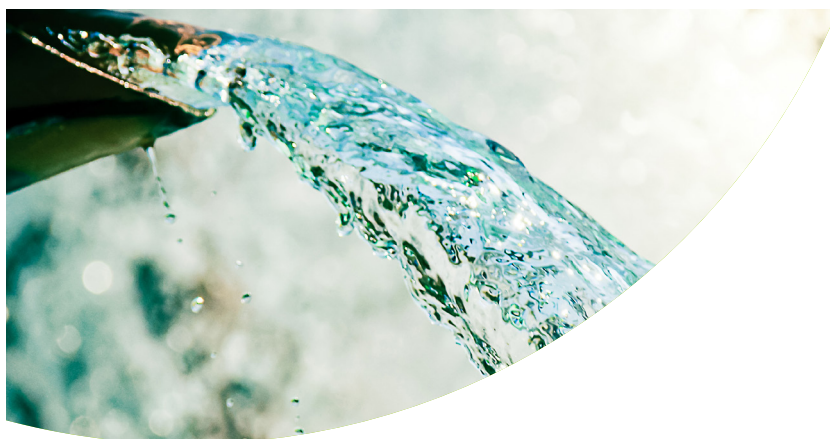




# ANNUAL REPORT 2019-20



UTILITIES COMMISSION  
OF THE NORTHERN TERRITORY

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

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## Abbreviations and acronyms

AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
commission	The Utilities Commission of the Northern Territory
CPI	consumer price index
DPO	Darwin Port Operations Pty Ltd
DTBI	Department of Trade, Business and Innovation
EDL	EDL NGD (NT) Pty Ltd
EIP Code	Electricity Industry Performance Code
Eni	Eni Australia Pty Ltd
GPS	Generator Performance Standards
IES	Indigenous Essential Services Pty Ltd
I-NTEM	Interim Northern Territory Electricity Market
IPP	independent power producer
ISO	isolated system operations
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
MWh	megawatt hours
NECF	National Energy Customer Framework
NEL	National Electricity Law
NER	National Electricity Rules
NTEOR	Northern Territory Electricity Outlook Report
NTPSPR	Northern Territory Power System Performance Review
PSR	Power System Review
PV	photovoltaic
PWC	Power and Water Corporation, a government owned corporation established in accordance with the <i>Government Owned Corporations Act 2001</i>
QEnergy	QEnergy Limited
regulated power systems	Refers to the Darwin-Katherine, Alice Springs and Tennant Creek power systems
Rimfire	Rimfire Energy Pty Ltd
Ring-fencing Code	Northern Territory Electricity Ring-fencing Code and Guidelines
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 Michael Gunner MLA  
Treasurer  
GPO Box 3146  
DARWIN NT 0801

Dear Treasurer

In accordance with section 35 of the *Utilities Commission Act 2000*, I am pleased to present the Annual Report for the Utilities Commission of the Northern Territory for the year ending 30 June 2020.

The report covers:

- the administration of the Act during the 2019-20 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

28 September 2020

## Commissioner's overview

I am pleased to present the Utilities Commission of the Northern Territory's Annual Report for the year ending 30 June 2020, which records the key achievements and activities of the commission during 2019-20.

The commission's activities during 2019-20 were significant and varied, covering all industries regulated by the commission. Of those priorities planned to be actioned in 2019-20, most were completed by 30 June 2020, or underway or ongoing.

As reported in the commission's 2018-19 Annual Report, as at 30 June 2019 the government had not announced its decision in relation to the the commission's final report on its ports access and pricing review. I am pleased to note that during 2019-20, government accepted a number of the commission's recommendations to enhance the day-to-day operation of the access and pricing regime and made associated amendments to the *Ports Management Act 2015* and regulations.

Also in relation to the commission's port regulation responsibilities, in December 2019, the commission published its 2019 Ports Annual Price Monitoring Report, which was the first price monitoring report published by the commission since the Port of Darwin became privately operated in November 2015. The commission intends on publishing a ports price monitoring report annually, and considers it a useful report for port users, industry and stakeholders.

The Territory's electricity supply industry continued to evolve and present challenges and opportunities through 2019-20, which translated to a significant work program for the commission's small team.

In addition to delivering what was known 12 months ago, such as the review of the Electricity Retail Supply Code, review of the Ring-fencing Code and Guidelines (Ring-fencing Code) and consideration of licence applications, the commission received a number of proposals and requests relating to complicated, technical matters that commenced and were completed during 2019-20. This included proposed code amendments to implement new generator performance standards (GPS) and an independent investigation into the 13 October 2019 Alice Springs system black incident.

The commission's consideration of the Power and Water Corporation's (PWC) proposed GPS required the assistance of a technical advisor (GHD Advisory), with a draft decision published in December 2019. The commission's draft decision received unprecedented media attention in response to some large-scale solar generators' concerns regarding potential costs of complying with new GPS. Following significant stakeholder consultation, the commission's final decision was to approve code amendments subject to changes required by the commission, which appropriately balance system security and the allocation of risk and cost between connecting generators, the network operator and System Control.

Following the Alice Springs system black incident on 13 October 2019, which impacted up to 12,000 customers for up to 10 hours, the commission was asked by the Treasurer to conduct an independent investigation and deliver a report suitable for publication. The commission's investigation included meetings with over 40 stakeholders in Alice Springs and Darwin to gather feedback on the incident and other relevant information, with the assistance of a specialist technical advisor (Entura).

The commission's investigation found multiple failures in the events that led up to the system black and the restoration. The commission's report discusses the failures and other findings, and made 15 recommendations, with 14 accepted by government in full and one in principle. Subsequently, the minister asked the commission to monitor and report on the progress of implementing the recommendations, with the first progress report delivered in February 2020.

While the commission noted in its investigation report the reduction in solar generation due to cloud, which precipitated the system black was not considered a root cause of the system black, it may be further evidence that the Territory's power systems are not agile and robust enough to support an early transition towards the Territory government's 50 per cent renewable energy by 2030 target. A high priority of electricity consumers is security and reliability of supply – keeping the lights on.

The commission further discussed the challenges and opportunities large-scale and behind-the-meter solar photovoltaic (PV) generation introduce to the Territory's power systems, among other things, in the 2018-19 Northern Territory Power System Performance Review (NTPSPR) and 2018-19 Northern Territory Electricity Outlook Report (NTEOR). I recommend all stakeholders read the full reports.

The commission looks forward to working through and meeting the challenges of 2020-21 and beyond, as the Territory's regulatory environment continues to evolve. This includes not only the electricity supply industry due to, among other things, the entry of innovative and disruptive technologies, but also new regulated industries, such as the Territory government's announced ship lift facility, with the commission expected to be the associated economic regulator.

I would like to thank the Associate Commissioner, Richard Owens for his expert guidance and support over the last 12 months. Richard and I are well supported by a small team of dedicated professionals ably led by our Director, Kimberlee McKay. I sincerely thank them for their commitment, professionalism, hard work and the quality of their output. I also thank the Under Treasurer and Deputy Under Treasurer for the support provided to the commission.

More generally, I would like to thank the commission's stakeholders for their active engagement during 2019-20. Stakeholder feedback is vital to the commission's work, which ultimately seeks to protect the long-term interests of Territory consumers of services provided by regulated industries with respect to price, reliability and quality.



Lyndon Rowe  
Utilities Commissioner





# 1 | About the Utilities Commission



The Utilities Commission (the 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, that promotes the simulation of competitive market conduct and the prevention of the 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:

- price and access regulation
- licensing across the electricity supply, water supply and sewerage services industries
- to develop, monitor and enforce compliance with, and promote investment in, standards and conditions of service and supply
- to make and monitor the operation of codes and rules relating to the conduct or operations of a regulated industry or licensed entities
- to investigate and help resolve complaints relating to the conduct and operations of licensed entities
- to assist consumers and others with information
- to 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.

On 1 July 2019, the Act was consequentially amended to reflect amendments to the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015*. The amendment provides for the commission to perform the functions assigned to the commission 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).

