



NT Electricity Supply Licensing Review: Stage 2 July 2023 Standard licence conditions

Proposed changes		Question as set out in Consultation Paper	Jacana Energy's response
Chapter 2 Standard administrative conditions – all licences			
Q1.	Proposed standard administrative licence conditions.	<ul style="list-style-type: none"> Do stakeholders have feedback and comments on the proposed standard administrative conditions? 	<ul style="list-style-type: none"> Jacana Energy does not have any feedback or comments on the proposed standard administrative conditions.
Chapter 3 Standard general conditions – all licences			
Q2.	<ul style="list-style-type: none"> <u>Responsibility for operating contractors</u> <ol style="list-style-type: none"> If the licensee engages a contractor or other party to perform any operations covered by this licence (operating contractor), the licensee remains responsible for ensuring that all operations covered by this licence comply with the conditions of this licence regardless of who carries out those operations. The licensee must use best endeavours to ensure each operating contractor engaged by the licensee complies with the conditions of this licence to the extent that such conditions are relevant to that operating contractor. 	<ul style="list-style-type: none"> Do the proposed conditions appropriately reflect and address the risks and accommodate the benefits of contracting out operations covered by a licence? 	<ul style="list-style-type: none"> Jacana Energy is generally of the view that the proposed conditions appropriately reflect and address the risks and accommodate the benefits of contracting out operations covered by a licence. However, Jacana Energy has some particular views in relation to the other proposed references to 'operating contractors' in other conditions which are set out in its response to question 3 below.
Q3.	Information to the Utilities Commission <ul style="list-style-type: none"> <u>Annual return</u> The licensee must lodge an annual return by 1 August each year. The annual return must contain such information as specified by the 	<ul style="list-style-type: none"> Do the proposed changes improve transparency on requirements and apply reasonable timeframes 	<p>Jacana Energy is generally of the view that the proposed changes improve transparency on requirements but has some specific comments in relation to the each of the conditions.</p>

<p><i>Utilities Commission</i> by written notice. At a minimum, the licensee will be required to provide information on:</p> <ul style="list-style-type: none"> (a) key contact person/s regarding the licensed operations; and (b) details of electricity supply operations for use in the calculation of licence fees. <ul style="list-style-type: none"> • <u>Change in circumstances</u> The licensee must give a notice in writing to the <i>Utilities Commission</i> if: <ul style="list-style-type: none"> (a) there is a change in the identity of any operating contractor engaged by the licensee to perform operations covered by this licence within 10 <i>business days</i> of that change; (b) the licensee or an operating contractor is put under external administration as defined by the <i>Corporations Act 2001 (Cth)</i>, within 2 <i>business days</i> of that external administration occurring; (c) an application is made to, or an order is made by, a court for the winding up or dissolution or a resolution is passed, or any steps are taken to pass a resolution for the winding up or dissolution of the licensee or an operating contractor in accordance with relevant legislation including the <i>Bankruptcy Act 1996 (Cth)</i> or <i>Corporations Act 2001 (Cth)</i>, within 2 <i>business days</i> of that event occurring; (d) there is a change to the financial or technical capacity of the licensee or an operating contractor, such that the licensee's capacity to carry on operations or comply with obligations under this licence may be materially affected, within 10 <i>business days</i> of that change. 	<p>for the provision of information? Is there other information that the Commission should consider including in the conditions?</p>	<ul style="list-style-type: none"> • <u>Annual Return</u> Jacana Energy supports the improved transparency in relation to the information that is required to be included in an annual return and the date by which the annual return should be submitted by all licensees. However, as the <i>Utilities Commission Compliance Framework and Reporting Guidelines</i> sets out a detailed description of the information that should be included in an annual return (depending on the particular activity the licence relates to), Jacana Energy is of the view that, for clarity, the standard licence condition should either include a detailed description of the information or reference the <i>Compliance Framework and Reporting Guidelines</i>. Jacana Energy proposes that the Commission consider whether the Annual Return could be submitted as part of the Annual Compliance Report by 31 August each year. This would result in Licensees only having one deadline to submit their annual documents to the Commission. • <u>Change in circumstances</u> Jacana Energy is of the view that the change in circumstances provisions should only apply to operating contractors where a licence was granted to a licensee who didn't have the technical capability itself to undertake the operations granted by the licence and instead specifically relies on an operating contractor. It should be the licensee's responsibility to manage its operating contractors as part of its day to day operations and reporting changes in circumstances in relation to its operating contractors to the Commission will result in an administrative burden to the licensee and will require the licensee to impose contractual obligations on its operating contractors to provide the licensee with the information required by this clause. Further, Jacana Energy is of the view that this could act as a barrier to competition in the Territory. In addition, Jacana Energy is of the view that there should be further clarity around what constitutes an 'operating contractor' which should include a materiality threshold so that the obligations don't apply to all contractors engaged by the licensee.
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<ul style="list-style-type: none"> • <u>Change in officers</u> The licensee must give a notice in writing to the <i>Utilities Commission</i> of any change of directors or Board members, Chief Executive Officer, Chief Financial Officer, and Company Secretary (or equivalent positions) as well as the key contact person/s of the licensee within 20 <i>business days</i> of that change. • <u>Change in shareholders (if applicable)</u> The licensee must give a notice in writing to the <i>Utilities Commission</i> of any change in the shareholding of the licensee resulting in the transfer of more than 50% of the shares in the licensee to a third party or a change in the entity that exercises control over the licensee within the meaning of section 50AA of the <i>Corporations Act 2001 (Cth)</i>, within 20 <i>business days</i> of that change. • <u>Other information</u> The licensee must, from time to time, provide the <i>Utilities Commission</i>, in a manner and form to be determined by the <i>Utilities Commission</i>, such information as the <i>Utilities Commission</i> may request. • <u>Information to the System Controller</u> The licensee must, from time to time, provide the <i>System Controller</i> such information as the <i>System Controller</i> may request in accordance with the <i>System Control Technical Code</i>. 		<ul style="list-style-type: none"> • <u>Changes in officers</u> Jacana Energy supports a condition that clearly sets out which changes need to be notified to the Commission. However, Jacana Energy is of the view that more clarity should be provided regarding who would constitute 'key contact person/s of the licensee'. Jacana Energy queries whether this a reference to the nominated and alternative contact officer provided on the licence application. • <u>Changes in shareholders (if applicable)</u> Jacana Energy does not have any feedback or comments on the proposed standard changes in shareholders condition. • <u>Other information</u> For clarity, Jacana Energy propose that this licence condition should be renamed as 'Provision of information to the Utilities Commission'. • <u>Information to the System Controller</u> Jacana Energy supports the inclusion of a standard condition that provides that information is to be provided to the System Controller where the System Controller requests information in accordance with the System Control Technical Code.

