



# ANNUAL REPORT 2020-21



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

AER	Australian Energy Regulator
Commission	Utilities Commission of the Northern Territory
CPI	consumer price index
DPO	Darwin Port Operations Pty Ltd
EDL	EDL NGD (NT) Pty Ltd
ESS	essential system services
GSL	guaranteed service level
IES	Indigenous Essential Services Pty Ltd
I-NTEM	interim wholesale electricity market in the Darwin-Katherine regulated system, also referred to as Interim Northern Territory Electricity Market
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
NEL	National Electricity Law
NER	National Electricity Rules
NTEOR	Northern Territory Electricity Outlook Report
NTPSPR	Northern Territory Power System Performance Review
PV	photovoltaic
PWC	Power and Water Corporation, a government owned corporation established in accordance with the <i>Government Owned Corporations Act 2001</i>
regulated power systems	refers to the Darwin-Katherine, Alice Springs and Tennant Creek power systems
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  
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Dear Treasurer

In accordance with section 35 of the *Utilities Commission Act 2000*, I am pleased to present the Utilities Commission of the Northern Territory's Annual Report for the year ending 30 June 2021.

The report covers:

- the administration of the Act during the 2020-21 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

24 September 2021

## Commissioner's overview

I am pleased to present the Utilities Commission of the Northern Territory's Annual Report for the year ending 30 June 2021, which records the key achievements and activities of the Commission during 2020-21.

It was again a busy year for the Commission, with key achievements and activities spanning all industries regulated by the Commission. Importantly, the Commission met all its legislative obligations and delivered all its published priority actions for 2020-21.

The Commission's role in regulating the Territory's ports industry continued throughout 2020-21, with the Commission actively monitoring prices at the Port of Darwin and publishing its second Ports Annual Price Monitoring Report since the Port of Darwin became privately operated in November 2015. In terms of access regulation, the Commission commenced a review of the Port of Darwin Reporting Guidelines, which sets out the requirements for the port operator's annual report to the Commission about any material instances of non-compliance with the port operator's access policy. The review was still out for consultation with stakeholders as at 30 June 2021.

From a water supply and sewerage services industry perspective, in addition to undertaking its legislated responsibilities, the Commission provided advice to government regarding the current regulatory framework. The Commission's view is that a review of the Territory's economic regulatory framework for water supply and sewerage services is timely given the Productivity Commission's review of the National Water Initiative and the Territory Government's work program to develop a Northern Territory Strategic Water Plan.

Notwithstanding its work in administering the ports access and pricing regulatory regime and economic regulation of the Territory's water supply and sewerage services industries, the Territory's electricity supply industry dominated the Commission's work program during 2020-21, with the complex and evolving nature of the industry again challenging the Commission's small team and resources.

The Commission's 2020-21 electricity supply industry activities and achievements included planned priorities, such as:

- publishing annual reports of power system and retail performance and demand and supply forecasts
- completing the review of the Northern Territory Electricity Ring-fencing Code and Guidelines (Ring-fencing Code)
- commencing reviews of the Electricity Industry Performance Code and Electricity Retail Supply Code
- ongoing monitoring and reporting of progress on the implementation of recommended actions as part of government's response to the Commission's investigation of the 13 October 2019 Alice Springs system black.

There were also a number of unplanned activities, including providing advice to the minister on matters such as the electricity supply community service obligation and Territory Generation's draft unbundled wholesale electricity prices for the Darwin-Katherine power system.

A sign of the complex and evolving nature of the electricity supply industry is the number of enquiries being made to the Commission in relation to how newer technologies, such as electric vehicle charging and virtual power plants, apply to the Territory's regulatory

frameworks including the licensing regime administered by the Commission. This trend is expected to continue.

In relation to licensing, the Commission issued two new licences during 2020-21: one generation licence for two solar photovoltaic (PV) power stations to operate behind the meter; and one retail licence to sell excess solar PV energy to electricity entities holding a retail licence. In 2020-21, the Commission also: transferred two generation licences; granted one network licence exemption; and amended Alcan Gove Pty Ltd's licence exemption in relation to electricity supply in Nhulunbuy, following consultation with stakeholders. Relevantly, the Commission commenced a review of the electricity licensing regime and expects to publish an associated issues paper during the coming year.

Through its various published reports and advice to the minister, the Commission continued to voice its concerns that the Territory's power systems, which are small, isolated and lacking in diversity of renewable energy technologies, are evolving without appropriate supporting market frameworks to enable an industry response to the changing circumstances. The Commission considers that industry's involvement is vital to encourage innovation and achieve the changes needed in the Territory's power systems at least cost, while sharing the risk.

In this regard, the Commission acknowledges that the Territory government has committed to implementing priority electricity market reforms to facilitate greater levels of competition and the adoption of emerging technologies, and that while progress has been slow to date, momentum is building. The Commission will do its utmost to continue to communicate the importance of completing this work, and provide its advice and assistance to the government to implement its reforms as appropriate.

The Commission appreciates stakeholders' ongoing engagement during 2020-21, particularly given the challenges of COVID-19 restrictions. Stakeholder feedback is an important input to the Commission's decisions and ultimately to the Commission achieving its goals and primary objective. The Commission looks forward to working with stakeholders over the coming 12 months and beyond in what is an exciting time for the Territory's regulated industries and economy more broadly.

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 very 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 and quantity of their output. They do an amazing job with very limited resources. I also thank the Under Treasurer and Deputy Under Treasurer for the support provided to the Commission.



Lyndon Rowe  
Utilities Commissioner





# 1 | About the Utilities Commission



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

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

### 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 National Electricity Rules (NER), as amended for the Territory's circumstances, in relation to auditing metering installations if requested, and in relation to licensing, issuing exemptions and monitoring of dedicated connection assets.

### 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).

### 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 2020-21

Legislation	Codes and other		Licences	Price Regulation
<p><i>Utilities Commission Act 2000</i></p> <p>Utilities Commission Regulations</p>	<p>Developed by the Commission</p> <p>Developed by industry participants, subject to the approval of the Commission</p>			
	<p>Electricity Industry Performance Code</p> <p>Ring-fencing Code</p> <p>Electricity Retail Supply Code</p>			
<p><i>Ports Management Act 2015</i></p> <p>Ports Management Regulations</p>	Port Operator's Access Policy		Price Determination for price monitoring	
<p><i>Electricity Reform Act 2000</i></p> <p>Electricity Reform (Administration) Regulations</p>	<p>System Control Technical Code</p> <p>Network Technical Code</p>	<p>Retail Licence</p> <p>Network Licence</p> <p>Generation Licence</p> <p>System Control Licence</p> <p>Special Licence – Independent Power Producer</p> <p>Licence exemption</p>	Electricity Pricing Order for prescribed customers using <750MWh per annum <sup>1</sup>	
<p><i>Water Supply and Sewerage Services Act 2000</i></p> <p>Water Supply and Sewerage Services Regulations</p>	<p>Trade Waste Code</p> <p>Water Metering Code</p>	<p>Sewerage Services Licence</p> <p>Water Supply Licence</p> <p>Licence exemption</p>	Water and Sewerage Pricing Order <sup>1</sup>	

<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 five 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.