### Electricity supply industry

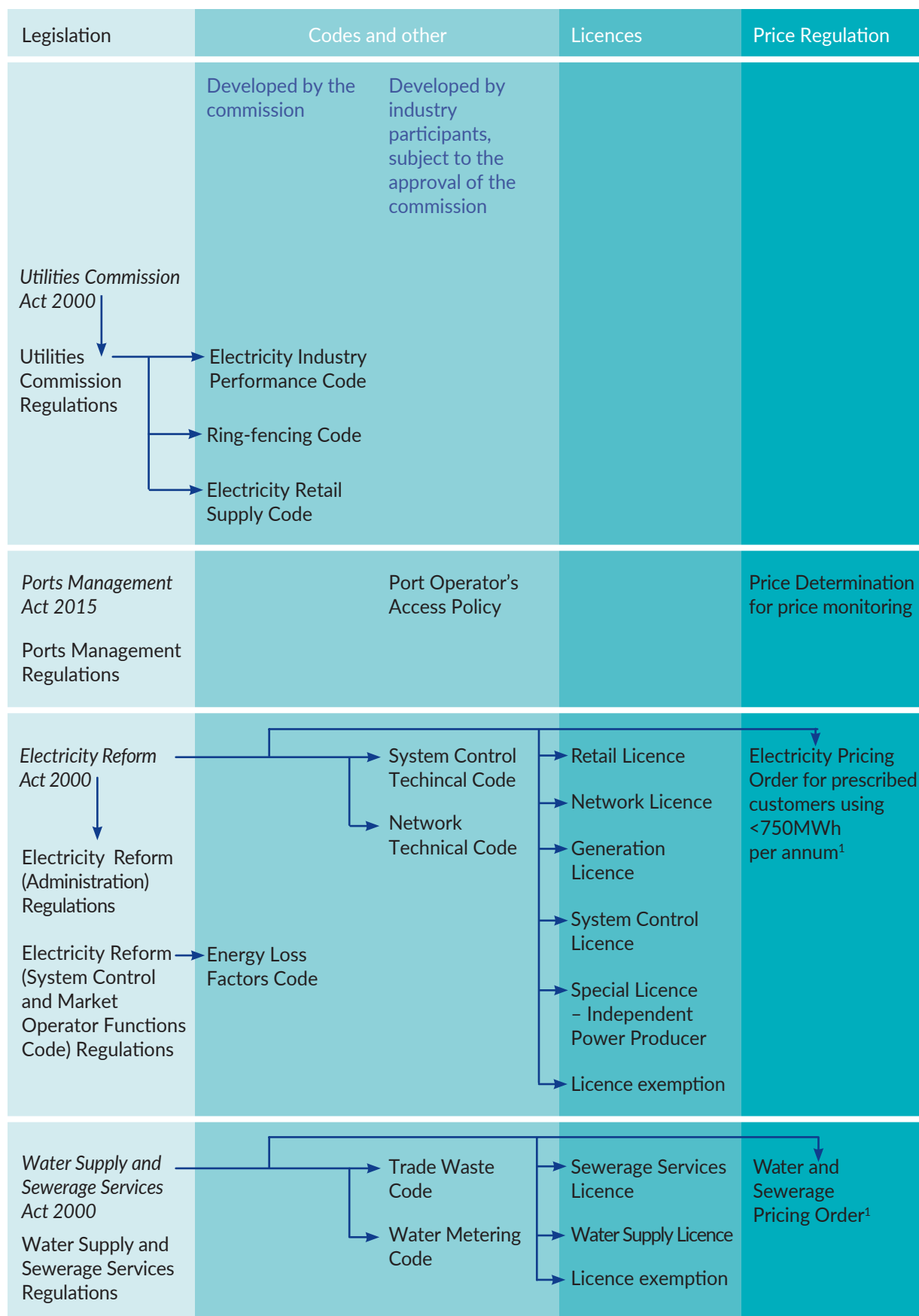
In accordance with the *Electricity Reform Act 2000*, the commission administers a licensing regime and industry codes for industry participants, regulates pricing orders made by the government, prepares annual reviews of the Territory's power system and electricity industry, and deals with complaints from industry participants.

The commission also has responsibilities under the NER, in relation to auditing metering installations if requested. Additional responsibilities commenced on 1 July 2019 in relation to licensing, issuing exemptions and monitoring of dedicated connection assets.

### 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 2019-20



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

# The commission

## Commissioners

Mr Lyndon Rowe was appointed as Utilities Commissioner (part-time) from 1 January 2019 for 5 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.

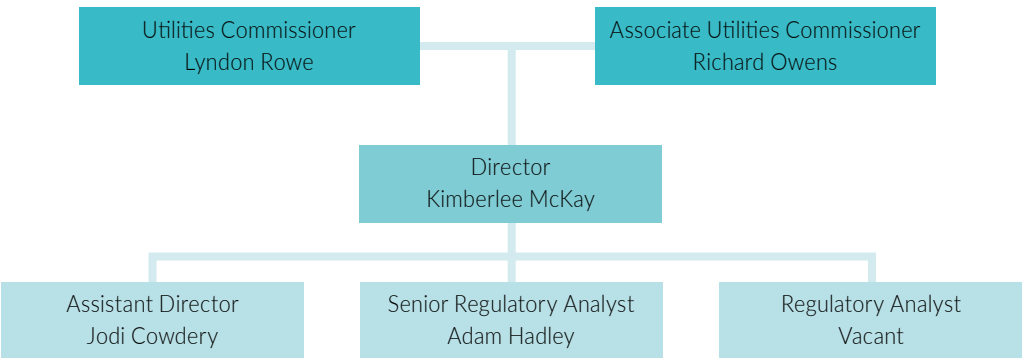
Mr Richard Owens was appointed as Associate Utilities Commissioner (part-time) on 6 April 2018. He is also a principal at farrierswier consulting. He was Executive General Manager, Networks at the Australian Energy Market Commission until January 2020 and a member of the taskforce for the Finkel review into the future security of the national electricity market during 2016-2017. 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, a graduate member of the Australian Institute of Company Directors and a fellow of the Institute of Managers and Leaders.

## 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.

Accordingly, the commission is supported by four staff seconded from the Department of Treasury and Finance and located in Darwin.

Figure 2: Organisational chart as at 30 June 2020



## Commission meetings and decisions

The commissioners and commission staff regularly meet to consider and discuss commission projects and issues. During 2019-20, the commission met 11 times (four times in person and seven by videoconference or teleconference).

In addition to meetings, the commission considered various issues and made 12 associated out-of-session decisions.

Appendix A sets out the commission meetings, dates and attendance, and major decisions made during 2019-20.

## Engagement with stakeholders

The commissioners and commission staff seek to meet regularly and communicate with stakeholders, to build trust through engaging genuinely and being transparent, and to build an understanding of economic and regulatory issues, including in terms of the Territory's regulated industries.

The commissioners met regularly with stakeholders throughout 2019-20, through face-to-face meetings when in Darwin and Alice Springs, and through teleconference and videoconference facilities as necessary. Stakeholders with whom the commissioners met included licensees, industry representatives, 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 2019-20. Total direct expenditure for 2019-20 was \$1.34 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 2019-20 was \$0.51 million, which relates primarily to electricity 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 \$0.57 million in 2019-20.



## 2 | Performance summary



The following chapter provides details on the key highlights for the commission in undertaking its functions in 2019-20 and its key priorities for 2020-21.

## Highlights for 2019-20

### Price monitoring – Port of Darwin

One of the commission's roles is to regulate prices for the Port of Darwin. The regulatory framework specifically states that the commission must use price monitoring as the form of price regulation. Further, price regulation only applies to standard charges for prescribed services.

In accordance 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 2019, Darwin Port Operations Pty Ltd (DPO) increased its tariffs by 2 per cent, except for port induction fees which were changed to a biennial charge (rather than annually), resulting in a \$25 reduction in fees, across two years for port pass holders. This was marginally higher than the national CPI for the 12 months to March quarter 2019, which was 1.8 per cent. The commission advised stakeholders of the tariff changes through publishing the details on its website and direct correspondence as appropriate.