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Q4.	<ul style="list-style-type: none"> <u>Compliance with regulatory instruments</u> The licensee must, as amended from time to time, comply with: <ol style="list-style-type: none"> all applicable laws all applicable provisions of a code or rule made under the <i>Utilities Commission Act 2000</i> or the <i>Electricity Reform Act 2000</i>; any applicable protocol, standard or code applying to the licensee under the Regulations or the <i>Utilities Commission Regulations 2001</i>; and any guideline made under a code, the Regulations or the <i>Utilities Commission Act 2000</i>. “Applicable laws” has been added to the Definitions list and is defined to include the <i>Electricity Reform Act 2000</i>, the <i>Regulations</i> and any technical requirements or standards contained in the <i>Regulations</i>, the <i>Pricing Order</i>, the <i>National Electricity (Northern Territory)(National Uniform Legislation) Act 2015</i> and the <i>Electrical Safety Act 2022</i>. 	<ul style="list-style-type: none"> Do the proposed conditions clearly and sufficiently set out the types of regulatory instruments that licensees must comply with? 	<ul style="list-style-type: none"> <u>Definition of ‘applicable laws’</u> Jacana Energy supports the inclusion of a definition of ‘applicable laws’ and the removal of references to the repealed <i>Electricity Network (Third Party Access) Act</i> and the <i>Network Access Code</i>. However, Jacana Energy suggests that the <i>Utilities Commission Act 2000</i> and the <i>Utilities Commission Regulations 2001</i> are expressly included in the definition of ‘applicable laws’ as they are expressly referred to in the standard licence conditions. <u>Inclusion of compliance with Guidelines</u> Jacana Energy's preference is that compliance with guidelines is not made mandatory as there is a need for, and benefit to having, 'guidance' documents (noting that Jacana Energy currently endeavours to comply with all relevant guidelines that provide guidance to the holders of retail licences). However, if mandatory compliance with some guidelines is required, Jacana Energy prefers the approach adopted in the National Electricity Market which generally provides that a Guideline is not mandatory unless it is specified in the Law or the Rules to be mandatory. It follows that the Act or Code (or even the Guideline itself) could specify whether or not compliance is mandatory. It appears from the explanatory comments in the Consultation Paper that the reference to 'Regulations' in paragraph (d) is a reference to regulations made under the UC Act. However, paragraph (d) references the defined term ‘Regulations’ which are Regulations made under the Electricity Reform Act. A way to ensure clarity is to include a definition of ‘guideline’ in a similar way to how ‘code’ is defined. If the Commission is going to require mandatory compliance with Guidelines, each guideline will need to be reviewed carefully. In particular the Compliance Framework and Reporting Guideline will need to be reviewed and amended so that it is drafted as a guideline that needs to be mandatorily complied with.
Q5a	<p>Compliance process and reporting</p> <ul style="list-style-type: none"> <u>Compliance process</u> 	<ul style="list-style-type: none"> Do the proposed changes improve transparency on requirements and apply reasonable timeframes 	<p>Compliance process</p> <ul style="list-style-type: none"> In the Consultation Paper, the Commission has provided that the Compliance Framework and Reporting Guidelines require reporting of any instances of non-compliance. However, it is important to note that the Guideline refers to non-compliances of the obligations (i.e. the