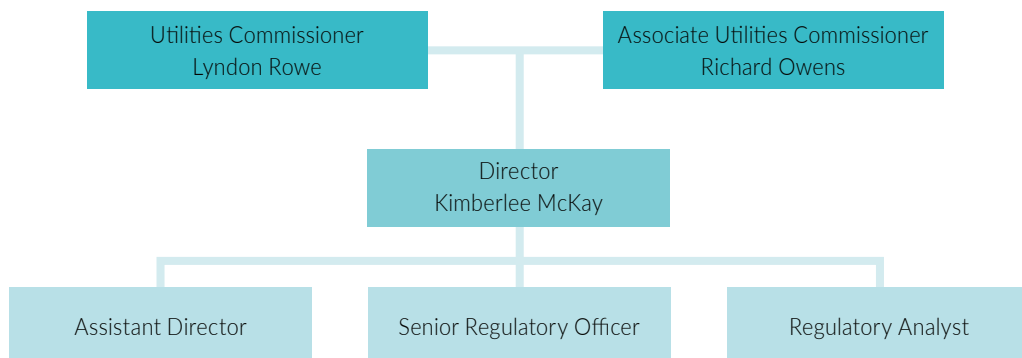
Mr Richard Owens was appointed as Associate Utilities Commissioner (part-time) on 6 April 2018. He is also a director at farrierswier consulting and is a member of the Consumer Panel for the National Electricity Market Integrated System Plan. He was Executive General Manager, Networks at the Australian 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 2016-17. 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

S.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. Three times during 2020-21, the department also rotated a second year graduate through the Commission.

Figure 2: Organisational chart as at 30 June 2021



## Commission meetings and decisions

The commissioners and Commission staff meet regularly to consider and discuss Commission tasks, obligations and issues. During 2020-21, the Commission met 12 times (one in person, 10 by videoconference and one by teleconference).

In addition to meetings, the Commission considered various issues and made 19 associated out-of-session decisions.

Appendix A sets out the Commission meetings, dates and attendance, and major decisions made during 2020-21.

## Engagement with stakeholders

The commissioners and Commission staff seek to engage with stakeholders regularly, genuinely and transparently, including meeting face-to-face or by videoconference where possible, to build and maintain strong relationships, build an understanding of economic and regulatory issues, including in terms of the Territory's regulated industries, and enable the Commission to make the best, most informed decisions.

The commissioners and Commission staff met regularly with stakeholders throughout 2020-21, including through videoconference facilities to overcome COVID-19 restrictions and risks. 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 2020-21. Total direct expenditure for 2020-21 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 2020-21 was \$0.53 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 \$0.56 million in 2020-21.



## 2 | Performance summary



This chapter provides details on the key highlights for the Commission in undertaking its functions in 2020-21 and its key priorities for 2021-22.

## Highlights for 2020-21

### Licensing

During 2020-21, the Commission provided advice on the Territory's regulatory frameworks and licensing regime to current and potential licensees. This included responding to enquiries regarding how the Territory's regulatory frameworks apply to newer technologies, such as electric vehicle charging and virtual power plants, and in relation to the declaration of existing dedicated connection assets.

Following stakeholder consultation, the Commission issued a retail licence to sell surplus electricity from behind-the-meter solar PV generation and granted a licence exemption in relation to owning or operating an electricity network to the Department of Defence. Also in 2020-21, the Commission issued one new generation licence to Assure Energy Asset Pty Ltd; transferred two generation licences, to BSF Co Pty Ltd and HCPS Co Pty Ltd; and amended Alcan Gove Pty Ltd's licence exemption in relation to electricity supply in Nhulunbuy.

Consistent with its 2020-21 priorities, the Commission commenced a review of the electricity licensing regime.

### Completed review of Ring-fencing Code

The Commission completed its review of the Ring-fencing Code, with its final decision published on 23 July 2020 along with the updated code.

The review was necessary given the significant changes in the Territory's electricity supply industry since the last review, including: the legal separation of the Power and Water Corporation (PWC); implementation of an interim wholesale electricity market in the Darwin-Katherine regulated system (I-NTEM); adoption of the National Electricity Law (NEL) and NER (amended for the Territory's circumstances); and associated transfer of third-party access and network price regulation to the Australian Energy Regulator (AER). Further, a number of private retailers and generators are licensed in the Territory and competing with the government owned corporations.

The final decision was made following consideration of stakeholders' submissions to the issues paper, a draft decision and draft amended code, and further engagement with stakeholders, among other things.

The varied Ring-fencing Code took effect on 26 August 2020, although additional time was provided for PWC to comply with some obligations.

### Stage 2 review of Electricity Retail Supply Code

In June 2021, the Commission published an issues paper seeking stakeholder feedback for the stage 2 review of the Electricity Retail Supply Code.

The stage 2 review follows the Commission's comprehensive review, completed in November 2019, which resulted in an amended Electricity Retail Supply Code including new life support equipment customer protections and a commitment to undertake a stage 2 review to consider known issues, gaps and overall relevance and effectiveness of the Electricity Retail Supply Code more broadly.



Stakeholder submissions were due to close on 2 August 2021, with no submissions received by 30 June 2021.

### Review of Electricity Industry Performance Code

A review of the Electricity Industry Performance Code commenced with an issues paper published in September 2020.

The review seeks to address known anomalies, some of which existed in the former Electricity Standards of Service Code, and consider any additional issues raised by stakeholders as appropriate.

Stakeholder submissions were due on 28 October 2020 and are currently under consideration. In total, eight submissions were received from six stakeholders, including two follow-up submissions received in mid-2021.

### Electricity Industry Performance Code Independent Compliance Audit Guidelines

Under the Electricity Industry Performance Code, an electricity entity must periodically collect and maintain certain data for the purpose of complying with its code obligations. To ensure compliance, the code places an obligation on electricity entities to undertake an independent audit at least once every three years for each performance indicator the electricity entity is required to report against.

To assist electricity entities to meet their obligations, the Commission issued draft Independent Compliance Audit Guidelines for consultation in late 2019-20, with submissions requested from stakeholders by 28 July 2020.

Four submissions were received in relation to the draft guidelines, which were generally supportive. The Commission considered the feedback received and subsequently issued final Independent Compliance Audit Guidelines, with its associated Statement of Reasons, on 3 September 2020.