In December 2019, the commission published its 2019 Ports Annual Price Monitoring Report, which was the first 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 four-year period. Further, it provides a summary of the revenue received by the private port operator for prescribed services.

### Review of Electricity Ring-fencing Code and Guidelines

As reported in the 2018-19 Annual Report, the commission commenced a review of the Northern Territory Electricity Ring-fencing Code and Guidelines (Ring-fencing Code) in May 2019. A review of the Ring-fencing Code was necessary given, among other things, the significant changes in the Territory's electricity supply industry since the last review.

The commission's review of the Ring-fencing Code was progressed during 2019-20, with a draft decision and draft Ring-fencing Code published in March 2020 following consideration of the four submissions received from stakeholders and related feedback on the issues paper.

The draft decision invited required parties and relevant stakeholders to make submissions on the commission's draft Ring-fencing Code, with three submissions received. As at 30 June 2020, stakeholder feedback was still under consideration, with the final decision and Ring-fencing Code released in July 2020.

### Completed review of Electricity Retail Supply Code

A review of the Electricity Retail Supply Code has been ongoing since 2016, triggered initially by an application from PWC for amendments to the code in light of actual and expected reform in the Territory electricity industry at that time.

Over the three years between 2016 and 2019, the commission undertook extensive consultation with stakeholders on the Electricity Retail Supply Code, including publishing a draft amended Electricity Retail Supply Code and Statement of Reasons in June 2019.



During 2019-20, the commission further consulted with stakeholders, including receiving submissions in response to its draft amended Electricity Retail Supply Code and Statement of Reasons, and meeting with relevant stakeholders to discuss feedback. Subsequently, the commission published its final varied Electricity Retail Supply Code and Statement of Reasons on 13 November 2019. The varied Electricity Retail Supply Code commenced on 1 December 2019.

The amendments made to the Electricity Retail Supply Code address changes in the Territory electricity supply industry, including to associated legislation, such as the adoption of the National Electricity Law (NEL) and Rules (NER), modified for the Territory. Further, it introduced new protections for electricity customers that require life support equipment.

### Final decision – Generator Performance Standards

On 5 September 2019, PWC submitted to the commission proposed amendments to the Network Technical Code and System Control Technical Code, which, along with PWC's Secure System Guidelines, sought to introduce new GPS for generating systems connecting to the regulated networks.

The commission, with its technical advisor, GHD Advisory, undertook significant stakeholder consultation in considering the proposed code amendments, in addition to considering stakeholder feedback provided to PWC as part of its consultation prior to submitting the proposed amendments to the commission.

The commission's draft decision in relation to PWC's proposed code amendments to adopt new GPS, and GHD's associated report to the commission, was published on 4 December 2019. The draft decision invited interested stakeholders to provide feedback through submissions, with six received.

The commission's final decision was made on 29 February 2020. The final decision followed two years notice (including the publication of proposed draft standards) to the industry that new standards were to be introduced for the Territory's regulated power systems, over 12 months formal consultation by PWC and consultation by the commission on its draft decision.

### Power system reporting

To meet its legislated reporting requirements to the minister and to inform government, licence holders and stakeholders, during 2019-20 the commission published:

- the 2018-19 Northern Territory Electricity Retail Review in May 2020, which focuses on retail performance and quality of service provided to small electricity customers
- the 2018-19 NTPSPR in May 2020, which focuses on the 2018-19 generation and network performance of the regulated systems
- the 2018-19 NTEOR in June 2020, which focuses on the system demand and supply reliability outlook for the regulated power systems, and an assessment of the adequacy of the fuel supply for electricity.

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 commenced a post-project review of the reports, and associated data collection and analysis processes immediately following completion of the 2018-19 reports.

## Licensing

During 2019-20, the commission provided advice on the Territory's regulatory frameworks, and the licensing regime and process to current and potential licensees. Further, the commission consulted with stakeholders extensively during 2019-20 in relation to a number of other licensing matters.

Following stakeholder consultation, the commission executed one retail licence during 2019-20, for Territory Generation to sell and retail electricity to the Department of Defence at the Joint Defence Facility Pine Gap. The commission also issued two licence variations, to PWC's network licence to remove the expiry date and references to obsolete codes and legislation, and to Eni Australia Limited's (Eni) generation licence to include two 10 MW solar photovoltaic (PV) power stations, located at Batchelor and Manton Dam, and a battery energy storage system at the Katherine Solar power station.

## Compliance

As a condition of licence, licensees are required to maintain and report on their compliance framework. The annual compliance reports 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.

On 21 November 2019, the commission published its 2018-19 Annual Compliance Report in relation to the 16 licences on issue during the reporting period.

## Independent Investigation of Alice Springs System Black Incident on 13 October 2019 and implementation of recommendations

On 13 October 2019, there was a significant power outage in Alice Springs that affected approximately 12,000 customers for periods varying between 30 minutes and up to 10 hours. At the request of the Treasurer, the commission conducted an independent investigation into the system black incident.

The commission's investigation was conducted in Alice Springs and Darwin and included meetings with over 40 stakeholders over approximately two weeks. The commission submitted its final investigation report to the Treasurer on 2 December 2019, and it was publically released by government on 9 December 2019.

The commission's final investigation report made 15 recommendations in relation to infrastructure, systems and processes. Of these, government accepted 14 in whole and one in principle. Further, the minister requested the commission monitor and report progress on the implementation of the recommended actions and other major incident reports, with the first report on progress to be published by the end of February 2020.

As requested by the minister, on 27 February 2020, the commission published its first six-monthly progress report on the implementation of the recommendations from the independent investigation of the Alice Springs System black incident.

## Water supply and sewerage services

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

## Complaints

The commission has a role to investigate and help resolve complaints relating to the conduct or operations of licensed entities. The Commission received one confidential complaint under the *Electricity Reform Act 2000* in late 2019-20. As at 30 June 2020, the complaint was still under investigation by the commission and expected to be completed in early 2020-21.

## General advice and information

In addition to publishing general information, commission consultation papers and decision advice on its website, during 2019-20 the commission advised stakeholders, through website, email and e-news updates, of consultation processes being undertaken by other entities on matters relevant to the Territory's electricity supply industry. This included the Australian Energy Regulator's (AER) Values of Customer Reliability surveys.

The commission has also been actively engaged in providing advice to government in relation to its various renewable energy and electricity reform initiatives as appropriate.

## Strategic Plan and priorities

In February 2019, the commission published its Strategic Plan for 2019-2021, which communicates the commission's organisational goals and planned actions to achieve these goals to commission staff and stakeholders alike, and to ensure the commission is accountable for achieving its goals.

In its 2018-19 Annual Report, the commission published its priorities for 2019 and advised that some of the priorities were complete, but others were planned for the 2019-20 reporting period.

Of those priorities planned for 2019-20, most were complete by 30 June 2020, such as the review and update of the Electricity Retail Supply Code, publishing of an annual price monitoring report for the Port of Darwin and launching a new and improved website, or are underway or ongoing. However, two priorities were not able to be progressed due to unexpected new priorities, such as the independent investigation of the Alice Springs system black on 13 October 2019. These are a review of the Electricity Industry Performance (EIP) Code and a review of the electricity licensing regime, which are now scheduled for 2020-21.