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<p>1. Establishment and maintenance of a compliance process</p> <p>(a) Within 3 months of issue of this licence, the licensee must establish, document, maintain and comply with appropriate auditable internal policies, procedures, and systems (“compliance process”) for ensuring that it complies with its obligations under this licence, and all applicable laws, codes, rules, standards or guidelines.</p> <p>(b) The compliance process must include policies, procedures, and systems for:</p> <p>(i) training of employees about the obligations of the licensee under this licence;</p> <p>(ii) regular internal audit by the licensee of its compliance with its obligations under this licence;</p> <p>(iii) regular reporting to, and consideration by, the Board of the licensee concerning compliance with the obligations of the licensee under this licence;</p> <p>(iv) dealing with any complaints made by a customer or other third party to the licensee in connection with non-compliance by the licensee with its obligations under this licence;</p> <p>(v) detecting and reporting to the Utilities Commission any breach of the compliance procedures.</p> <p>(c) The Utilities Commission may (after giving reasonable notice to the licensee) require the licensee to</p>	<p>for the provision of information on instances of non-compliance?</p>	<p>applicable obligations from the relevant regulatory instruments that the licensee is required to comply with as a result of holding a licence) and this proposed licence condition appears to be relating to a breach of the compliance procedures which seem to be broader than a breach of an applicable obligation.</p> <ul style="list-style-type: none"> • Consequently, Jacana Energy proposes that paragraph (b)(v) instead reference any material breach of the licensee's compliance with its obligations under this licence (noting this would be consistent with the rest of paragraph (b)). • In addition and for the same reasoning discussed in relation to paragraph (b)(iii), Jacana Energy also proposes that paragraph (b)(v) is amended to reference a breach of the licensee's compliance with its obligations under the licence (as opposed to a breach of the compliance procedures).

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<p>demonstrate to the Utilities Commission's satisfaction that:</p> <ul style="list-style-type: none"> (i) the licensee's compliance procedures are adequate; and/or (ii) the licensee is complying with its compliance procedures. <p>(d) Any notification made by the Utilities Commission to the licensee concerning the Utilities Commission's opinion of the adequacy of the compliance process of the licensee will not affect the licensee's obligations under this licence.</p> <p>2. Independent audit</p> <ul style="list-style-type: none"> (a) Upon reasonable notice to a licensee, the Utilities Commission may appoint, or require the licensee to appoint, an independent auditor to undertake an audit of the licensee's compliance with any of its obligations under this licence (independent audit). (b) The licensee must consult with, and gain the approval of, the Utilities Commission for its preferred independent auditor and proposed scope for the audit. (c) The scope of the audit and the standards or requirements to apply to an independent audit must comply with any guidelines published by the Utilities Commission from time to time. In the absence of guidelines, the scope and standards or requirements will be determined by the Utilities Commission in consultation with the licensee. Where the Utilities Commission appoints the auditor, the 		

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<p>Utilities Commission will nominate the standards or requirements.</p> <p>(d) The licensee must cooperate with any reasonable requests made by the independent auditor in undertaking the audit.</p> <p>(e) The licensee will be responsible to pay the costs of undertaking the audit.</p> <ul style="list-style-type: none"> • <u>Compliance reporting</u> <ol style="list-style-type: none"> 1. Notification of material non-compliance (material breach) <ol style="list-style-type: none"> (a) The licensee must notify the Utilities Commission if it commits a material breach of an applicable regulatory obligation within 2 business days of becoming aware of that breach. (b) Following the initial notification, the licensee must advise the Utilities Commission, within 20 business days or other such time as agreed by the Utilities Commission, of the circumstances of, and reasons for, the material breach, consequences of the breach and remedial action that is being undertaken to rectify the breach. (c) The notification of material breaches, including the assessment of which breaches are a material breach, must be undertaken in accordance with any reporting guidelines published by the Utilities Commission from time to time. 2. Annual compliance report <ol style="list-style-type: none"> (a) A licensee must provide an annual report to the Utilities Commission describing the measures taken by the 		