### Power system reporting

To meet its legislated reporting requirements to the minister and inform government, licence holders and stakeholders, during 2020-21 the Commission published:

- the 2019-20 Northern Territory Electricity Retail Review, which focuses on retail performance and quality of service provided to small electricity customers
- the 2019-20 Northern Territory Power System Performance Review (NTPSPR), which focuses on the 2019-20 generation and network performance of the regulated systems
- the 2020 Northern Territory Electricity Outlook Report (NTEOR), which focuses on the system demand and supply reliability outlook for the regulated power systems.

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 power system reports.

## Progress Report – Alice Springs system black incident recommendations implementation

As part of the government's response to the Commission's independent investigation into the 13 October 2019 Alice Springs system black, the Commission was requested by the Treasurer to monitor and report progress on the implementation of recommended actions and other major incident reports, with progress reports to be published every six months for a period of two years.

As requested by the Treasurer, the Commission published its second and third six-monthly progress reports on 31 August 2020 and 1 March 2021.

## Price monitoring – Port of Darwin

One of the Commission's roles is to regulate standard charges for prescribed services for the Port of Darwin. The regulatory framework specifically states that the Commission must use price monitoring as the form of price regulation. Consistent 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 2020, Darwin Port Operations Pty Ltd (DPO) increased its tariffs by 1.55%, except for port induction fees. This was marginally lower than the national CPI for the 12 months to March quarter 2020, which was 2.2%. The Commission advised stakeholders of the tariff changes through publishing the details on its website and direct correspondence as appropriate.

In October 2020, the Commission published its 2020 Ports Annual Price Monitoring Report, which was the second 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 five-year period. Further, it provides a summary of the revenue received by the private port operator for prescribed services.

## Review of Port of Darwin Reporting Guidelines

During 2020-21, the Commission commenced a review of the Port of Darwin Reporting Guidelines to ensure its content and requirements remain relevant and effective.

The Port of Darwin Reporting Guidelines sets out the requirements for the port operator's annual report to the Commission about any material instances of non-compliance with the port operator's access policy. The guidelines document is publicly available on the Commission's website and has been in operation since May 2018.

Feedback on the Commission's proposed minor amendments to the guidelines was requested from DPO and other interested stakeholders by 16 July 2021.

## 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 provided advice and assistance to customers regarding the Territory's regulatory framework.

## Compliance

As a condition of licence, licensees are required to maintain and report on their compliance framework. The annual compliance reports in relation to electricity supply, water supply and sewerage services 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.

The Commission's Annual Compliance Report in relation to 17 licences on issue during the 2019-20 reporting period was published on 2 December 2020.

In relation to compliance with the ports access and pricing regime, on 23 October 2020 the Commission delivered to the minister its annual report on material instances of non-compliance with the private port operator's Access Policy and the Commission's price determination as required by the *Ports Management Act 2015*.

## Complaints

The Commission has a role to investigate and help resolve complaints relating to the conduct or operations of licensed entities. The Commission completed the investigation of one confidential complaint under the *Electricity Reform Act 2000* during 2020-21.

## General advice and information

In addition to publishing general information, Commission consultation papers and decision advice on its website, during 2020-21 the Commission advised stakeholders, through its 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 PWC's proposed amendments to the System Control Technical Code relating to power system incident reporting procedures.

The Commission also continued to actively engage in providing advice to government in relation to its various renewable energy and electricity reform initiatives, and its planned ship lift access and pricing regulatory regime as appropriate.

## Strategic Plan and priorities

In February 2019, the Commission published its 2019-2021 Strategic Plan, which sets out the Commission's organisational goals and planned actions to achieve these goals over the 2018-19 to 2020-21 financial years. In line with its Strategic Plan, the Commission published its annual priorities to, among other things, ensure the Commission is accountable for achieving its goals.

## Completed 2020-21 priorities

The Commission delivered all 2020-21 priorities published in its 2019-20 Annual Report, other than conducting site visits with stakeholders south of Darwin to Katherine, which was always subject to potential travel and other restrictions due to COVID-19.

## Stakeholder survey

As part of the Commission's 2019–2021 Strategic Plan, the Commission identified undertaking a regular stakeholder survey as a priority, with an indicator of success being a stakeholder survey undertaken at least once within a three-year period.

In November 2020, the Commission's 2020 stakeholder survey was emailed to 185 stakeholders (those who subscribed to receive updates from the Commission through its website). The survey asked 10 questions, including how often stakeholders interact with the Commission, their level of satisfaction with the Commission's performance towards its goals and values, and their level of satisfaction the Commission is achieving its overall objective to 'protect the long-term interests of consumers of services provided by regulated industries with respect to price, reliability and quality'.

A total of 32 stakeholders, from regulated businesses, government, regulators, commercial businesses, representative bodies, private citizens and the media, responded.

Overall, responses to the survey were positive, particularly in relation to how effectively the Commission engages and communicates with its stakeholders, how professionally the Commission conducts itself and how satisfied stakeholders are with the Commission's reports.

However, the Commission's survey resulted in a notable number of neutral responses in relation to how satisfied stakeholders are with the Commission holding regulated businesses accountable and achieving the Commission's overall objective. As a result, the Commission committed to try to better communicate its powers and functions, and associated limitations, with stakeholders, particularly major users.

## 2021-22 priorities

The Commission revisited its strategy during 2020-21 and in June 2021 approved and published its Strategic Plan for the next three years, from 2021-22 to 2023-24, along with its 2021-22 priorities.

The Commission's 2021-22 priorities are to:

- monitor licensees' compliance with regulatory obligations, including ensuring regular internal audits and requiring independent audits of compliance as appropriate
- publish an annual compliance report of licensees' compliance with obligations
- meet regularly with stakeholders, including site visits
- publish high quality reports on 2020-21 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 relevant licensees' progress in implementing recommendations following the Commission's Independent Investigation of the Alice Springs System Black Incident on 13 October 2019 Report and other major incident reports
- publish an annual price monitoring report for the Port of Darwin
- issue a new price determination 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

- review the Port of Darwin Reporting Guidelines
- progress the Electricity Industry Performance Code review
- progress the electricity licensing regime review
- progress the stage 2 review of the Electricity Retail Supply Code
- continue to provide advice to the Territory government as appropriate, including in relation to the planned Darwin ship lift access and pricing regulatory regime
- continue to contribute to the Territory government's priority electricity market reforms including undertaking inquiries as requested by the minister
- identify and have staff participate in relevant professional development.



# 3 | Electricity supply industry



## Responsibilities under the *Electricity Reform Act 2000*

The electricity industry in the Territory is regulated by the *Electricity Reform Act 2000*, *Utilities Commission Act 2000* and associated legislation, 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 supply 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 2021) allocate ministerial responsibility for the *Electricity Reform Act 2000* as summarised below:

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

## Licensing

The Commission is responsible for administering the licensing of the electricity supply industry in the 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
- selling electricity
- system control over a power system
- other operations for which a licence is required by the Regulations.