In January 2020, the commission published its 2020 priorities and in June 2020, the commission changed the timing of the publication of its priorities from calendar to financial year, to better align reporting with the commission's annual report to the minister. The commission's 2020-21 priorities are to:

- complete the review and update of the Ring-fencing Code
- publish high quality annual reports on 2019-20 power system and retail performance, and demand and supply forecasts, including a continued focus on tracking licensees' implementation of commission and system control incident report recommendations

- publish six-monthly reports on the progress of Power and Water Corporation (PWC) and Territory Generation in implementing the commission's recommendations in the Independent Investigation of the Alice Springs System Black Incident on 13 October 2019 report and other major incident reports
- inform and monitor licensees' audits of compliance with the EIP Code
- publish an annual compliance report of licensees' compliance with regulatory obligations
- 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
- commence a review of the EIP Code
- commence a review the electricity licensing regime
- commence the stage 2 review of the Electricity Retail Supply Code
- meet with stakeholders and conduct site visits south of Darwin to Katherine, subject to any potential travel or other restrictions
- continue to assist and provide advice to the Territory Government on issues that may impact customers as appropriate
- undertake a stakeholder survey
- identify and have staff participate in relevant professional development
- recruit appropriately skilled and experienced staff to fill current vacancies.

# 3 | Port access and price regulation



## Responsibilities under the *Ports Management Act 2015*

The *Ports Management Act 2015* and Ports Management Regulations 2015 (the 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 Regulations.

The commission is the regulator for Part 11 of the *Ports Management Act 2015* and Part 3 of the 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 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, being 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.

## Government response to review of the port access and pricing regime

As reported in the 2018-19 Annual Report, the commission's final report on its ports access and pricing review, as required under section 123(1) of the *Ports Management Act 2015*, was delivered to the Minister for Infrastructure, Planning and Logistics on 15 November 2018 and tabled in the Legislative Assembly on 12 March 2019. As at 30 June 2019, government had not announced its decision in relation to the commission's associated recommendations.

Subsequently, on 28 November 2019, the Minister for Infrastructure, Planning and Logistics introduced the Ports Legislation Amendment Bill 2019 during the sittings of the Legislative Assembly. The Bill was in response to the commission's ports access and pricing review and a more general review by the Department of Infrastructure, Planning and Logistics, and was passed in the Legislative Assembly on 24 June 2020 following an inquiry and report by the Legislation Scrutiny Committee.



The minister thanked the commission for delivering its work for the review, noting the government accepted a number of the commission's recommendations to enhance the day-to-day operation of the access and pricing regime, including amending the regime:

- so if pilotage services at the port were to be provided by a third party that was unrelated to the port operator, the supply of those pilotage services would be subject to the access regime
- to impose an obligation on the port operator to consult with port users about its initial draft access policy and provide the commission with a summary of users' comments together with the draft access policy for approval
- to allow greater flexibility for the time in which the commission must decide whether to accept or reject the draft access policy. The commission will have the power to extend the current 60-day approval period by a further 60 days, by notifying the port operator of its decision to do so
- to require the port operator to submit a revised draft access policy for approval within 5 years from the date the commission last approved that access policy (the current access policy does not have an expiry date, but commits to be reviewed after 5 years).

## Price monitoring

The 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.

In May 2019, DPO advised the commission that it would be increasing (all but one of) its charges by 2 per cent from 1 July 2019. The exception being port induction fees, which would decrease by \$25 over two years due to the process and fee being changed to biennial instead of annual.

The commission uses the national CPI as the reference point when monitoring and reporting on price changes for prescribed services. The commission noted the 2 per cent increase from 1 July 2019 was marginally higher than the national CPI rise for the 12 months to March quarter for 2019, which was 1.8 per cent. The commission advised stakeholders of the tariff changes through publishing the details on its website and direct correspondence as appropriate.

In December 2019, the commission published its 2019 Ports Annual Price Monitoring Report, which was the first 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 four year period. Further, it provides a summary of the revenue received by the private port operator for prescribed services.

In reviewing standard charges for prescribed services at the Port of Darwin for the last 4 years, the commission found the increases to the charges were not inconsistent with the relevant price determination. 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 4 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 26 November 2019, advising the commission was not aware of any material breaches by DPO in 2018-19. The report was tabled in the Legislative Assembly on 18 February 2020, as required by the *Ports Management Act 2015*.



# 4 | Electricity supply



## Responsibilities under the *Electricity Reform Act 2000*

The electricity industry in the Territory is regulated by the *Electricity Reform Act 2000*, the *Utilities Commission Act 2000* and associated legislation, and the 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 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 AER 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 (as at 30 June 2020) allocate ministerial responsibility for the *Electricity Reform Act 2000* as summarised below:

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

## Licensing

The commission is responsible for administering the licensing of the electricity supply industry in the Northern 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<sup>1</sup>
- selling electricity
- system control over a power system
- other operations for which a licence is required by the regulations.

<sup>1</sup> Transitional provisions relating to dedicated connection assets in existence or proposed to be constructed at the time this obligation was included in the *Electricity Reform Act 2000* through amendment by the National Electricity (Northern Territory) (National Uniform Legislation) Consequential Amendment Regulations, being 1 July 2019, are included in Part 4, Division 4 of the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015*.

The commission has established licences, subcategories of licences and combined licences to suit particular circumstances. Table 1 sets out the various licences available for entities that seek to participate 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 (I-NTEM), which operates in the Darwin-Katherine system only, System Control is the market operator.</p>
Special generation licence – independent power producer (IPP)	<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.</p>
Special licence – isolated system operations (ISO)	<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 of 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 a combination of generation, network and retail licence 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.</p>

## New and varied licences during 2019-20

The commission executed one retail licence and 2 licence variations during 2019-20.

The commission received a retail licence application from Territory Generation on 12 July 2019. The commission sought comments on the licence application from market participants and stakeholders, and following consideration of feedback from one licensee, a licence was issued on 29 November 2019 for Territory Generation to sell and retail electricity to the Department of Defence at the Joint Defence Facility Pine Gap.

On 7 February 2020, the commission wrote to PWC proposing to vary its network licence to remove the 30 June 2020 licence expiry date and references to obsolete codes and legislation. Following agreement with PWC and consultation with stakeholders, with no submissions received, the network licence was varied on 15 May 2020.

On 26 July 2019, Eni submitted an application to vary its generation licence. The commission sought comments on the proposed variations, and following consideration of two submissions, the commission issued Eni's varied generation licence to include two 10 MW solar PV power stations, located at Batchelor and Manton Dam, and a battery energy storage system at the Katherine Solar power station, on 10 September 2019. Consequently, Infigen Energy NT Solar Pty Ltd advised the commission it would not be proceeding with its generation licence application as it had successfully transferred the projects to Eni.

During 2019-20, the commission also received and or consulted on a number of licence applications that were not finalised by 30 June 2020.

A retail licence application from the Commonwealth of Australia, represented by the Department of Defence, to sell excess solar PV energy generated at Robertson Barracks and RAAF Darwin to licensed electricity retailers was submitted to the commission on 12 December 2019. The commission undertook stakeholder consultation and no submissions were received. The retail licence application was approved by the commission in April 2020, however as at 30 June 2020, the commission was awaiting the Department of Defence's request for execution of the licence.

In relation to the associated solar PV generation facilities at the Department of Defence sites, the commission completed its consideration of Assure Energy Asset Pty Ltd's generation licence application, submitted in June 2019 to construct, own and operate solar PV generation facilities at Robertson Barracks and RAAF Darwin, with 2 submissions received. As at 30 June 2020, issue of the licence was pending confirmation of the execution of a relevant connection agreement between the Department of Defence and PWC.

## Surrendered licence during 2019-20

No notices were submitted to the commission from a licence holder to surrender their licence in 2019-20.

## Current standard generation licences

As at 30 June 2020, there were 6 standard generators licensed in the Territory.

The standard generation licensees were:

- Batchelor Solar Farm Pty Ltd, for a 10 MW solar PV power station at Batchelor
- EDL NGD (NT) Pty Ltd (EDL), for the Pine Creek power station

- Eni, for a 25 MW solar PV power station and 5.7 MW battery energy storage system at the Katherine Solar power station, a 10 MW solar PV power station at Batchelor and a 10 MW solar PV power station at Manton Dam
- PWC, which owns and operates power stations at Berrimah (decommissioned), in Aboriginal communities under the Indigenous Essential Services (IES) program and minor commercial power stations (Elliott, Daly Waters, Ti Tree, Timber Creek and Borroloola)
- 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
- Trutinator NT Pty Ltd, for a 12 MW gas-fired power station (Hudson Creek power station) expected to be built and operated at Wishart, Darwin.