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	<p>licensee to ensure compliance with its obligations and identifying all instances (material and non-material) of non-compliance (annual compliance report).</p> <p>(b) The annual compliance report must be in accordance with any reporting guidelines published by the Utilities Commission from time to time.</p> <p>(c) The annual compliance report, and the Utilities Commission's assessment of compliance, may be made publicly available by the Utilities Commission.</p>		
Q5b	See above.	<ul style="list-style-type: none"> Is there other information that the Commission should require in relation to a material breach? 	<ul style="list-style-type: none"> Paragraph 1(c) of the Compliance Reporting licence condition provides that the assessment of which breaches are material must be undertaken in accordance with any reporting guideline published by the Commission from time to time. The Compliance Framework and Reporting Guideline currently provides guidance on when a breach is considered to be material is set out in Appendix A to the guideline, however Appendix A does not refer to 'material' breaches but does refer to breaches with a major impact. If the licence conditions are to oblige a licensee to assess whether a breach is a material breach in accordance with a reporting guideline, then the guideline needs to provide a clear approach to the assessment of materiality. Jacana Energy notes that the approach taken in South Australia by ESCOSA in the Compliance Systems and Reporting Energy Industry Guideline No 4¹ is that material breaches are breaches of: <ul style="list-style-type: none"> 'Type 1' obligations which are identified in Annexure A to the Guideline; an obligation that the Commission or a licensee otherwise considers to be 'material'. <p>The Guideline further provides that:</p> <p><i>"An indicative list of Type 1 obligations are set out in relevant section of Annexure A. In determining whether other obligations are "material" and therefore Type 1 obligations, a licensee should consider:</i></p>

¹ [20220727-Energy-ComplianceSystemsReporting-GuidelineNo4.pdf.aspx \(escosa.sa.gov.au\)](https://www.escosa.sa.gov.au/20220727-Energy-ComplianceSystemsReporting-GuidelineNo4.pdf.aspx)

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			<p>(a) <i>the impact of the breach of that obligation on consumers</i></p> <p>(b) <i>whether the breach of the obligation has a financial impact on consumers;</i></p> <p>(c) <i>the number of consumers affected, and</i></p> <p>(d) <i>the potential (and actual) impact on safety and risk to the public."</i></p> <p>Jacana Energy is of the view that this approach creates more clarity around what should constitute a 'material' breach.</p>
Chapter 4 Standard conditions – retail licences			
Q6	<p>Existing licence conditions not included in standard conditions</p> <ul style="list-style-type: none"> <u>Standards of service and other matters relating to contestability</u> From 1 April 2020, all customers became contestable customers; there are now no longer any non-contestable customers. Some retail licences still include references to non-contestable customers and to arrangements relating to the transition of non-contestable customers to contestable customers. These are no longer relevant given the passage of time and the existence of standards and requirements under the Commission's Electricity Retail Supply Code (ERS Code) and EIP Code. Accordingly, conditions relating to standards of service existing at the date of issue of a licence and the continuation of terms and conditions for transitioning (to contestable) customers for a grace period are excluded from standard conditions. <u>Coordination agreement</u> The Commission's ERS Code requires that for electricity networks where the National Electricity (Northern Territory) (National 	<ul style="list-style-type: none"> Do stakeholders have any comments or feedback on existing licence conditions that are proposed to be excluded from the standard retail conditions or the existing licence conditions to be included in the standard retail conditions without change? 	<ul style="list-style-type: none"> <u>Standards of service and other matters relating to contestability</u> Jacana Energy supports the removal of licence conditions referring to 'non-contestable customers' and 'contestable customers'. Jacana Energy notes that some licences include specific obligations relating to 'contestable' customers and assumed that these may, in some circumstances, be retained but the references to 'contestable customers' will be replaced with references to 'customers'. For example condition 21 of Jacana Energy's licence sets out an obligation to offer to sell to 'out-of-contract contestable customers'. <u>Coordination Agreement</u> Jacana Energy agrees to the removal of the 'coordination agreement' standard condition in retail licences.

