



Ref. CBD.LT.6337.UCNT.SR

28<sup>th</sup> October 2020

Utilities Commission NT  
Level 8, TIO Building  
24 Mitchell St  
DARWIN NT 0800  
Via email: Utilities.Commission@nt.gov.au

Dear Utilities Commission,

### **Submission on Electricity Industry Performance Code Review**

Eni Australia Limited (EAL) thanks the Utilities Commission for the opportunity to provide a submission relating to issues raised in Electricity Industry Performance Code Review.

The Eni group has been present in Australia through its subsidiaries since year 2000. Eni Australia BV is the operator and 100% owner of the Blacktip Gas Project which has supplied domestic gas to the NT since 2009. In January 2019, EAL completed the acquisition of a construction-ready solar photovoltaic (PV) project near Katherine, from Katherine Solar Pty Ltd, a joint venture between Australia's Epuron and the UK-based Island Green Power. In October 2019, EAL completed the acquisition of two further construction-ready solar photovoltaic (PV) projects at Batchelor and Manton Dam, from NT Solar Investments Pty Ltd, a wholly owned subsidiary of Australia's Tetris Energy.

Of the questions raised in this review document, only two appear relevant to EAL, as follows:

**Question 11** *Are the current Schedule 2 generation services performance indicators appropriate for current and future generators, including renewable energy and batteries, and why?*

We can only comment on renewable energy and batteries. The Utilities Commission (UC) and Power and Water Corporation (PWC) have made it clear that it does not consider renewable energy facilities to be firm sources of generation and they should not be relied upon for the provision of Essential System Services (ESS). Indeed, renewable energy plants must pay others to provide ESS instead. Therefore, it would seem that the provision of this type of information would add no benefit to power system security from a solar farm, or a battery, that is not being paid for the provision of ESS and does not provide firm supply.

In our view, only those generators paid for the provision of ESS should report on these benchmarks, as other generators are evidently not being called upon for the maintenance of power system security. Put another way, if a generator is being asked to report on performance metrics due to that generator having some beneficial impact on power system security in the course of its normal and proper operation, then they should also be paid for providing that security benefit to the power system, as others do.



It is untenable to require a generator to report on performance metrics if it is being concurrently told that it does not provide any ESS, or indeed somehow has a detrimental impact on power system security (or strength) and it must pay others to provide the services that the regulator considers are necessary to the provision of a secure power system, however untrue such claims may be.

The addition of generators to a power system should only improve its reliability, security and quality of supply. If they do not, then there is likely to be a problem with how the power system is controlled in a technical sense. An example of this could include the legacy control of system frequency, which in the DKIS appears to be conducted on such a slow basis as to be inappropriate for this size of power system. The shortcomings of this type of control system require so much inertia as to make it difficult to accommodate renewables and unfortunately the renewables are then unreasonably curtailed, including through the application of onerous, unprecedented and indefensible forecasting requirements.

If power system frequency was properly controlled, none of this would be necessary and generators being paid for ESS should report on the speed by which they control frequency, as measured on their terminals, in order to allow the power system to operate with much lower inertia.

**Question 12** *If the current Schedule 2 generation services performance indicators are not appropriate for current and future generators, including renewable energy and batteries, what indicators should the commission consider, and why?*

In the absence of payment for ESS, it is not clear why generators should provide any performance indicators, as it can only be presumed that they are not providing any security, reliability or quality benefit to the power system. Therefore, their physical performance is immaterial to the power system.

To the extent that a generator does not comply with any technical aspect of its connection that may actively weaken the power system, then that would be considered a non-compliance with the provisions of either the Network Technical Code (NTC) or the Secure System Guidelines (SSG) and those matters should be dealt with through those mechanisms. These provisions are the responsibility of the Generator to report to the System Controller and should be reported to the Commission through that avenue, if desired.

An example of where this will occur is the *automatic access standard* of clause 3.3.5.17 of the Network Technical Code, if a generator attempts to provide a non-zero forecast. According to the provisions and definitions of that clause, a generator who is yet to be dispatched at time  $t=0$ , must always provide a firm offer of zero MW as it will have a minimum generation capacity of zero over this time period ( $t=0$  to  $t=5$ mins) due to the fact that it hasn't been dispatched or started yet and therefore cannot produce any capacity at all at time  $t=0$ . As all previous forecasts for this interval cannot exceed the firm offer, they must also have been zero. Indeed, as a generator may be stopped by the System Controller at any time, it must always forecast a capacity of zero MW as that may be the minimum capacity of that generator during any interval due to that fact, as dispatch decisions are outside its control yet clearly impact capacity, according to the definitions in that clause.



Therefore, the provision of non-zero capacity forecasts will result in non-compliance with the provisions of this Clause. While PWC has discretion to vary dispatch according to start times or ramp rates, it does not have discretion to overlook non-compliance with the provisions of the clause itself. Indeed, PWC has not year made clear how dispatch will be effected when every generator provides a forecast of zero MW but the inevitable non-compliance with the NTC or SSG of going above a forecast of zero MW should be reported to the UC through PWC, as the provisions of those clauses are their responsibility to defend in terms of their impact on the provision of a secure, reliable and cost effective power system. In respect of this clause, both they and the UC have consistently ignored the overwhelming feedback they have received from industry stakeholders. This has led to the current position where EAL faces the potential of ongoing curtailment from its solar farms of up to nearly 100% of their output, unless they are dispatched normally despite providing a continuous capacity forecast of zero MW, in order to comply with clause 3.3.5.17 of the NTC.

***Network Connection***

In addition to the above, there don't appear to be any metrics in this document for delays caused by PWC to the connection of new generators to the network. These delays can be very significant and with severe consequences the generation plant, despite the fact that connection works represent a smaller percentage of the cost, complexity or effort required to construct the actual generation plant. There currently is no accountability mechanism dealing this such issues. Delays of this order are unacceptable and must be, at minimum, publicly reported on to help prevent them reoccurring.

If you have any questions on this submission, please contact Antony Piccinini at +61 400 345455. We are pleased to be a part of the transition to renewable energy in the Northern Territory. Please do not hesitate to contact us for further information.

Yours sincerely,

Simone Rizzi  
Commercial and Renewables Manager