### Current retail licences

As at 30 June 2020, there were 7 electricity retailers licensed in the Territory. The retail licensees were:

- 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, 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
- QEnergy Limited (QEnergy) for Darwin, Katherine, Alice Springs and Tennant Creek (townships and surrounding rural areas)
- Rimfire Energy Pty Ltd (Rimfire) 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.

PWC also holds a system control licence for the Darwin-Katherine, Tennant Creek and Alice Springs power systems.

### Current special licences

As of 30 June 2020, there were 5 special independent power producer (IPP) 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 generating plants 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 Lot 5148 Alice Springs.

There was one special isolated system operations (ISO) licence as at 30 June 2020, held by Groote Eylandt Mining Company Pty Ltd for electricity generation, electricity sales and owning and operating a network at Alyangula.

## Exemptions from licensing

The Electricity Reform (Administration) Regulations 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.

As at 30 June 2020, the following section 87 exemptions were current:

- an exemption from the requirement to hold a licence with respect to its electricity operations in the township of Nhulunbuy and at the mine, issued to Alcan Gove Pty Ltd
- an exemption from the need to hold a generation and retail licence issued to GPT RE Limited and Innogen Australia Pty Ltd in relation to solar PV electricity at Casuarina Square shopping centre
- 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.

## Application for exemption

During 2019-20, the commission considered one application for an exemption from the requirement to be licensed under section 87 of the *Electricity Reform Act 2000*.

On 12 December 2019, the commission received an application from the Commonwealth of Australia, represented by the Department of Defence, for an exemption from the requirement to hold a network licence with respect to its electricity network at Robertson Barracks and RAAF Darwin. The application was submitted in conjunction with its retail licence application to export excess solar PV power to licensed electricity retailers through PWC's electricity network.

Following public consultation and consideration of the matter, and the minister's approval in accordance with section 87(1) of the *Electricity Reform Act 2000*, the commission approved the licence exemption be granted, subject to execution of the relevant connection agreement between the Department of Defence and PWC. As at 30 June 2020, the exemption was still awaiting execution.



## Codes and guidelines

### Review of Electricity Ring-fencing Code and Guidelines

Ring-fencing arrangements aim to promote and safeguard competition and fair and efficient market conduct in the electricity supply industry by promoting the simulation of competitive market conduct and preventing the misuse of market power.

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 commission is authorised to make codes or rules (including varying or revoking codes) regarding ring-fencing in the Territory electricity supply industry under section 24 of the *Utilities Commission Act 2000* and Regulation 2 of the Utilities Commission Regulations.

As reported in the 2018-19 Annual Report, the commission commenced a review of the Ring-fencing Code in May 2019 through the release of an issues paper. A review of the Ring-fencing Code was necessary given the significant changes in the Territory's electricity supply industry since the last review, including the legal separation of PWC, implementation of I-NTEM in the Darwin-Katherine regulated network, adoption of the NEL and NER (amended for the Territory's circumstances) and associated transfer of network price regulation to the AER. Further, a number of private retailers and generators are licensed in the Territory and competing against the government owned corporations.

The commission received 4 submissions in relation to the issues paper and met with a number of stakeholders to discuss the issues raised in the submissions, with a draft decision and draft Ring-fencing Code published in March 2020.

Three submissions were received in response to the commission's draft decision and draft Ring-fencing Code. As at 30 June 2020, stakeholder feedback was still under consideration, with the final decision and revised Ring-fencing Code released in July 2020.

### Completed review of Electricity Retail Supply Code

The Electricity Retail Supply Code was issued in 2011 to provide for matters such as the transfer of customers between retailers, credit support arrangements, billing, metrology, service order arrangements, retailer of last resort arrangements and dispute resolution.

In 2016, the commission commenced a review of the Electricity Retail Supply Code, following a request from PWC for amendments in light of actual and expected reform in the Territory electricity industry at that time.

Over the 3 years between 2016 and 2019, the commission undertook extensive consultation with stakeholders on the Electricity Retail Supply Code. This included 4 consultation papers, including publishing a draft amended Electricity Retail Supply Code and Statement of Reasons in June 2019.

During 2019-20, the commission received 5 submissions from stakeholders in response to the draft amended Electricity Retail Supply Code and Statement of Reasons. Further to the submissions, to assist in its understanding of stakeholder feedback, the commission sought and received further information and clarification from the relevant stakeholders, including in some cases through face-to-face and teleconference meetings.

On 13 November 2019, following consideration of all feedback received previously and in relation to the draft amended Electricity Retail Supply Code and Statement of Reasons, the commission published its final varied Electricity Retail Supply Code and Statement of Reasons. The varied Electricity Retail Supply Code commenced on 1 December 2019.

The amendments made to the Electricity Retail Supply Code address changes in the Territory electricity supply industry, including to associated legislation, such as the adoption of the NEL and NER, modified for the Territory. Further, the code introduced new protections for electricity customers that require life support equipment.

### **Final Decision – Generator Performance Standards**

On 5 September 2019, PWC submitted to the commission proposed amendments to the Network Technical Code and System Control Technical Code, which along with PWC's Secure System Guidelines, sought to introduce new GPS for generating systems connecting to the regulated networks.

The proposed amendments were in the context of the Territory's power systems, like many across Australia and around the world, undergoing significant change due to current and expected growth in the amount of generation from solar power and the Territory's associated regulatory framework, specifically the codes, being written for a power system with a generation fleet dominated by gas-fired synchronous generators.

Further, the challenges in the Territory are possibly greater than in other jurisdictions, as the Territory's power systems are small and islanded, and rely on asynchronous solar PV to provide renewable generation, with no wind generation or pumped hydro storage to cover periods of low or intermittent solar irradiance.

The commission, with its technical advisor, GHD Advisory, undertook significant stakeholder consultation in considering the proposed code amendments, in addition to considering stakeholder feedback provided to PWC as part of its consultation prior to submitting the proposed amendments to the commission.

The commission's draft decision in relation to PWC's proposed code amendments to adopt new GPS, and GHD's associated report to the commission, was published on 4 December 2019. The draft decision invited interested stakeholders to provide feedback through submissions, with 6 received.

The commission's final decision was made on 29 February 2020. The final decision followed 2 years notice (including the publication of proposed draft standards) to the industry that new standards were to be introduced for the Territory's regulated power systems, over 12 months formal consultation by PWC and consultation by the commission on its draft decision.

The commission's final decision was to approve amendments to the codes that it considers appropriately balance the desire for system security, the costs imposed on generators required to conform to the GPS and the allocation of risk and cost among connecting generators, the network operator and System Control. In terms of future investment, through the final decision, the connection framework is clear, which has provided the certainty needed for industry.



## Electricity Industry Performance Code – Independent Compliance Audit Guidelines

On 16 June 2020, the commission released proposed EIP Code Independent Compliance Audit Guidelines for consultation.

Under the EIP Code, electricity entities are required to submit to the commission a report on their actual performance in the financial year against the performance indicators set out in the EIP Code. Further, the EIP Code requires an electricity entity to periodically collect and maintain data (in connection with the target standards, performance indicators or reporting requirements) as is reasonably sufficient for the purpose of complying with its obligations under the EIP Code, and enabling the commission to perform its functions under the EIP Code.

To ensure compliance, the EIP Code includes an obligation on electricity entities to undertake an independent audit at least once every 3 years for each performance indicator that the electricity entity is required to report against.

The intent of the proposed guidelines is to assist electricity entities in meeting their EIP Code obligations. As at 30 June 2020, the proposed guidelines were open for consultation, with submissions due by 28 July 2020.

## 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 Order

Retail electricity prices charged to residential and commercial customers (those consuming less than 750 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 26 June 2019, the Treasurer issued an Electricity Pricing Order to regulate associated prices from 1 July 2019 for 12 months to 30 June 2020. On 17 June 2020, the Treasurer issued a subsequent pricing order, to be in effect from 1 April 2020 for 14 months to 30 June 2021 (2020-21 Electricity Pricing Order).