<p>Uniform Legislation) Act 2015 applies (presently, the Darwin-Katherine, Alice Springs, and Tennant Creek power systems), the network provider and the retailer must enter into a coordination agreement for the provision of network access services and the coordination of various matters (refer clause 4.1). Currently, retail and network licences contain conditions duplicating this requirement, which aligns with section 28(1)(j) of the ER Act; however, the ER Act does not require that a retail licence includes this condition, giving the Commission discretion about how it chooses to impose such a requirement.</p> <p>To remove duplication, ensure consistency in requirements and minimise administration, the Commission proposes requirements relating to coordination agreements will only be contained in the ERS Code. While there will be no direct reference to the requirement for a coordination agreement in either retail or network licences, licensees must comply with the ERS Code (in accordance with the general conditions of a licence – refer standard general conditions in the previous chapter). The Commission notes that under the ERS Code, holders of retail licences are not required to enter into a coordination agreement if they have no customers.</p> <p>This reflects the fact that some licence holders are not currently active in the Territory's retail market and in that case a coordination agreement has no purpose.</p> <ul style="list-style-type: none"> • <u>Statement of charges</u> Retail licences currently require a retailer to, if requested by a customer, display separately in the customer's statement of charges (bill) the amount charged for electricity consumed and the total amount charged for network services. The condition only provides for the customer to 		<ul style="list-style-type: none"> • <u>Statement of charges</u> Jacana Energy agrees to the removal of the 'statement of charges' standard condition in retail licences.
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<p>request the separation of charges at the time of entering into a contract with a retailer.</p> <p>The Commission notes the regulated (EPO) tariff is a bundled tariff so it would not be possible to separate out these components for small customers. Accordingly, application of the condition is limited to large customers who are not covered by the EPO. These customers negotiate a supply agreement with their retailer and can include any requirements in relation to billing during that process. As such, the Commission considers the condition unnecessary and proposes not to include it in the standard retail conditions.</p>		
<p>Unchanged conditions</p> <ul style="list-style-type: none"> • <u>Adequate supply arrangements</u> The licensee must take reasonable steps to ensure that it has in place at all times arrangements to provide a supply of electricity that is safe, reliable and of a satisfactory quality to its customers. • <u>Disconnection</u> The licensee must not disconnect or discontinue the supply of electricity, or take any action that may lead to the disconnection or discontinuance of the supply of electricity to a <i>customer</i>, except in accordance with the disconnection procedures prescribed in the <i>System Control Technical Code</i>, where it applies, or otherwise in accordance with the <i>customer's</i> contract. 		<p>Unchanged Conditions</p> <ul style="list-style-type: none"> • <u>Adequate supply arrangements</u> Section 28(1)(e) of the ER Act provides that "<i>the Utilities Commission may, on granting a licence authorising the selling of electricity, make the licence subject to conditions determined by the Utilities Commission, if the electricity entity sells electricity to contestable customers – requiring the electricity entity to take reasonable steps to ensure that it has in place at all times arrangements to generate and supply electricity to these contestable customers.</i>" <p>The wording of the proposed standard condition does not reflect the requirements of section 28(1)(e) of the ER Act. Further, electricity retailers do not have the ability to ensure that the electricity that it sells to its customer is supplied in a manner that is safe, reliable and of a satisfactory quality to its customers – these are obligations that should be placed with network providers and generators.</p> <p>The purpose of section 28(1)(e) of the ER Act is to provide that retailers must have arrangements with generators to ensure that it has access to electricity to sell to its customers.</p> <p>Jacana Energy proposes that the wording for this standard condition should read as follows:</p>

