation plan	Electricity
	2.3	Approved the Commission's submission to the Northern Territory Electricity System and Market Operator Communications Guidelines Draft Determination	Electricity
	2.4	Approved the Annual Report on Material Instances of Non-compliance with the Ports Access Policy and Determination for 2021-22	Ports
31 Oct 2022	OOS no. 4	Approved the draft decision for the Electricity Retail Supply Code review, including publication	Electricity
10 Nov 2022	2.1	Approved the Annual Compliance Monitoring Report for 2021-22, including publication	Electricity, Water and Sewerage
	2.2	Approved the 2022 Ports Price Monitoring Report, including publication	Ports
	2.3	Approved the issues paper for the 2023 Review of the Port Access and Pricing Regime, including publication	Ports
	2.4	Approved the proposed safety management and mitigation plan for ENEK, ENEB and ENEMD	Electricity
	2.8	Approved Territory Generation's updated safety management and mitigation plan	Electricity
7 Dec 2022	2.3	Approved PWC's updated safety management and mitigation plan	Electricity
30 Dec 2022	OOS no. 6	Approved the Assessment of Network Outage Event on 12 November 2022 – PWC, including publication	Electricity
17 Jan 2023	OOS no. 7	Approved the Proposed Network Target Standards 2024-29 Consultation Overview, including publication	Electricity
19 Jan 2023	OOS no. 8	Approved the suspension of QEnergy Limited's retail licence	Electricity
29 Jan 2023	OOS no. 9	Approved the methodology and assumptions for the 2022 NTEOR	Electricity
2 Feb 2023	2.3	Approved endorsement of Rimfire Energy's proposed scope to undertake an audit of compliance with its retail licence and the Compliance Framework and Reporting Guidelines	Electricity
	2.4	Approved a generation licence be issued to DIA for the generation of electricity at the Darwin International Airport precinct	Electricity
11 Feb 2023	OOS no.10	Approved the draft decision for the Electricity Industry Performance Code review, including publication	Electricity
20 Feb 2023	OOS no. 11	Approved the seventh Progress Report: Implementation of Recommendations – Alice Springs System Black Incident on 13 October 2019	Electricity
8 March 2023	OOS no. 13	Approved PWC's proposed network target standards 2024-29	Electricity

continued

Date	Agenda item	Item	Industry
22 March 2023	2.1	Approved a variation to the three generation licences held by ENEK, ENEB and ENEMD	Electricity
	2.2	Approved the Township of Nhulunbuy Guaranteed Service Level Performance Report, including publication	Electricity
	2.4	Approved the 2021-22 Northern Territory Electricity Retail Review, including publication	Electricity
4 April 2023	OOS no. 14	Approved PWC's pricing proposal for 2023-24 System Control and Market Operator charges	Electricity
18 April 2023	OOS no. 15	Approved the draft decision for the Review of the Northern Territory Electricity Supply Licensing Regime (scope and design), including publication	Electricity
4 May 2023	2.2	Approved the Proposed System Control Technical Code Amendments (Power System Incident Reporting Procedures) Consultation Overview, including publication	Electricity
	2.3	Approved the 2023 Review of the Port Access and Pricing Regime Draft Report, including publication	Ports
	2.4	Approved endorsement of PWC's Multi-year Audit Plan and proposed scope to undertake an audit of compliance with the Metering Code	Water and Sewerage
16 May 2023	OOS no. 16	Approved the 2021-22 NTPSPR, including publication	Electricity
19 May 2023	OOS no. 18	Approved the final decision for the Electricity Industry Performance Code review, including publication	Electricity
4 June 2023	OOS no. 19	Approved the final decision for the Electricity Retail Supply Code review, including publication	Electricity
8 June 2023	2.2	Approved BSF Co Pty Ltd and HCPS Co Pty Ltd's updated safety management and mitigation plan	Electricity
	2.3	Approved the 2023 stakeholder survey, including publication	All
	2.4	Approved publication of the statement regarding Port of Darwin changes to standard charges for prescribed services	Ports
	2.5	Approved the Electricity Industry Performance Code – Direction June 2023 (transitional matters), including publication	Electricity
27 June 2023	OOS no. 21	Approved the 2022 NTEOR, including publication	Electricity

OOS: out of session

## Appendix B: Expenditure and receipts

The Commission is established as a separate administrative unit within the Department of Treasury and Finance. The Commission does not separately compile its own financial statements but its activities are included in the consolidated financial statements provided in the Department of Treasury and Finance's Annual Report.