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 I-NTEM, which operates in the Darwin-Katherine system only, System Control is the market operator.</p>
Special generation licence – independent power producer	<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	<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 for a combination of generation, network and retail 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 2020-21

During 2020-21, the Commission issued one retail licence and one generation licence, and transferred two generation licences.

In December 2019, the Commission received an application from the Commonwealth of Australia, represented by the Department of Defence, for a retail licence to sell surplus electricity from behind-the-meter solar PV generation at RAAF Base Darwin and Robertson Barracks to electricity entities holding a retail licence. The Commission undertook stakeholder consultation and did not receive any submissions in relation to the application.

The retail licence application was approved by the Commission in April 2020, however as at 30 June 2020, the Department of Defence had not requested execution. Subsequently, a retail licence was issued on 27 July 2020 to the Department of Defence.

In relation to the associated solar PV generation facilities at the Department of Defence sites, the Commission issued a generation licence to Assure Energy Asset Pty Ltd on 29 January 2021, following confirmation of executing a relevant connection agreement between the Department of Defence and PWC.

On 3 September 2020, the Commission received an application from Trutinor NT Pty Ltd to transfer its generation licence to HCPS Co Pty Ltd as trustee for the HCPS Unit Trust. The Commission consulted with stakeholders and did not receive any submissions. Following consideration of the application, the Commission executed the transfer with effect from 27 October 2020 and made minor variations to the licence to reflect the expected installed generation capacity at Hudson Creek power station and, among other things, improve consistency with recently approved licences.

Similarly, on 3 September 2020, the Commission received an application from Batchelor Solar Farm Pty Ltd to transfer its generation licence to BSF Co Pty Ltd as trustee for the BSF Unit Trust. The Commission consulted with stakeholders and did not receive any submissions. Following consideration of the application, the Commission executed the transfer with effect from 27 October 2020 and made minor variations to the licence including to improve consistency with recently approved licences.

### Surrendered licences during 2020-21

No notices were submitted to the Commission from a licence holder to surrender their licence in 2020-21.

### Current standard generation licences

As at 30 June 2021, there were seven standard generators licensed in the Territory.

The standard generation licensees were:

- Assure Energy Asset Pty Ltd, as trustee for the Assure Energy Asset Trust, for a 10 megawatt (MW) solar PV power station and 3.02 MW battery energy storage system at Robertson Barracks, and a 3.2 MW solar PV power station and 0.98 MW battery energy storage system at RAAF Base Darwin
- BSF Co Pty Ltd, as trustee for the BSF Unit Trust, for a 10 MW solar PV power station at Batchelor
- EDL NGD (NT) Pty Ltd (EDL) for the Pine Creek power station

- Eni Australia Limited 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
- HCPS Co Pty Ltd as trustee for the HCPS Unit Trust, for a 15 MW gas-fired power station (Hudson Creek power station) expected to be built and operated at Wishart, Darwin
- Power Generation Corporation (trading as 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
- PWC, which owns and operates power stations at Berrimah (decommissioned), in Aboriginal communities under the Indigenous Essential Services Pty Ltd (IES) program and minor commercial power stations (Elliott, Daly Waters, Ti Tree, Timber Creek and Borroloola).

### Current retail licences

As at 30 June 2021, there were eight electricity retailers licensed in the Territory. The retail licensees were:

- Department of Defence to sell electricity generated from behind the meter at RAAF Base Darwin and Robertson Barracks to electricity entities holding a retail licence
- 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 and 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 for Darwin, Katherine, Alice Springs and Tennant Creek (townships and surrounding rural areas)
- Rimfire Energy Pty Ltd 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 2021, there were five special independent power producer 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 the generating plant 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 licence as at 30 June 2021, which is 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 2000 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 s.87 of the *Electricity Reform Act 2000* and with the approval of the minister, grant an exemption from the requirement to be licensed.

### New and varied exemptions

During 2020-21, the Commission issued one new exemption from the requirement to be licensed under s.87 of the *Electricity Reform Act 2000* and varied one existing exemption.

On 12 December 2019, the Commission received an application from the Commonwealth of Australia, represented by the Department of Defence, for an exemption to the requirement to hold a network licence with respect to its electricity network at RAAF Base Darwin and Robertson Barracks. 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.

On 22 July 2020, following public consultation and receipt of the minister's approval in accordance with s.87(1) of the *Electricity Reform Act 2000*, the Commission issued the requested network licence exemption to the Department of Defence.

In August 2020, the Commission completed its review of Alcan Gove Pty Ltd's s.87 *Electricity Reform Act 2000* licence exemption for electricity supply operations at Nhulunbuy. The outcome of the review was a variation to its licence exemption on 4 August 2020, following the minister's approval, to require Alcan Gove Pty Ltd to implement life support equipment customer protections, measure and report adherence to relevant performance standards and be subject to the Guaranteed Service Level (GSL) Scheme under the Electricity Industry Performance Code.

### Current exemptions

As at 30 June 2021, there were four s.87 *Electricity Reform Act 2000* exemptions:

- an exemption from the requirement to hold a network licence to own or operate its electricity network at RAAF Base Darwin and Robertson Barracks, issued to the Department of Defence
- an exemption from the requirement to hold a licence regarding 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 regarding 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.

## Codes and guidelines

### Completed review of Electricity Ring-fencing Code

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 s.24 of the *Utilities Commission Act 2000* and Regulation 2 of the *Utilities Commission Regulations 2001*.

As previously reported, in May 2019 the Commission commenced a review of the Ring-fencing Code. 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 system, adoption of the NEL and NER (amended for the Territory's circumstances) and associated transfer of third-party access and network price regulation to the AER. Further, a number of private retailers and generators are licensed in the Territory and competing with the government owned corporations.

The review comprised publication of an issues paper in May 2019, draft decision and draft amended code in March 2020, and engagement with stakeholders including meetings and consideration of formal submissions.

The Commission published its final decision and revised Ring-fencing Code on 23 July 2020. The varied Ring-fencing Code took effect on 26 August 2020, although additional time was provided for some obligations, such as the requirement for PWC to submit accounting, cost allocation and information procedures that take into account the revised code, and for offices used for the system controller business to be separate from the gas supplier business of PWC.

### Stage 2 review of the Electricity Retail Supply Code

The Electricity Retail Supply Code provides 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. Further, following the most recent review and subsequent variations to the Code, it provides protections for electricity customers that require life support equipment at their premises.

The Commission's most recent review was completed in November 2019. The Commission's final decision acknowledged the need to finalise amendments to the code so the new life support equipment customer protections are not delayed. It also committed to a stage 2 review to consider known issues, gaps, and the overall relevance and effectiveness of the Electricity Retail Supply Code.