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			<p><i>"The licensee must take reasonable steps to ensure that it has in place at all times arrangements to generate and supply electricity to its customers."</i></p> <ul style="list-style-type: none"> <u>Disconnection</u> Jacana Energy agrees that the 'Disconnection' standard condition does not need to be amended.
Q7a	<ul style="list-style-type: none"> <u>Customer related standards and procedures</u> Prior to the commencement of operations, the licensee must develop, publish and comply with: <ul style="list-style-type: none"> (a) standards and procedures set out in any relevant code or rule made under the Utilities Commission Act 2000 or the Electricity Reform Act 2000 and (b) fixed standard terms and conditions for customers of a prescribed class as may be required under the Electricity Reform Act 2000 and Regulations. 	<ul style="list-style-type: none"> Would the proposed change to the timeframe for standards and procedures to be in place create any barriers to entry for new retailers? 	<ul style="list-style-type: none"> Jacana Energy agrees that if a retailer has an obligation to develop, publish and comply with fixed standard terms and conditions, it should do so prior to commencing operations. This appears to be the approach adopted under the National Energy Retail Framework. Whilst there is no direct obligation for the holder of a retail authorisation to have standard terms and conditions before it commences operations, it is implied because an authorised retailer has an obligation to adopt a form of standard retail contract and publish it on its website (section 25 of NERL). However, Jacana Energy is of the view that, for consistency with the National Electricity Market approach, there could be a greater time period for the development, publishing and compliance with other standards and procedures. For example, an authorised retailer is required under section 43(2) of the National Energy Retail law to, within three months of being granted a retailer authorisation, develop a customer hardship policy and submit it to the AER for approval.
Q7b		<ul style="list-style-type: none"> Is the additional guidance on standards and procedures useful and is there other information that should also be included? 	<ul style="list-style-type: none"> Jacana Energy does not have any feedback or comment on this question.
Q8	<ul style="list-style-type: none"> <u>Customer notification of changes</u> <ol style="list-style-type: none"> The licensee must notify customers of any changes in charges, rights or obligations 	<ul style="list-style-type: none"> Does the proposed approach appropriately balance the benefits and costs of providing 	<ul style="list-style-type: none"> Jacana Energy is of the view that the proposed approach does appropriately balance the benefits and costs of providing customers with advance notice of changes.

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	<p>applicable to the sale of electricity to that customer before the change occurs.</p> <p>2. Where the licensee changes charges applicable to the sale of electricity to a customer, the licensee must also include an explanatory notice in the next statement of charges sent to that customer.</p>	customers with advance notice of changes?	
Chapter 5 Standard conditions – generation licences			
Q9	<p>Existing licence conditions not included in standard conditions</p> <ul style="list-style-type: none"> • <u>Coordination agreement</u> The Commission considers the condition relating to the coordination agreement is not relevant to generation licences and does not propose to include it as a standard generation licence condition. The Commission also does not consider it necessary to include a condition relating to connection agreements. The requirement for connection agreements would be captured by the general condition requiring a licensee to comply with all applicable laws, which would include the National Electricity (NT) Rules. • <u>Safety management and mitigation plan</u> The SMMP licence condition will be superseded by obligations under the ES Act⁴ when it commences. Under the ES Act, approval of SMMPs will reside with the Electrical Safety Regulator, NT WorkSafe, and the Commission will no longer have a role relating to SMMPs. The Commission notes it is a requirement (under general conditions) for licensees to comply with all applicable laws. This would include the ES Act. • <u>Provision of ancillary services</u> In stage 1 of the licensing review, the Commission received feedback from PWC 	<ul style="list-style-type: none"> • Do stakeholders have any comments or feedback on the exclusion of conditions relating to coordination agreements and Safety Management and Mitigation Plan (SMMP)? 	<ul style="list-style-type: none"> • <u>Coordination agreement</u> See Jacana Energy's response in relation to Question 6. • <u>Safety management and mitigation plan</u> Jacana Energy agrees to the deletion of the standard SMMP condition. • <u>Provision of ancillary services</u> Jacana Energy agrees to the deletion of the standard 'provision of ancillary services' condition.

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	<p>advising the omission of the condition to provide ancillary services (also known as essential system services) from the licences of independent power producers operating in the Territory's three regulated (major) power systems (Darwin-Katherine, Alice Springs and Tennant Creek) was misleading. PWC advised the requirement applies to all generators in those power systems as they must (in accordance with the general licence condition) comply with all relevant requirements in the Network Technical Code and Planning Criteria (NTC), System Control Technical Code (SCTC) and ER Regulations. In particular, PWC advised System Control is authorised to operate generation plant in the major power systems within the full range of technical capabilities and in accordance with the dispatch principles outlined in section 4.3 of the SCTC. Section 4.3 includes a dispatch principle for ancillary problems.</p> <p>The Commission considers that, consistent with its approach to not duplicate requirements in codes in licence conditions, that the ancillary service provision be removed from generation licences.</p>		
Q10	<p>Unchanged conditions</p> <ul style="list-style-type: none"> <u>Directions of the System Controller</u> The licensee must comply with the directions of the System Controller. <u>Quality of electricity</u> The licensee must provide electricity of a quality suitable for any electricity network which is interconnected or interfaces with the licensee's electricity generating plants. 	<ul style="list-style-type: none"> Do stakeholders have any feedback or comments on the relevance or need to change the four proposed standard generation conditions relating to directions of the System Controller, quality of electricity, compatibility and right of use? 	<ul style="list-style-type: none"> <u>Directions of the System Controller</u> Jacana Energy agrees that the 'Directions of the System Controller' standard condition does not need to be amended. <u>Quality of electricity</u> Jacana Energy agrees that the 'Quality of electricity' standard condition does not need to be amended. <u>Compatibility</u> Jacana Energy is of the view that, for the purpose of consistency with expanding the condition relating to operation and maintenance to

