

Friday, 16 June 2023

Rosalyn Malyon
Assistant Director Utilities Commission
Utilities Commission of the Northern Territory
Level 11, Charles Darwin Centre
19 The Mall
Darwin NT 0800

By email: Utilities.Commission@nt.gov.au

Dear Rosalyn,

Subject: Submissions to Draft Decision: Review of the Northern Territory's Electricity Licensing Regime

Rimfire Energy ("Rimfire") welcomes the opportunity to provide its comments to the Utilities Commission ("Commission") regarding the *Draft Decision: Review of the Northern Territory's Electricity Licensing Regime*.

Comments on Draft Decision:

Topic: ***Emerging technologies and business models (Chapter 4)***

- Rimfire supports the Commission's consideration for adopting a case-by-case approach to balance the costs and benefits of licensing for emerging technologies and business models, and the proposal to classify energy storage systems as generation. Rimfire supports such balancing where it facilitates the removal existing barriers to entry, and does not introduce new barriers to entry for emerging technologies that are widely recognised as being increasingly integral to the energy transition.
- In relation to a generation licence (or exemption) for a virtual power plant (VPP), Rimfire suggests that a broad definition of a VPP be developed in order to provide some certainty of licencing requirements and compliance obligations to entities investigating such emerging technologies and business models associated with VPPs. With any such definition to be consistent with the current small scale renewable energy (SSRE) capacity threshold of 2 MW to:
 - facilitate development of small scale pilot VPP projects across all NT regulated networks;
 - align with the Commission's proposed retention of the threshold for the proposed Small Scale Generation (SSG) exemption; and
 - avoid a negative investment signal to developers &/or commercial/industrial consumers seeking to develop VPPs in the Northern Territory.

Rimfire Energy Pty Ltd

ABN 81 160 378 941

enquiries@rimfireenergy.com.au www.rimfireenergy.com.au

60 McMinn Street, Darwin NT 0800
GPO Box 2136 Darwin NT 0801
(08) 8943 0650



- In relation to owners and operators of generation, Rimfire notes *'the Commission proposes VPPs or other business models that aggregate and control the operation of distributed generation assets be classified as generation and the operator will be required to hold a generation licence or individual exemption for these operations'*. Rimfire suggests that requiring both the owner and operator of small scale VPPs or other aggregated distributed generation that are less than 2 MW to hold a licence (or exemption) may act as a barrier to entry. Rather, Rimfire suggests an either / or approach whereby either the owner or the operator be required to hold a generation licence (or exemption) but not both as this would result in unnecessary and potentially duplicated compliance costs to such emerging technologies and business models, and may become a barrier to future investments in the NT.
- In relation to the selling of electricity for EV recharging, Rimfire notes that a class exemption for the selling of electricity by EV recharging stations that does not comply with the Electricity Pricing Order (EPO) will have upstream electricity supply from a retailer to the EV charging station which will comply with the EPO, resulting in the NT Government's Community Service Obligation (CSO) subsidising electricity that is on-sold to electricity consumers at tariffs above the EPO.
- In relation to the SSRE and future SSG, Rimfire suggests the Commission's proposal to clarify that the exemption does not cover third party ownership of SSG operations, may unintentionally restrict how consumers fund the purchase and installation of small scale renewable assets that are contemplated solely or primarily for on-site supply, and therefore act as a barrier to small scale renewable systems in the NT.

Regards,

Kim Howlett

Rimfire Energy Pty Ltd