The Commission's stage 2 review of the Electricity Retail Supply Code commenced with the publication of an issues paper in June 2021. This paper provides detail regarding a number of known issues or gaps, and matters identified through the operation of the code and previous reviews. It also poses a series of questions to stakeholders.

The issues paper requested submissions by 2 August 2021. No feedback had been received as at 30 June 2021.

### Review of Electricity Industry Performance Code

The Electricity Industry Performance Code commenced in 2017 following a significant review of the then Electricity Standards of Service Code and GSL Code, which resulted in these codes being merged into what is now the Electricity Industry Performance Code.

Following the review and subsequent making of the Electricity Industry Performance Code, the Commission stated in its final decision Statement of Reasons that there is merit in undertaking a further review of the generation performance indicators. This is to ensure they are appropriate for not only current generators but also future generators, including batteries and renewable energy. However, to avoid delaying other changes to the Electricity Industry Performance Code, the Commission committed to a separate review into generation performance indicators. Subsequently, the Commission became aware of anomalies in the Electricity Industry Performance Code that also indicated a review and update of the code was necessary.

The review of the Electricity Industry Performance Code commenced in September 2020 through publishing an issues paper, which provides detail regarding a number of known issues or gaps, and poses a series of questions to stakeholders.

Stakeholder submissions were due 28 October 2020, with eight submissions received from six stakeholders, including two follow-up submissions received in mid-2021. As at 30 June 2021, the Commission was still considering stakeholder feedback.

## Electricity Industry Performance Code, Independent Compliance Audit Guidelines

The Electricity Industry Performance Code requires an electricity entity to periodically collect and maintain certain data for the purpose of complying with its code obligations, which include submitting to the Commission a report on actual performance in the financial year against the performance indicators set out in the code (generators and retailers must submit their report by 31 August and network entities must submit their report by 31 October).

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

To assist electricity entities to meet their obligations, the Commission issued draft Independent Compliance Audit Guidelines for consultation in late 2019-20, with submissions requested from stakeholders by 28 July 2020.

Four submissions were received in relation to the draft guidelines, all of which were generally supportive. The Commission considered the feedback received and issued the final Independent Compliance Audit Guidelines, with associated Statement of Reasons, on 3 September 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 s.44 of the *Electricity Reform Act 2000*.

On 15 May 2020, the Treasurer issued an Electricity Pricing Order to regulate associated prices to take effect from 1 April 2020 to 30 June 2021.

On 25 September 2020, the Treasurer subsequently revoked the Electricity Pricing Order made on 15 May 2020 and issued a new Electricity Pricing Order to take effect on 1 October 2020 to 30 June 2021. The Electricity Pricing Order continued, among other things, the reduced fixed daily and consumption charges where a customer has been issued a business hardship certificate to 31 May 2021 by the former Department of Trade, Business and Innovation.

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 2021, the Commission was not aware of any material breaches of the pricing orders during 2020-21.

### 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 formula with a 5% materiality threshold for an 'over and under' account. The charge consists of two components: a system control component and a market operator component, with the market operator component only to be paid by customers supplied by the Darwin-Katherine regulated system.

On 31 March 2021, PWC submitted to the Commission its 2021-22 Annual Pricing Proposal for System Control and Market Operator charges.

The Commission assessed 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 2021-22 are the maximum 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 these 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 2001 authorises the Commission to make determinations relating to prices for providing ancillary services in the electricity supply industry.

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 in 2015, which incorporates this charge.

Relevantly, the Northern Territory Government consulted during 2020-21 in relation to ancillary services (referred to as essential system services (ESS)) arrangements, including on the quantum of the rate paid to Territory Generation for ESS by other generators. As at 30 June 2021, government had not published its final position in relation to ESS arrangements.

## Power system reporting

The Commission's position is that regular and comprehensive reporting on the electricity supply industry assists greater understanding and transparency of issues, and improves 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 matters 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 2018, to meet its legislated reporting requirements, the Commission has annually published three reports:

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

Each of these reports is discussed below, including a summary of key findings and recommendations reported in 2020-21.

### 2019-20 Northern Territory Electricity Retail Review

The 2019-20 Northern Territory Electricity Retail Review was published in April 2021. This report 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 Electricity Industry Performance Code.



The 2019-20 Northern Territory Electricity Retail Review focuses solely on Territory retail performance. It was the third year this type of focussed report has been published by the Commission.

The review found, among other things:

- There continued to be limited retail competition in the Territory in 2019-20, particularly for small customers (residential and small businesses), with little indication of increased competition eventuating under current market conditions.
- Regulating prices for customers up to 750 MWh per annum appears to result 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 continues to grow, providing an average subsidy of over \$1,000 per customer in 2019-20, however it continues to lack transparency for customers and industry, and may be an associated barrier to competition.
- The Commission considers the impacts of COVID-19 were managed well and proactively by Jacana Energy in relation to the level of its customer service.
- Approaches to the Ombudsman NT as a percentage of customer complaints to Jacana Energy significantly decreased in 2019-20, which may be a result of updates to Jacana Energy's Complaints Management Policy. However, consistent with previous reviews, the Commission considers a further reduction in Ombudsman approaches may be achieved through putting in place obligations on all retailers to have appropriate internal dispute resolution procedures.
- A gap in customer protections still exists whereby no external dispute resolution services are available to customers of privately owned electricity retailers.
- The average energy bill debt of residential customers and the percentage of small business customers with energy bill debt more than doubled in the Territory during 2019-20. Notably, both increases occurred prior to the potential impacts of COVID-19.
- The percentage of residential customers on a hardship program in the Territory more than doubled in 2019-20, with the increase starting prior to the affects of COVID-19, which the Commission considers is likely a positive impact of Jacana Energy's updated hardship policy. While the Commission commends Jacana Energy for its proactive approach to customers experiencing hardship, further improvements may be possible, noting only 3.1% of hardship customers exiting Jacana Energy's hardship program in 2019-20 did so due to successfully completing the program.
- The percentage of residential and small business customers in the Territory disconnected for non-payment decreased in 2019-20. Notably, following the implementation of initiatives by Jacana Energy, residential and small business customer disconnections for non-payment effectively reduced to zero in the fourth quarter of 2019-20. The Commission considers the risks associated with these initiatives ceasing needs to be carefully managed by Jacana Energy, particularly the risk of an increased level of disconnections for non-payment.
- The duration and frequency of disconnection events for pre-payment meter customers appears very high in the Territory.

- Consistent with the previous review, the Commission continues to recommend the Territory Government introduce 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 practice.

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

### 2019-20 Northern Territory Power System Performance Review

The 2019-20 NTPSPR was published in June 2021 and focusses on the 2019-20 generation and network performance of the Darwin-Katherine, Alice Springs and Tennant Creek power systems.