The 2020-21 Electricity Pricing Order includes a clause that prescribes the types of non-residential customers that are eligible for reduced fixed daily and consumption charges, where a customer has also been issued a Business Hardship Certificate by the Department of Trade, Business and Innovation (DTBI). The pricing order also has the effect of freezing electricity prices until 1 July 2021, consistent with the Territory Government's announcement on 28 March 2020.

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*. As at 30 June 2020, the commission was not aware of any material breaches of the pricing orders during 2019-20.

## Review of 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, including a revenue cap formulae with a 5 per cent materiality threshold for an overs and unders account. The charge consists of 2 components, being a system control component and a market operator component, with the market operator component to only be paid by customers supplied by the Darwin-Katherine regulated system.

On 31 March 2020, PWC submitted to the commission its 2020-21 Annual Pricing Proposal for System Control and Market Operator charges.

The commission assessed the PWC's pricing proposal as compliant with the commission's System Control Charges Final Decision for the 2019-20 to 2023-24 regulatory period. The charges approved for 2020-21 are the maximum that PWC is able to charge for services provided by the power system controller with respect to its regulated electricity networks.

## Ancillary services pricing

Ancillary services are defined in the System Control Technical Code as the following 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 authorise the commission to make determinations relating to prices for providing ancillary services in the electricity supply industry.

Currently 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 (Attachment 6.11 Market Operator – Ancillary Services Calculations). The commission approved the amended System Control Technical Code, which incorporates this charge, in 2015.

## Power system reporting

The commission considers regular and comprehensive reporting on the electricity supply industry assists to increase understanding and transparency of issues, and consequently improve planning, investment, understanding of value for money (price compared to level of service) and general performance.

The *Electricity Reform Act 2000* (s.45) requires the commission to report to the minister and electricity entities on various things 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.

Since 2001, to meet its legislated reporting requirements, the commission has published an annual Power System Review (PSR) as a single document providing a review of past and current generation, network and retail performance, forecasts of system demand and supply reliability, and an assessment of the adequacy of the fuel supply.

During 2018-19, the commission undertook a stakeholder survey to gauge the usability and usefulness of the PSR. Following this, to improve the commission's annual reporting, the commission decided to split the PSR into three reports, namely:

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

Each of these reports is discussed below, including a summary of key findings and recommendations.

### 2018-19 Northern Territory Electricity Retail Review

The 2018-19 Northern Territory Electricity Retail Review was published in May 2020 and 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 EIP Code.

The 2018-19 Northern Territory Electricity Retail Review focuses solely on Territory retail performance. It was the second year this type of report has been published by the commission.

The review found, among other things:

- there was very limited retail competition in the Territory in 2018-19, particularly for small customers (residential and small businesses), and no indication of increased competition eventuating under current market conditions
- although marginally improving in 2018-19, the affordability of electricity in the Territory is poor compared to National Energy Customer Framework (NECF) jurisdictions' market offer contracts, however this is largely driven by high consumption
- regulating prices for customers consuming up to 750 MWh per annum results in a significant number of very large commercial customers receiving taxpayer subsidised and below-cost reflective prices
- the Territory Government's community service obligation payment to electricity retailers lacks transparency for customers and industry, and may be an associated barrier to competition
- there was a large increase in call volume to Jacana Energy in 2018-19, however the commission considers this was managed well
- although decreasing in 2018-19, around a third of Jacana Energy complaints resulted in an approach to the Ombudsman NT. A reduction in Ombudsman approaches may be achieved through putting in place obligations on all retailers to provide appropriate internal dispute resolution procedures
- to date, there are no external dispute resolution services available to customers of privately owned electricity retailers, which the commission considers is a gap in customer protections
- there was a decrease in the percentage of residential and small business customers with energy bill debt in the Territory during 2018-19, with the level lower than reported by NECF jurisdictions
- the percentage of residential customers in the Territory disconnected for non-payment in 2018-19 increased from an already high level, with this level being much higher than NECF jurisdictions. The percentage of small business customers in the Territory disconnected for non-payment significantly reduced during the same period, and is now only marginally higher than NECF jurisdictions
- Jacana Energy reviewed its hardship and credit management policies in consultation with stakeholders near the end of 2018-19 and made a number of positive changes

- the commission recommends the Territory Government introduces fit-for-purpose obligations on retailers to have an approved hardship policy in place for small customers that is appropriate for the Territory's circumstances, in line with industry best practices.

The commission intends to further develop the Northern Territory Electricity Retail Review over the coming years. This will be achieved primarily with improvements to the data the commission receives from licensed retailers and the way it is used, including observing trends.

### 2018-19 Northern Territory Power System Performance Review

Overall the review found the performance of the Territory's power systems in 2018-19 to be satisfactory, and in general the standards of service and adequacy of the network and generating units are being maintained. However, performance was inconsistent across the power systems. Alice Springs and Tennant Creek continue to be of concern where, in particular, poor generation performance is leading to low levels of overall system performance.

The 2018-19 period saw continued change in each of the three regions. Tennant Creek and Alice Springs were (and still are) undergoing a large-scale change in their generation mix with older units being phased out of service. The Darwin-Katherine and Alice Springs regions are seeing increased behind-the-meter solar PV connections and Darwin-Katherine is preparing to connect its first large-scale solar PV power station.

While there are obvious differences across the three regions in terms of scale, network topology and generation mix, there are some common issues. Consistent with the 2017-18 NTPSPR, these common issues again in 2018-19 related to inter-operability of controls, adherence to good electricity industry practices and robustness of design and operation protocols.

Many of the recommendations from the 2017-18 NTPSPR remained in progress during 2018-19. The performance of the power systems in 2018-19 demonstrated that the recommendations remained valid or are not completed to a satisfactory extent. There were notable exceptions including the management of system risk, particularly in the Darwin-Katherine region.

The commission is now explicitly monitoring progress made in NTPSPRs. An assessment of progress against the recommendations is included after the individual system performance summaries in the 2018-19 NTPSPR.

The commission's 2018-19 NTPSPR noted it was aware of the recent renewed focus and monitoring of power system performance, and the subsequent system changes, by licensees and government, particularly in the Alice Springs power system, following the Alice Springs system black on 13 October 2019, noting this occurred early in the next reporting period. Further, the commission noted licensees were addressing the deteriorating performance in the Tennant Creek power system following the commission's proactive performance monitoring and identification of issues. Therefore, in the 2018-19 NTPSPR, the commission endeavoured to limit its focus and, where possible, not highlight or make recommendations in relation to issues the commission considers are already being addressed.

## 2018-19 Northern Territory Electricity Outlook Report

The 2017-18 NTEOR was published in June 2020 and focuses on the system demand and supply reliability outlook (2019-20 to 2028-29) for the regulated power systems, and an assessment of the adequacy of the fuel supply for electricity. Further, renewable capacity and impacts on demand and consumption at the regional level are forecast out to 2029-30 to align with the government's renewable energy commitment.

Unlike the commission's 2017-18 NTEOR, which assessed both a business-as-usual scenario (base) and a 50 per cent renewable energy by 2030 scenario in relation to system demand and supply reliability, this report focused on the base scenario only.