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	<ul style="list-style-type: none"> <u>Compatibility</u> The licensee must not do anything to its electricity generating plants affecting the compatibility of its electricity generating plants with any electricity network so as to prejudice public safety or the security of supply. <u>Right of use</u> The licensee must: <ul style="list-style-type: none"> (a) grant each electricity entity holding a network licence rights to use or have access to the licensee's electricity generating plants that are interconnected or interface with the electricity entity's assets for the purposes of ensuring the proper integrated operation of the power system and the proper conduct of the operations authorised by the electricity entity's licence; and (b) in the absence of agreement as to the terms on which such rights are granted, comply with any determination by the Utilities Commission as to those terms. 		<p>include reliability (see Q14 below), the standard generation condition relating to compatibility should be expanded to include reliability.</p> <ul style="list-style-type: none"> <u>Right of use</u> Jacana Energy agrees that the 'Right of use' standard condition does not need to be amended.
Chapter 6 Standard conditions – network licences			
Q11	<p>Existing licence conditions not included in standard conditions</p> <ul style="list-style-type: none"> <u>Coordination agreement</u> As noted in Chapter 4, the requirement for a network provider to have a coordination agreement with retailers is now captured under the Commission's ERS Code (clause 4.1). While there will be no direct reference to the requirement for a coordination agreement, a network licensee must comply with the ERS Code in accordance with the general conditions of the licence requiring compliance with 	<ul style="list-style-type: none"> Do stakeholders have any comments or feedback on the exclusion of conditions relating to coordination agreements, SMMP, dispute resolution procedures, provision of customer data and right to use? 	<ul style="list-style-type: none"> <u>Coordination Agreement</u> See Jacana Energy's response in relation to Question 6. <u>Safety management and mitigation plan</u> Jacana Energy agrees to the deletion of the standard SMMP condition.

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<p>relevant codes (among other regulatory instruments).</p> <ul style="list-style-type: none"> <u>Safety management and mitigation plan</u> As discussed in the previous chapter, oversight of SMMP will transition to NT WorkSafe in accordance with the ES Act. There will no longer be a condition relating to SMMPs, but a network licensee must comply with the ES Act, noting this requirement is captured in the general conditions of the licence, which require compliance with all applicable laws. <u>Dispute resolution procedures</u> This condition is largely redundant having been replaced by requirements under clause 11.4 of the ERS Code. <u>Provision of customer data</u> This condition is redundant having been replaced by requirements under clause 6.2 of the ERS Code, relating to customer access to data. <u>Right to use</u> Section 26(1)(j) of the ER Act provides for the Commission, if it so chooses, to require the licensee, in relation to an electricity network regulated in accordance with the Network Access Code (now superseded by the National Electricity (NT) Rules), to grant a generation licensee the right to use or have physical access to the licensee's electricity network as necessary for the purpose of ensuring the proper integrated operation of the power system and the proper carrying on of the operations authorised by the licence. In the 		<ul style="list-style-type: none"> <u>Dispute resolution procedures</u> Jacana Energy agrees to the deletion of the standard dispute resolution procedures condition. <u>Provision of customer data</u> Jacana Energy agrees to the deletion of the standard provision of consumer data condition. <u>Right to use</u> Despite its limited application, given the generation licences have a 'right to use' condition, for consistency Jacana Energy is of the view that the network licences should also include this clause.