Overall the review found the performance of the Darwin-Katherine power system in 2019-20 was satisfactory, however it was lower in the Katherine region. Generation performed poorly in the Alice Springs power system and the overall performance in Tennant Creek was poor.

The review found, among other things:

- There are warning signs of significant issues in the Darwin-Katherine power system that must be addressed to maintain or improve performance in the future. For instance, the frequency of single generation unit trips continues to increase, which is a vulnerability in a power system that is undergoing a transition to include more variable renewable forms of generation.
- It is encouraging to see more rigorous systems around communicating between licensees, with regular dialogue and other administrative controls, which appear to be delivering better performance and an improved culture of collaboration.
- Network performance in the Alice Springs power system was satisfactory in 2019-20, however the generating units did not perform adequately, with overall performance clouded by the system black that occurred on 13 October 2019.
- The continuing reliance on the Ron Goodin power station in Alice Springs due to delays in gaining full reliability from the Jenbacher generating units at the Owen Springs power station is of concern. While it appears Territory Generation is working well to keep as many Ron Goodin power station generation units as functional as possible, the age of the generation units is leading to poor reliability. A combination of good management and more conservative spinning reserve practices (likely at increased cost) has insulated customers from much of the effect of the issues at the two power stations.
- The generation and network did not perform adequately in the Tennant Creek power system in 2019-20, although performance improved from a customer perspective compared with 2018-19. Fundamental elements of good electricity industry practice are not evident in the operation of the power system, leading to low levels of generation availability, high coincidence of network and generator incidents, and protection equipment failures.

- All of the recommendations from the 2018-19 NTPSPR remain in progress, noting the recommendations are those of the Commission and are not enforceable unless they relate to non-compliance. The performance of the power systems in 2019-20 demonstrates that these recommendations remain valid or are not yet completed to a satisfactory extent.

The Commission endeavoured to limit its focus and, where possible, not highlight or make recommendations in the 2019-20 NTPSPR in relation to issues the Commission considered were already being addressed, including that related to the system black in Alice Springs on 13 October 2019.

## 2020 Northern Territory Electricity Outlook Report

The 2020 NTEOR was published in June 2020 and focuses on the system demand and supply reliability outlook for the regulated power systems.

The report presents electricity consumption, maximum and minimum demand, and generation adequacy forecasts for the Territory's regulated power systems over the 10-year outlook period from 2020-21 to 2029-30. Consistent with the previous year's NTEOR, it focuses on a single business-as-usual scenario, which forecasts and considers consumer demand over the outlook period against the current operating state of the power system, including committed new investments and scheduled decommissioning.

Through the Commission's assessment of a business-as-usual scenario, based on current trends, the Commission identified a number of challenges and opportunities, which are discussed in detail in the 2020 NTEOR. These include:

- Territory Generation's planned retirement of significant thermal generation capacity in the Darwin-Katherine power system
- decreasing minimum demand to historic levels due to increasing distributed PV in the Darwin-Katherine and Alice Springs power systems
- a shortage of capacity to meet system security requirements (also referred to as ESS) and potential subsequent reliability and security trade-offs in the Darwin-Katherine and Alice Springs power systems.

The 2020 NTEOR discusses the Commission's concern that the Territory is lacking a clear framework by which these matters can be addressed in the most efficient and timely manner. While the Commission did not seek to recommend specific solutions in all cases to mitigate emerging risks, as solutions are often varied, extensive and complex, and were not within the scope of the NTEOR, there are three key, overarching themes or 'big risks' the report advised must be addressed urgently.

These three overarching themes or 'big risks', which are discussed in detail in the 2020 NTEOR are:

- determining what the Darwin-Katherine power system will need, in terms of both capacity and ESS
- the need for government to accelerate the electricity market reform program, particularly in relation to ESS
- an impending capacity shortfall to meet system security requirements in Darwin-Katherine and Alice Springs combined with System Control's fluid approach to managing the power system, which is arguably necessary given the current challenges, but is potentially increasing the risk of a system black.

The Commission acknowledged in its 2020 NTEOR that these are challenging issues and not unique to the Territory, but it is concerned time is running out to meet the emerging risks and rushed 'reactionary' decisions may lead to increased risk and or cost, which is not in the long-term interests of Territory electricity consumers.

## Compliance

### Life support equipment procedures

The Electricity Retail Supply Code provides a flexible approach for a retailer and network provider to protect life support equipment customers that reside outside major centres. Under the code, a relevant retailer and network provider must provide to the Commission within a specified period proposed life support equipment procedures for each geographical area it provides services to outside the regulated networks of Darwin-Katherine, Alice Springs and Tennant Creek. The procedures must seek to deliver similar outcomes to that for customers in the regulated networks.

During 2020-21, the Commission considered and approved two new life support equipment procedures, in relation to Alyangula and Nhulunbuy.

### 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 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.

Further to this, in the Commission's independent investigation of the system black in Alice Springs on 13 October 2019, the Commission made a recommendation regarding placing a focus on determining if the recommendations of the independent investigation report and other major event (incident) reports have been tracked and implemented, which the Territory Government accepted.

Throughout 2020-21, the Commission actively monitored and engaged with System Control in relation to its incident reporting and noted in its progress report on implementing the recommendations from the independent investigation of the Alice Springs system black incident on 13 October 2019, published on 1 March 2021, that System Control and relevant electricity entities made good progress in tracking, implementing and closing out recommendations from incident reports. Progress was also reported in the 2019-20 NTPSPR.

The Commission continues to monitor and report on System Control's compliance with System Control Technical Code incident reporting obligations, 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, to annually review and, if necessary, update the plan to ensure it is consistent with and reflects good electricity industry practice.

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

Although the Commission considers and approves electricity network and generation licensees' plans under the current regulatory framework, it does so in consultation with the Electricity Safety Regulator, NT WorkSafe 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 2020-21, the Commission considered and approved five new and updated Safety Management and Mitigation Plans.

## Complaint investigation

Under s.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 2020-21, the Commission completed the investigation of one confidential complaint made under the *Electricity Reform Act 2000* and reported the results to the minister as required by the legislation.

## 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*, which 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 s.6(1)(g) of the *Utilities Commission Act 2000*, which 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*.

During 2020-21, the Commission provided requested advice to the minister in relation to the electricity supply community service obligation and Territory Generation's draft unbundled wholesale electricity prices for the Darwin-Katherine system.

## Progress reports – Alice Springs system black incident recommendations implementation

As part of the Territory Government's response to the Commission's independent investigation into the Alice Springs system black incident on 13 October 2019, the minister requested the Commission monitor and report progress on implementing 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 six months for a period of two years.

As requested by government, the Commission published its second and third six-monthly reports during 2020-21, on 31 August 2020 and 1 March 2021, respectively.