The review found, among other things:

- unserved energy for all three regulated power systems will generally meet the commission's reliability standard (adopted by the commission in the absence of a Territory target) across the forecast period. However, the assumed reliability standard is expected to be significantly exceeded from 2026-27 in the Darwin-Katherine system. This is due to Territory Generation's planned retirement of 5 large generators at the Channel Island power station
- there is a need for additional new generation, demand response, and or storage to be in place in the Darwin-Katherine power system by 2026-27, to maintain acceptable levels of reliability. Considering the time required to carefully investigate, procure, construct, test and commission a solution or solutions, the commission recommends the time to commence this process is now. This process should include, among other things, consideration of learnings from the recent major changes in the Alice Springs and Tennant Creek power systems and rigorous due diligence, noting the costs are likely to be borne by electricity consumers and or Territory taxpayers, and any solution may be relied upon for at least the next couple of decades
- while the assumed reliability standard is otherwise met in the 3 regulated power systems, some risk of load shedding continues to be present. While some risk is considered inevitable, the commission's assessment found that in the Alice Springs power system in particular, the risk of load shedding could be significantly reduced by optimising the maintenance scheduling of Territory Generation's Owen Springs power station
- after the expected retirement of the Ron Goodin power station in July 2021, unserved energy is forecast to increase and be volatile from year to year, primarily influenced by the scheduling of maintenance outages. The Australian Energy Market Operator's (AEMO) modelling shows that if these outages could be rescheduled to periods where there is a higher surplus of capacity, the forecast unserved energy in the Alice Springs power system would remain low
- there is a need for coordination between licensees, in this case between PWC System Control and Territory Generation, to ensure assets are utilised to their full potential while minimising the risk of impacting Territory electricity customers.

The commission identified a number of issues that, based on current trends and regardless of the government's renewable energy target, require immediate consideration and action by government and licensees. These are Territory Generation's planned retirement of significant thermal generation capacity in the Darwin-Katherine power system and the timing of planned generation outages, particularly by Territory Generation in the Alice Springs power system.

## Compliance

### 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 that this incident reporting is vital to ensure System Control is identifying and addressing problems with relevant system participants, and learning lessons from this to, among other things, ensure ongoing reliability and quality of electricity services and supply.

As reported in the commission's Independent Investigation of Alice Springs System Black Incident on 13 October 2019 report, the commission has had concerns with System Control's management of incident reporting obligations under the System Control Technical Code for some time, which had been communicated to the PWC Chief Executive Officer a number of times. Subsequently, PWC committed to clear the backlog of incident reports greater than 6 months old by end-December 2019.

Throughout 2019-20, the commission actively monitored and engaged with System Control in relation to its incident reporting. The commission's progress report on the implementation of the recommendations from the independent investigation of the Alice Springs System black incident on 13 October 2019, published on 27 February 2020, noted that System Control met its commitment to submit to the commission all outstanding major incident reports older than 6 months by 31 December 2019.

The commission continues to monitor and report on System Control's compliance with System Control Technical Code incident reporting obligations, which now includes tracking of progress in implementing associated recommendations.

### Safety Management and Mitigation Plan

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 purpose of a Safety Management and Mitigation Plan is to, among other things, ensure appropriate oversight of safety around electricity infrastructure to protect employees, contractors and the public.

Although, under the current regulatory framework, the commission considers and approves electricity network and generation licensees' plans, it does so in consultation with the Electricity Safety Regulator 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.

During 2019-20, the commission considered and approved 4 new and updated Safety Management and Mitigation Plans. Two proposed plans were not approved, with the licensees advised to resubmit their proposed Safety Management and Mitigation Plans once the design of the relevant generation infrastructure was more developed.

## 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 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 2019-20, the Commission received one confidential complaint under the *Electricity Reform Act 2000*. As at 30 June 2020, this confidential complaint was still under investigation.

## 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*. Inquiries conducted under Part 7 of the *Utilities Commission Act 2000* are public inquiries 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*. The minister 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 at its own initiative on the operation of the *Electricity Reform Act 2000*.

## Independent Investigation of Alice Springs System Black Incident on 13 October 2019 and implementation of recommendations

On 13 October 2019, there was a significant power outage in Alice Springs that affected approximately 12,000 customers for periods varying between 30 minutes and up to 10 hours. The Alice Springs Hospital and communities as far as Haasts Bluff (approximately 250km from Alice Springs) were impacted, with many businesses forced to close.

Following this, on 15 October 2019, the Treasurer asked the commission to undertake an independent investigation into the Alice Springs system black incident. The commission's investigation was conducted in Alice Springs and Darwin with the assistance of a specialist technical advisor from Entura and included meetings with over 40 stakeholders over approximately two weeks to gather feedback on the incident and other relevant information.

The commission submitted its final investigation report to the Treasurer on 2 December 2019, and it was publically released by government on 9 December 2019.

The commission's independent investigation identified multiple failures, both in the events that led to the system black and the subsequent restoration. Key failures in the lead up to the system black included operating the system in an insecure state, and issues with

the automatic generator control, Jenbacher generator controls, battery energy storage system and the settings of the under frequency load shedding scheme. Key failures in the restoration included a lack of or inadequate black start procedures, Jenbacher generator limitations and the delayed availability of one of the Ron Goodin power station units due to poor maintenance decisions. Several failings in the restoration process were pivotal and led to a significantly longer restoration process.

The investigation report noted that the sudden unforeseen (by those managing the system) reduction in solar generation due to cloud, which precipitated the 13 October 2019 Alice Springs system black, was not considered a root cause of the system black. However, the commission's investigation found this to be further evidence that the current Territory power systems (including Darwin-Katherine and Tennant Creek) may not be agile and robust enough to support an early transition towards the Territory Government's 50 per cent renewables by 2030 target.

The Commission's final investigation report made 15 recommendations in relation to infrastructure, systems and processes. Of these, the Territory Government accepted 14 in whole and one in principle. Within the recommendations, there are a total of 33 actions to be progressed and reported by PWC and Territory Generation, and one by the commission. The minister requested the commission monitor and report progress on the implementation of 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 6 months for a period of 2 years.

On 27 February 2020, the commission published its first 6-monthly progress report on the implementation of the recommendations from the independent investigation of the Alice Springs system black incident on 13 October 2019.

The progress report reported that while not all recommended actions had been fully implemented by PWC and Territory Generation by the deadlines set in the government response, the commission considered that in general the delays were justified, noting a number required further technical considerations, testing and or consultation by PWC and Territory Generation and or clarification from the commission.

The commission will continue to monitor and report all outstanding and ongoing actions, and any subsequent actions as a result of implementing any recommendations, with the next progress report to be published by the commission by the end of August 2020.



# 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 some 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 the Administrative Arrangements Order allocate ministerial responsibility for the *Water Supply and Sewerage Services Act 2000* as summarised below:

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

## 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 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 for the provision of 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 for service provision that takes place outside a water or sewerage licence area.

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

As at 30 June 2020, PWC held 2 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 2019-20 there were no applications for water or sewerage 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 26 June 2019, the Treasurer issued a pricing order to regulate water supply and sewerage services prices from 1 July 2019 for 12 months to 30 June 2020. On 17 June 2020, the Treasurer issued a subsequent pricing order, to be in effect from 1 April 2020 for 14 months to 30 June 2021 (2020-21 Water Supply and Sewerage Services Pricing Order).

The 2020-21 Water Supply and Sewerage Services Pricing Order includes clauses that prescribe which types of customer are eligible for reduced fixed, volumetric and non-residential water supply and sewerage services charges, provided the customer has been issued a Business Hardship Certificate from DTBI. The pricing order also has the effect of freezing water supply and sewerage services tariffs until 1 July 2021, consistent with the Territory Government's announcement on 28 March 2020.

The commission is required to enforce compliance with the pricing orders as if the orders were a determination of the commission under the *Utilities Commission Act 2000*. As at 30 June 2020, the commission was not aware of any material breaches of the pricing orders during 2019-20.

## Water supply and sewerage services 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 considers the plans to be useful tools for monitoring and planning for the efficiency of future capital investment.

On 1 November 2019, PWC submitted to the commission its water and sewerage asset management plans for the major and minor centres in accordance with section 48 of the *Water Supply and Sewerage Services Act 2000* and clauses 12.2 of PWC's water supply and sewerage services licences.

The commission reviewed and noted PWC's asset management plans.