Proposed changes	Question as set out in Consultation Paper	Jacana Energy's response
<p>absence of agreement as to the terms on which such rights are to be granted, the licensee must comply with any determination by the Utilities Commission as to those terms.</p> <p>PWC's licence includes such a condition because the National Electricity (NT) Rules applies explicitly to PWC's networks in the Darwin-Katherine, Alice Springs and Tennant Creek power systems as local electricity systems under the <i>National Electricity (Northern Territory) (National Uniform Legislation) Act 2015</i>.</p> <p>The National Electricity (NT) Rules does not apply to networks in other urban centres or to networks operated by other entities including embedded networks in the three major power systems. Given the narrow application of the National Electricity (NT) Rules, the Commission considers this condition is not relevant for inclusion as a standard network licence condition.</p>		
<p>Q12 Unchanged Conditions</p> <ul style="list-style-type: none"> • <u>Compatibility</u> The licensee must not do anything to its electricity network affecting the compatibility of its electricity network with any other electricity network or electricity generating plant so as to prejudice public safety or the security of supply. • <u>Coordination</u> The licensee must operate its electricity network in coordination with other electricity 	<ul style="list-style-type: none"> • Do stakeholders have any feedback or comments on the relevance or need to change the four proposed standard network conditions relating to compatibility, coordination, restrictions on trading and disconnections? 	<p>Unchanged Conditions</p> <ul style="list-style-type: none"> • <u>Compatibility</u> Jacana Energy is of the view that, for the purpose of consistency with expanding the condition relating to operation and maintenance to include reliability (see Q14 below), the standard network condition relating to compatibility should be expanded to include reliability. • <u>Coordination</u> Jacana Energy agrees that the 'Coordination' standard condition does not need to be amended. • <u>Disconnection</u> Jacana Energy agrees that the 'Disconnection' standard condition does not need to be amended.

Proposed changes	Question as set out in Consultation Paper	Jacana Energy's response
<p>networks to which it is connected directly or indirectly.</p> <ul style="list-style-type: none"> <u>Disconnection</u> The licensee must not disconnect or discontinue supply of electricity, or take any action which may lead to the disconnection or discontinuance of the supply of electricity to a customer, except in accordance with section 27(2) of the Electricity Reform Act 2000 and the disconnection procedures prescribed in the System Control Technical Code, where it applies, or otherwise in accordance with the customer's contract. <p>Restrictions on trading condition The licensee must not buy or sell electricity directly or indirectly in connection with conducting operations authorised by this licence, except if it is necessary:</p> <ol style="list-style-type: none"> to operate the electricity network; for a purpose associated with planning, designing, constructing, maintaining or operating the electricity network; for the licensee's administrative purposes; or the licensee holds a retail licence. 		<p>Restrictions on trading condition</p> <ul style="list-style-type: none"> The wording of paragraph (d) does not work as drafted (i.e. it currently reads <i>'The licensee must not buy or sell electricity directly or indirectly in connection with conducting operations authorised by this licence, except if it is necessary the licensee holds a retail licence'</i>). Jacana Energy does not support the inclusion of new paragraph (d). It is Jacana Energy's understanding that the purpose of the restrictions on trading clause is to restrict the activities of the licensee for the purpose of the operations authorised by the licence (i.e. operating the electricity network). The licensee in its capacity as the holder of the network licence should only buy or sell electricity for the purposes set out in paragraphs (a), (b) and (c).
<p>Q13</p> <ul style="list-style-type: none"> <u>Network control standard condition</u> 1. Subject to section 38 of the Electricity Reform Act 2000, the licensee must be responsible for network control of its electricity network. 	<ul style="list-style-type: none"> Do stakeholders have any feedback or comments on the inclusion of the proposed sub-condition requiring compliance with the directions of the System Controller? 	<ul style="list-style-type: none"> Jacana Energy supports the inclusion of the proposed sub-condition requiring compliance with the directions of the System Controller.

Proposed changes		Question as set out in Consultation Paper	Jacana Energy's response
	<p>2. Where, under section 38 of the Electricity Reform Act 2000, a System Controller has the function of monitoring and controlling the operation of the power system of which the licensee's electricity network forms part or is connected to, the licensee must comply with the directions of the System Controller.</p>		
Q14	<ul style="list-style-type: none"> <u>Operation and maintenance standard condition</u> The licensee must operate, maintain (including repair and replace if necessary) and protect its electricity network so as not to prejudice public safety, reliability and security of supply, and in accordance with any technical code made under the Electricity Reform Act 2000 and the National Electricity (NT) Rules, where they apply. 	<ul style="list-style-type: none"> Do stakeholders have any feedback or comments on the modification and inclusion of the proposed standard network licence condition on operation and maintenance? 	<ul style="list-style-type: none"> Jacana Energy supports the inclusion of the proposed standard network licence condition on operation and maintenance, in particular expanding the obligation to include reliability, public safety and security of supply.
Chapter 7 Form of electricity supply licences			
Q15	<ul style="list-style-type: none"> The Commission proposes to make a number of cosmetic changes to the form of licences. 	<ul style="list-style-type: none"> What improvements could be made to better present and structure information in electricity supply licences compared to that proposed? 	<ul style="list-style-type: none"> Jacana Energy does not have any feedback or comments in relation to this question.