This appendix publishes the Commission's expenditures funded directly from consolidated revenue, through the Department of Treasury and Finance, as well as the associated receipts.

Table B1: Expenses by category of cost

	2022-23	2021-22
	\$000	\$000
<b>EMPLOYEE EXPENSES</b>	<b>773</b>	<b>625</b>
<b>GENERAL EXPENSES</b>	<b>486</b>	<b>508</b>
Regulatory/Commission expenses	149	145
Expert advice (including legal)	293	334
Office expenses and administration	39	27
Recruitment and training	5	2
<b>TOTAL EXPENSES</b>	<b>1 259</b>	<b>1 133</b>

Table B2: Licence fees and charges

	2022-23	2021-22
	\$000	\$000
<b>FEES AND CHARGES</b>		
Licence application fees	1	7
Electricity licence fees	477	498
Water and sewerage licence fees	50	50
<b>TOTAL REVENUE</b>	<b>528</b>	<b>555</b>

Notes: Section 19 of the *Utilities Commission Act 2000* provides that, unless otherwise directed by the minister, fees and other monies received by the Commission are paid into the Consolidated Revenue Account. No such direction has been issued.

The licence fee schedule was approved by the minister effective 1 July 2013.

## Appendix C: Advisers to the Utilities Commission

In 2022-23, the Commission used the services of various consultants. Total fees paid to consultants or on legal advice was \$0.293 million, compared with \$0.334 million in the previous year.

The Commission engaged the following consultants in 2022-23:

- Australian Energy Market Operator to assist the Commission with the development of and modelling undertaken for the 2022 NTEOR
- Allens to provide legal advice on various regulatory issues in the electricity supply industry.

## Appendix D: Publications and reports

Table D1: During 2022-23, the Commission published the following reports and documents

Date released	Publication
August 2022	Progress Report: Implementation of Recommendations – Alice Springs System Black Incident on 13 October 2019 (sixth report)
October 2022	Annual Report 2021-22
November 2022	2022 Ports Price Monitoring Report Annual Compliance Monitoring Report 2021-22 Draft Decision – Electricity Retail Supply Code Review Issues Paper – 2023 Review of the Port Access and Pricing Regime
January 2023	Assessment of Network Outage Event on 12 November 2022 – Power and Water Corporation Proposed Network Target Standards 2024-29 Consultation Overview
February 2023	Draft Decision – Electricity Industry Performance Code Review Progress Report: Implementation of Recommendations – Alice Springs System Black Incident on 13 October 2019 (seventh report)
March 2023	2021-22 Northern Territory Electricity Retail Review Decision to approve a generation licence – Darwin International Airport Pty Limited Decision – Proposed network target standards 2024-29 – Power and Water Corporation Township of Nhulunbuy Guaranteed Service Level Performance Report 2021-22
April 2023	Draft Decision – Review of the Northern Territory's Electricity Supply Licensing Regime (scope and design)
May 2023	Proposed System Control Technical Code Amendments (Power System Incident Reporting Procedures) Consultation Overview Draft Report – 2023 Review of the Port Access and Pricing Regime 2021-22 Northern Territory Power System Performance Review
June 2023	Utilities Commission 2023-24 Priorities Final Decision – Electricity Industry Performance Code Review Final Decision – Electricity Retail Supply Code Review 2022 Northern Territory Electricity Outlook Report

These publications can be viewed on the Utilities Commission's website: [utilicom.nt.gov.au](https://utilicom.nt.gov.au).