## Service performance

The commission has no role in developing service standards in the water and sewerage 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 2020, 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 2019-20, 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
16 August 2019	Darwin	Present	Present
11 September 2019	Alice Springs	Present	Present
7 November 2019	Phone	Present	Present
10 December 2019	Darwin	Present	Present
16 January 2020	Phone	Present	Present
7 February 2020	Darwin	Present	Present
25 February 2020	Phone	Present	Present
19 March 2020	Phone	Present	Present
16 April 2020	Videoconference	Present	Present
14 May 2020	Videoconference	Present	Present
11 June 2020	Videoconference	Present	Present

Table A2: Major decisions

Date	Agenda item	Item	Industry
26-Jul-19	OOS no. 1	Approved the engagement of ACIL Allen to provide expert economic advice for the Ring-fencing Code and Guidelines Review	Electricity
22-Aug-19	OOS no. 2	Approved a variation to Eni's generation licence	Electricity
11-Sep-19	4.3	Approved publication of PWC's proposed GPS with advice to stakeholders	Electricity
3-Oct-19	OOS no. 3	Approved the engagement of Entura to provide expert technical services for the 2018-19 NTPSPR	Electricity
20-Oct-19	OOS no. 4	Approved the engagement of Entura to provide expert technical services for the investigation of the 13 October 2019 Alice Springs system black incident	Electricity
27-Oct-19	OOS no. 5	Approved the final Electricity Retail Supply Code and Statement of Reasons, including publication	Electricity
7-Nov-19	2.3	Approved the 2019 Ports Price Monitoring Report, including publication	Ports
	2.4	Approved the commission's Annual Report on Material Instances of Non-compliance with the Ports Access Policy and Determinations for 2018-19 to the minister and publication	Ports
	2.5	Approved EDL's updated Safety Management and Mitigation Plan	Electricity
	2.6	Approved the Annual Compliance Report for 2018-19, including publication	Electricity
	2.7	Approved a retail licence to be issued to Territory Generation for the sale of electricity to the Department of Defence at the Joint Defence Facility Pine Gap	Electricity
22-Nov-19	OOS no. 6	Approved the Independent Investigation of the Alice Springs System Black Incident on 13 October 2019 report to the minister	Electricity
2-Dec-19	OOS no. 7	Approved the draft decision in relation to PWC's proposed amendments to the Network Technical Code and System Control Technical Code to implement new GPS	Electricity
2-Dec-19	OOS no. 8	Approved the revised Independent Investigation of the Alice Springs System Black Incident on 13 October 2019 report to the minister	
10-Dec-19	2.1	Approved PWC's updated Safety Management and Mitigation Plan	Electricity
	2.3	Approved a generation licence to be issued to Assure Energy, subject to conditions	Electricity
	3.1	Approved the Utilities Commission's 2020 priorities, including publishing	All
21-Dec-19	OOS no. 9	Approved advice to the Treasurer in relation to potential options for wholesale price regulation	Electricity
24-Jan-20	OOS no. 10	Approved the methodology and assumptions for the 2018-19 NTEOR	Electricity
7-Feb-20	2.2	Approved Eni's proposed Safety Management and Mitigation Plan in relation to the Katherine Solar power station	Electricity
25-Feb-20	2.1	Approved the Progress Report – Implementation of recommendations – Alice Springs System Black Incident on 13 October 2019, including publishing	Electricity
28-Feb-20	OOS no. 11	Approved the final decision in relation to PWC's proposed amendments to the Network Technical Code and System Control Technical Code to implement new GPS	Electricity
19-Mar-20	2.2	Approved an exemption to Jacana Energy from EIP Code requirements to provide the number of customers by meter type data for 2018-19 and 2019-20	Electricity
	2.3	Approved the draft decision for the Northern Territory Electricity Ring-fencing Code review, including publication	Electricity

continued



Date	Agenda item	Item	Industry
7-Apr-20	OOS no. 12	Approved PWC's Pricing Proposal for 2020-21 System Control and Market Operator charges	Electricity
16-Apr-20	2.1	Approved the issue of a retail licence to the Department of Defence, and an exemption from the requirements to hold a network licence, subject to ministerial approval	Electricity
	2.2	Approved the proposed Services Agreement between AEMO and the commission, to commence 1 July 2020, including execution	Electricity
14-May-20	2.2	Approved a revised network licence for PWC, including publication	Electricity
	2.3	Approved the 2018-19 Northern Territory Electricity Retail Review, including publication	Electricity
	2.4	Approved the 2018-19 NTPSPR, including publication	Electricity
11-June-20	2.2	Approved the commission's 2020-21 Priorities, including publication	All
	2.4	Approved draft EIP Code Independent Compliance Audit Guidelines, including publishing	Electricity
	2.4	Approved Territory Generation's updated Safety Management and Mitigation Plan	Electricity
	2.6	Approved the 2018-19 NTEOR, including publishing	Electricity

## Appendix B: Expenditure and receipts

The Utilities 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 expenditures of the commission 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

	2019-20	2018-19
	\$000	\$000
<b>EMPLOYEE EXPENSES</b>	<b>555</b>	<b>475</b>
<b>GENERAL EXPENSES</b>	<b>784</b>	<b>877</b>
Regulatory/commission expenses	162	218
Expert advice (including legal)	572	638
Office expenses and administration	47	13
Recruitment and training	3	8
<b>TOTAL EXPENSES</b>	<b>1 339</b>	<b>1 352</b>

Table B2: Licence fees and charges

	2019-20	2018-19
	\$000	\$000
<b>FEES AND CHARGES</b>		
Licence application fees	5	5
Electricity licence fees	457	454
Water and sewerage licence fees	50	50
<b>TOTAL REVENUE</b>	<b>512</b>	<b>509</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, to reflect a reasonable contribution towards administrative costs of the commission.

## Appendix C: Advisers to the Utilities Commission

In 2019-20, the Utilities Commission used the services of various consultants and legal services. Total fees paid to consultants was \$0.547 million, compared with \$0.463 million in the previous year. Total costs for the year were \$.024 million for legal expenses, compared with \$0.176 million in the previous year.

The commission engaged consultants and legal advisers in 2019-20 that included:

- ACIL Allen Consultants, for economic advice in relation to the commission's review of the Northern Territory Electricity Ring-fencing Code and potential options for wholesale price regulation
- AEMO, to assist the commission with the development of, and modelling undertaken for, the 2018-19 NTEOR
- Entura (Hydro-Electric Corp), to assist the commission with technical advice relating to the 2018-19 NTPSPR and the commission's independent investigation of the 13 October 2019 Alice Springs system black
- GHD Advisory, for technical advice and reports to the commission in relation to PWC's proposed code amendments to implement new GPS
- Seaton Legal Pty Ltd, to provide legal advice and drafting services for the review and update of the Northern Territory Electricity Ring-fencing Code
- WSP (Parsons Brinkerhoff Australia Pty Ltd), for ad hoc technical advice to the commission in relation to PWC's proposed code amendments to implement new GPS.

## Appendix D: Publications and reports

Table D1: During 2019-20, the commission published the following reports and documents

Date released	Publication
September 2019	Annual Report 2018-19
November 2019	Annual Compliance Report 2018-19 Statement of Reasons – Final amendments to the Electricity Retail Supply Code
December 2019	2019 Ports Annual Price Monitoring Report  Independent Investigation of Alice Springs System Black Incident on 13 October 2019 Report  Draft Decision – PWC proposed amendments to codes – Generator Performance Standards
January 2020	Utilities Commission 2020 Priorities
February 2020	Final Decision – PWC proposed amendments to codes – Generator Performance Standards  Progress Report on the implementation of recommendations from Independent Investigation of Alice Springs System Black Incident on 13 October 2019
March 2020	2019 Annual Report to the Minister on Material Instances of Non-Compliance – Port of Darwin  Draft Decision – Northern Territory Electricity Ring-fencing Code and Guidelines Review  Notification of existing Dedicated Connection Assets form
April 2020	Approved 2020-21 PWC System Control Charges
May 2020	2018-19 Northern Territory Electricity Retail Review 2018-19 Northern Territory Power System Performance Review
June 2020	Draft EIP Code Independent Compliance Audit Guidelines 2018-19 Northern Territory Electricity Outlook Report Utilities Commission 2020-21 Priorities

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

