



Record No: TGD2018/7618  
Container No: TGF2017/1293

Dr Patrick Walsh  
Utilities Commissioner  
Utilities Commission  
GPO Box 915  
Darwin NT 0801  
By email: [utilities.commission@nt.gov.au](mailto:utilities.commission@nt.gov.au)

Dear Dr Walsh

**SUBMISSION: STANDARD GENERATION LICENCE (MULTIPLE SITES) –  
AIRPORT DEVELOPMENT GROUP PTY LTD**

Territory Generation (**T-Gen**) welcomes the opportunity to provide a submission in relation to Airport Development Group Pty Ltd (**Applicant**) application for standard Generation Licence at multiple sites, operating in the NT electricity market.

In principle, T-Gen is supportive of the Applicant's standard generation licence application. TGen notes the NT Government's electricity reform program to drive efficiency, encourage competition and consequently provide for the long term interests of the NT electricity consumers and meet its key election promise of 50% renewable energy by 2030 and the recent *Roadmap to Renewables Fifty per cent by 2030* report dated September 2017 (**Renewables Report**).

T-Gen believes the following matters should be considered prior to the granting of a generation licence:

**(1) Quality and reliability of supply**

It is unclear how the Applicant's proposals will support system security, so that reliability and network stability is not compromised. It is unclear whether the control and protection settings proposed to be put in place would ensure and maintain the integrity of the network.

**(2) Ancillary Services**

All generators, including renewable energy generators, should be required to supply the required system support (ancillary services) to maintain electricity system security and reliability. Without adequate provision for ancillary services, it will fall to T-Gen to provide such services for stability of the system.

This matter was noted in the Renewables Report, which states: "*It is concluded that all generators, including renewable energy generators, should be required to supply, or contract third parties to supply, the required network support (ancillary services) to maintain electricity network security and reliability*".

Collectively, the technical codes and associated regulatory framework should ensure a level playing field can be established for all generators, promoting fair competition within the NT electricity sector.

It is unclear whether the Applicant has made provisions for battery storage or other contingencies to cover loss of supply in the event of cloud cover which would affect the megawatt output of the solar farms at various airfields. The Applicant's proposal ought to make provision in relation to ancillary services for the Darwin-Katherine, Tennant Creek and Alice Springs systems.

T-Gen further notes that the Renewables Report also sets out several outcomes which are targeted for the future of the NT electricity system, including improved planning, effective governance of disruptive changes in the system, assurance of electricity system security and reliability, and greater investor certainty. It is not clear how the Applicant proposes to address or advance those specified outcomes in Darwin, Tennant Creek and Alice Springs.

### **(3) Tennant Creek**

It is unclear whether the Applicant has carried out system demand modelling, particularly for the Tennant Creek system in relation to minimum and maximum demands on the system. It is noted that the Applicant's proposed 5 megawatts would often exceed Tennant Creek's system demand.

TGen's Tennant Creek Power Station would be required to cover the Applicant's solar output in the small islanded Tennant Creek grid should the Applicant's solar output decrease unexpectedly.

It would be beneficial to understand what mechanisms and arrangements are to be implemented to protect the system integrity, security and stability for the residents of Tennant Creek.

T-Gen appreciates the opportunity to provide this submission. If you have any queries or require further information please do not hesitate to contact Hieu Nguyen, General Counsel & Company Secretary, at [hieu.nguyen@territorygeneration.com.au](mailto:hieu.nguyen@territorygeneration.com.au)

Yours sincerely



Tim Duignan  
**Chief Executive Officer**

30 January 2018