In its 1 March 2021 progress report, the Commission reported that based on the updates provided by PWC and Territory Generation, 11 of the 33 recommended actions were either still underway or partially complete. Therefore, it was likely there would be outstanding and subsequent actions not complete by August 2021, when the last six-monthly project was due.

In response to the Commission's 1 March 2021 progress report and associated advice to the minister, on 24 March 2021 the Minister for Essential Services wrote to the Commission requesting it continue to report progress until all Alice Springs system black recommended actions are complete. The Commission agreed to the request.



# 4 | Port access and price regulation



## Responsibilities under the *Ports Management Act 2015*

The *Ports Management Act 2015* and Ports Management Regulations 2015 (Regulations) provide for the control, management and operation of ports, and 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, that is, 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.

## 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. Consistent with its Price Determination, the Commission uses the national CPI to monitor and report on pricing for prescribed services at the Port of Darwin.



On 3 June 2020, DPO advised the Commission it would be increasing its standard charges for prescribed services by 1.55%, except for port induction fees, from 1 July 2020. This increase was marginally lower than the national CPI for the 12 months to March quarter 2020, which was 2.2%. The Commission advised stakeholders of the tariff changes through publishing the details on its website and direct correspondence as appropriate.

In October 2020, the Commission published its 2020 Ports Annual Price Monitoring Report, which was the second price monitoring report published by the Commission since the Port of Darwin became privately operated in November 2015. The report provides a summary to port users, industry and stakeholders of standard charges for prescribed services at the Port of Darwin, over a five-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 five 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 five years.

## Port access – review of Port of Darwin Reporting Guidelines

The Port of Darwin Reporting Guidelines have been in operation since May 2018 and set out the requirements for the port operator's annual report to the Commission about any material instances of non-compliance with the port operator's access policy and are publicly available on the Commission's website.

During 2020-21, the Commission commenced a review of the Port of Darwin Reporting Guidelines to ensure their content and requirements remain relevant and effective.

Feedback on the Commission's proposed minor amendments to the guidelines and suggestions for improvement on any other aspect of the guidelines was requested by DPO and other interested stakeholders by 16 July 2021.

## 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 23 October 2020, advising it was not aware of any material breaches by DPO in 2019-20. The report was deemed tabled in the Legislative Assembly on 11 November 2020, as required by the *Ports Management Act 2015*.



# 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:

- the Treasurer is responsible for provisions including 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)
- the Minister for Health is responsible for quality of drinking water (s.46)
- the Minister for 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, upgrading 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)).

## 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 s.8 and s.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 2021, PWC held two 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 2020-21 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 s.60 of the *Water Supply and Sewerage Services Act 2000*.

On 15 May 2020, the Treasurer issued a pricing order to regulate water supply and sewerage services to take effect from 1 April 2020 to 30 June 2021.

The Treasurer amended the pricing order on 25 September 2020, to extend the timing of eligibility for reduced fixed, volumetric and non-residential water supply and sewerage service charges for customers issued a business hardship certificate by the former Department of Trade, Business and Innovation, from 30 September 2020 to 31 May 2021. This timing was further extended by the Treasurer, to 30 June 2021, through amendments to the pricing order issued on 14 December 2020.

The Commission is required to enforce compliance with pricing orders as if the orders were a determination of the Commission under the *Utilities Commission Act 2000*. As at 30 June 2021, the Commission was not aware of any material breaches of the pricing orders during 2020-21.

## 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 is not required to approve the plans, but as stated in the *Water Supply and Sewerage Services Act 2000* and clauses 12.2 of PWC's water supply and sewerage services licences, the purpose of the plans is to ensure optimal arrangements for creating, repairing and replacing the licensee's water supply and sewerage services infrastructure.

On 2 November 2020, PWC submitted to the Commission its water and sewerage asset management plans for the major and minor centres as required. 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 s.45 of the *Water Supply and Sewerage Services Act 2000*.

As of 30 June 2021, 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 2020-21, the Commission did not receive any requests from the minister for advice in relation to water supply and sewerage services.

On 1 February 2021, the Commission wrote to the Treasurer in relation to the Territory's economic regulatory framework for water supply and sewerage services with reference to the Productivity Commission's review of the National Water Initiative.



# |A ppendices



## Appendix A: Utilities Commission meetings and major decisions

Table A1: Commission meetings

Commission meeting	Location	Lyndon Rowe	Richard Owens
16 July 2020	Videoconference	Present	Present
9 September 2020	Teleconference	Present	Present
25 September 2020	Videoconference	Present	Present
23 October 2020	Videoconference	Present	Present
30 October 2020	Videoconference	Present	Present
26 November 2020	Videoconference	Present	Present
17 December 2020	Darwin	Present	Present
28 January 2021	Videoconference	Present	Present
25 February 2021	Videoconference	Present	Present
19 March 2021	Videoconference	Present	Present
22 April 2021	Videoconference	Present	Present
3 June 2021	Videoconference	Present	Present

Table A2: Major decisions

Date	Agenda item	Item	Industry
16 July 2020	2.3	Approved the final decision for the Northern Territory Electricity Ring-fencing Code review	Electricity
	2.4	Approved the issues paper for the Electricity Industry Performance Code review, including publishing	Electricity
20 July 2020	OOS no. 1	Approved Alcan Gove Pty Ltd's licence exemption to be varied once signed by the Minister for Renewables, Energy and Essential Services	Electricity
31 July 2020	OOS no. 2	Approved the report to the minister regarding confidential complaint investigation	Electricity
16 Aug 2020	OOS no. 3	Approved the engagement of Entura to provide technical advice relating to the 2019-20 NTPSPR	Electricity
26 Aug 2020	OOS no. 4	Approved the life support equipment procedures submitted by Groote Eylandt Mining Company Pty Ltd	Electricity
27 Aug 2020	OOS no. 5	Approved the second Progress Report: Implementation of recommendations – Alice Springs System Black Incident on 13 October 2019	Electricity
1 Sept 2020	OOS no. 6	Approved the Electricity Industry Performance Code Independent Compliance Audit Guidelines and Statement of Reasons, including publication	Electricity
25 Sept 2020	2.1	Approved the 2019-20 Annual Report, including publication	All
	2.2	Approved Alcan Gove Pty Ltd's proposed GSLs for the township of Nhulunbuy, including publication	Electricity
	2.3	Approved the Department of Industry, Tourism and Trade's request to access the Commission's panel contract to engage a technical expert	Electricity
2 Oct 2020	OOS no. 7	Approved the request for proposal to engage a consultant for expert advice in relation to Territory Generation's draft unbundled wholesale electricity prices for Darwin-Katherine	Electricity
23 Oct 2020	2.1	Approved the Annual Report on Material Instances of Non-compliance with the Ports Access Policy and Determination for 2019-20	Ports
	2.2	Approved the 2020 Ports Price Monitoring Report, including publication	Ports
	2.4	Approved the transfer of Trutiner NT Pty Ltd's generation licence to HCPS Co as trustee for the HCPS Unit Trust	Electricity
	2.5	Approved the transfer of Batchelor Solar Farm Pty Ltd's generation licence to BSF Co as trustee for the BSF Unit Trust	Electricity
	2.6	Approved EDL's proposed independent auditor and scope to undertake an independent compliance audit with Electricity Industry Performance Code obligations	Electricity
	2.8	Approved the engagement of Ernst & Young to provide economic advice in relation to Territory Generation's draft unbundled wholesale electricity prices for the Darwin-Katherine system	Electricity
28 Oct 2020	OOS no. 8	Approved Territory Generation's proposed independent auditor and scope to undertake an audit of compliance with Electricity Industry Performance Code obligations	Electricity
7 Nov 2020	OOS no. 9	Approved Jacana Energy's proposed independent auditor and scope to undertake an audit of compliance with Electricity Industry Performance Code obligations	Electricity

continued

Date	Agenda item	Item	Industry
20 Nov 2020	OOS no. 10	Approved the request for proposal to engage a consultant for expert advice in relation to the electricity supply community service obligation	Electricity
26 Nov 2020	2.1	Approved the Annual Compliance Report for 2019-20, including publication	All
	2.2	Approved EDL's updated Safety Management and Mitigation Plan	Electricity
	2.3	Approved Eni Australia Limited's updated Safety Management and Mitigation Plan	Electricity
	2.4	Approved PWC's updated Safety Management and Mitigation Plan	Electricity
	2.5	Approved PWC's existing Dedicated Connection Asset declaration be published on the Commission's register	Electricity
	2.6	Approved the report to the Treasurer regarding the independent review of Jacana Energy's standard feed-in tariff	Electricity
7 Dec 2020	OOS no. 11	Approved the engagement of ACIL Allen Consultants to provide expert advice in relation to the electricity supply community service obligation	Electricity
	OOS no. 12	Approved PWC's proposed independent auditor and scope to undertake an audit of compliance with Electricity Industry Performance Code obligations	Electricity
9 Dec 2020	OOS no. 13	Approved Alcan Gove Pty Ltd's proposed life support equipment procedures	Electricity
18 Dec 2020	OOS no. 14	Approved Rimfire Energy's proposed independent auditor and scope to undertake an audit of compliance with Electricity Industry Performance Code obligations	Electricity
6 Jan 2021	OOS no. 15	Approved the Department of Industry, Tourism and Trade to access the Commission's panel contract to engage a technical expert	Electricity
28 Jan 2021	2.2	Approved Territory Generation's updated Safety Management and Mitigation Plan	Electricity
	2.3	Approved the Methodology and Assumptions Book for the 2020 NTEOR	Electricity
25 Feb 2021	2.1	Approved the third Progress Report: Implementation of recommendations – Alice Springs System Black Incident on 13 October 2019	Electricity
10 March 2021	OOS no. 16	Approved the report to the minister regarding PWC's investigation of the 18 November 2020 Darwin-Katherine technical black	Electricity
19 March 2021	2.1	Approved the 2019-20 Northern Territory Electricity Retail Review, including publication	Electricity
30 March 2021	OOS no. 17	Approved the report to the Treasurer regarding Territory Generation's draft unbundled wholesale electricity prices for Darwin-Katherine	Electricity
9 April 2021	OOS no. 18	Approved PWC's Pricing Proposal for 2021-22 System Control and Market Operator charges	Electricity
22 April 2021	2.4	Approved the final report to the Treasurer in relation to the electricity supply community service obligation	Electricity
3 June 2021	2.1	Approved the Commission's Strategic Plan 2022–2024 and 2021-22 Priorities	All
	2.2	Approved Assure Energy Asset Pty Ltd's proposed Safety Management and Mitigation Plan	Electricity
	2.7	Approved the issues paper for the Electricity Retail Supply Code review, including publication	Electricity
	2.11	Approved the 2019-20 NTPSPR, including publication	Electricity
23 June 2021	OOS no. 19	Approved the 2020 NTEOR, including publication	Electricity

OOS: out of session

## Appendix B: Expenditure and receipts

The 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 Commission's expenditures 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

	2020-21	2019-20
	\$000	\$000
<b>EMPLOYEE EXPENSES</b>	<b>593</b>	<b>555</b>
<b>GENERAL EXPENSES</b>	<b>746</b>	<b>784</b>
Regulatory/Commission expenses	148	162
Expert advice (including legal)	562	572
Office expenses and administration	24	47
Recruitment and training	12	3
<b>TOTAL EXPENSES</b>	<b>1 339</b>	<b>1 339</b>

Table B2: Licence fees and charges

	2020-21	2019-20
	\$000	\$000
<b>FEES AND CHARGES</b>		
Licence application fees	5	5
Electricity licence fees	475	457
Water and sewerage licence fees	50	50
<b>TOTAL REVENUE</b>	<b>530</b>	<b>512</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.

## Appendix C: Advisers to the Utilities Commission

In 2020-21, the Commission used the services of various consultants and legal services. Total fees paid to consultants was \$0.545 million, compared with \$0.547 million in the previous year. Total costs for the year were \$18,000 for legal expenses, compared with \$24,000 in the previous year.

The Commission engaged consultants and legal advisers in 2020-21 that included:

- ACIL Allen Consultants for economic advice in relation to the electricity supply community service obligation
- Australian Energy Market Operator to assist the Commission with the development of and modelling undertaken for the 2020 NTEOR
- Entura (Hydro-Electric Corp) to assist the Commission with technical advice relating to the 2019-20 NTPSPR
- Ernst & Young for economic advice in relation to Territory Generation's draft unbundled wholesale electricity prices for the Darwin-Katherine system.

## Appendix D: Publications and reports

Table D1: During 2020-21, the Commission published the following reports and documents

Date released	Publication
July 2020	Final Decision – Northern Territory Electricity Ring-fencing Code review
August 2020	Progress Report on the implementation of recommendations from Independent Investigation of Alice Springs System Black Incident on 13 October 2019
September 2020	Electricity Industry Performance Code Independent Compliance Audit Guidelines and Statement of Reasons Issues Paper – Electricity Industry Performance Code Review
October 2020	Annual Report 2019-20 2020 Ports Annual Price Monitoring Report
December 2020	Annual Compliance Report 2019-20
February 2021	Progress Report on the implementation of recommendations from Independent Investigation of Alice Springs System Black Incident on 13 October 2019
April 2021	2019-20 Northern Territory Electricity Retail Review Approved 2021-22 PWC System Control charges
June 2021	Utilities Commission Strategic Plan 2022–2024 Utilities Commission 2021-22 Priorities Issues Paper – Electricity Retail Supply Code Review 2019-20 NTPSPR 2020 NTEOR

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

