



ANNUAL REPORT 2021-22



UTILITIES COMMISSION
OF THE NORTHERN TERRITORY

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

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Contents

Abbreviations and acronyms	4
Commissioner's overview	6
1 About the Utilities Commission	9
Primary objective	10
Powers and functions	10
Regulated industry legislation overview	11
The Commission	13
Commission funding	14
2 Performance summary	15
Highlights for 2021-22	16
Strategic plan and priorities	20
3 Electricity supply industry	21
Responsibilities under the <i>Electricity Reform Act 2000</i>	22
Licensing	22
Exemptions from licensing	26
Codes and guidelines	27
Price regulation	28
Power system reporting	29
Compliance	33
Complaint investigation	35
Advice to the minister	36
4 Port access and price regulation	37
Responsibilities under the <i>Ports Management Act 2015</i>	38
Price determination	38
Price monitoring	39
Port access policy	39
Port access – review of Port of Darwin Reporting Guidelines	40
Annual report to the minister	40
5 Water supply and sewerage services	41
Responsibilities under the <i>Water Supply and Sewerage Services Act 2000</i>	42
Licensing	42
Price regulation	43
Asset management plans	43
Service performance	44
Advice to the minister	44
 Appendices	45
Appendix A: Utilities Commission meetings and major decisions	46
Appendix B: Expenditure and receipts	49
Appendix C: Advisers to the Utilities Commission	50
Appendix D: Publications and reports	51

Abbreviations and acronyms

AER	Australian Energy Regulator
Alcan Gove	Alcan Gove Pty Ltd
Commission	Utilities Commission of the Northern Territory
CPI	consumer price index
DPO	Darwin Port Operations Pty Ltd
EDL	EDL NGD (NT) Pty Ltd
IES	Indigenous Essential Services Pty Ltd
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
MW	megawatts
MWh	megawatt hours
NEL	National Electricity Law
NER	National Electricity Rules
NTEOR	Northern Territory Electricity Outlook Report
NTPSPR	Northern Territory Power System Performance Review
Ports Regulations	Ports Management Regulations 2015
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
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 Eva Lawler MLA
Treasurer
GPO Box 3146
DARWIN NT 0801
By email: Minister.Lawler@nt.gov.au

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 2022.

The report covers:

- the administration of the Act during the 2021-22 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

27 September 2022

Commissioner's overview

I am pleased to present the Utilities Commission of the Northern Territory's Annual Report for the year ending 30 June 2022, which records the key achievements and activities of the Commission during 2021-22.

During 2021-22, the Commission's work program was as diverse as it was busy, with activities encompassing the regulation of all industries the Commission has responsibility for. Throughout the year, the Commission met all legislative obligations and delivered on its published priorities.

Consistent with previous years, a considerable portion of the Commission's workload was focused on the Territory's electricity supply industry during 2021-22. The continued transformation of the Territory's electricity supply industry, including increasing solar photovoltaic (PV) renewable energy from residential and commercial premises, the construction and compliance testing of numerous large-scale solar PV systems, displacement of gas and diesel generation, the emergence of new and evolving technologies and the Territory Government's renewable energy target continues to present both challenges and opportunities for the industry and Territory Government, and for the Commission as the economic regulator.

Relevantly, the Commission acknowledged in its various reports during 2021-22 that some progress has been made in addressing identified challenges and opportunities, and in implementing the Commission's recommendations from its reviews. However, the Commission remains concerned that continued delays to address gaps and implement necessary reforms may ultimately negatively impact Territory electricity consumers and taxpayers. There is an increasing urgency for decisions to be made to ensure a secure and reliable electricity supply. To this end, the Commission will continue to provide proactive, independent and robust advice to the electricity supply industry and government.

In addition to its annual reporting on power system and electricity retail performance, and electricity demand and supply forecasts, during 2021-22 the Commission's activities in relation to the electricity supply industry included:

- commencing a review of the application and operation of the licensing regime that applies to the Northern Territory electricity supply industry through the release of an issues paper
- publishing the first Township of Nhulunbuy Guaranteed Service Level Performance Report
- additional focused consultation with various stakeholders as part of progressing the Commission's stage 2 review of the Electricity Retail Supply Code
- issuing a generation licence to EDL Jabiru Pty Ltd to generate electricity at the new Jabiru hybrid power station following public consultation
- continued monitoring and reporting on the progress of licensees' implementation of recommendations resulting from the Commission's independent investigation into the Alice Springs system black incident on 13 October 2019.

Consistent with its strategic plan and published priorities, during 2021-22 the Commission focused strongly on compliance and enforcement, particularly in relation to electricity supply industry licensees' compliance with regulatory obligations, including but not limited to safety management and mitigation plans, electricity pricing orders, the Commission's Compliance Framework and Reporting Guidelines, and the adequacy of associated compliance systems and processes.

From a ports industry perspective, during 2021-22 the Commission finalised its review of the Port of Darwin Reporting Guidelines, which will ensure the requirements for the port operator's annual reporting to the Commission remain relevant and effective. The Commission also continued to exercise its function in the area of price and access regulation, including by making its 2022–2025 Prescribed Port Services Price Determination for the Port of Darwin, publishing its annual Ports Price Monitoring Report and approving Darwin Port Operations' new access policy for the Port of Darwin.

In terms of the water supply and sewerage services industry, the Commission continues to have a relatively limited regulatory role. Nevertheless, the Commission continued to provide advice to government on potential improvements to the economic regulation of the industry. Further, and similar to that for the electricity supply industry, audits of compliance were a focus of the Commission during 2021-22 with the Commission actively monitoring Power and Water Corporation's implementation of actions to address findings from its 2021 independent audit of compliance with its water supply and sewerage services licences.

The year ahead will be another busy one for the Commission's small team with a number of reviews relevant to the electricity supply industry underway and expected to be finalised during 2022-23, and the review of the port access and pricing regime, which is required by the *Ports Management Act 2015*, about to commence. Further, throughout 2022-23 the Commission will, among other things, continue its strong focus on compliance and enforcement, and continue to provide proactive, independent and robust advice to industry and government on matters relevant to the Commission and the Territory's economy more broadly as appropriate.

I would like to thank the Commission's various stakeholders for their engagement and contribution during 2021-22 and look forward to continuing the Commission's strong working relationship with stakeholders into the future. Stakeholder feedback is critical to the Commission's work in protecting the long-term interests of Territory consumers.

In conclusion, I would like to thank the Associate Commissioner, Richard Owens for his support and expert guidance over the last 12 months, and the small team of hard-working, dedicated professionals led by our Director, Kimberlee McKay, who provide great support to Richard and I. I also thank the Under Treasurer and Deputy Under Treasurer for the continued 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 improvement in standards and conditions of service and supply
- make, monitor the operation of and review from time to time 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 a pricing order made by the government, prepares annual reviews of the Territory's power system and the electricity industry, and deals with complaints relating to the conduct or operations of licensed entities.

The Commission also has some responsibilities under the National Electricity Rules (NER), as amended for the Territory's circumstances.

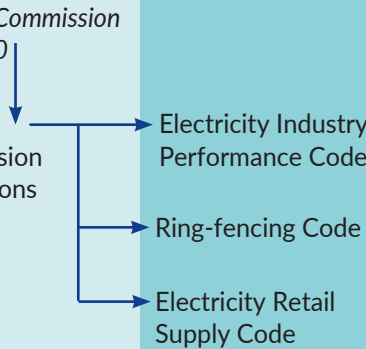
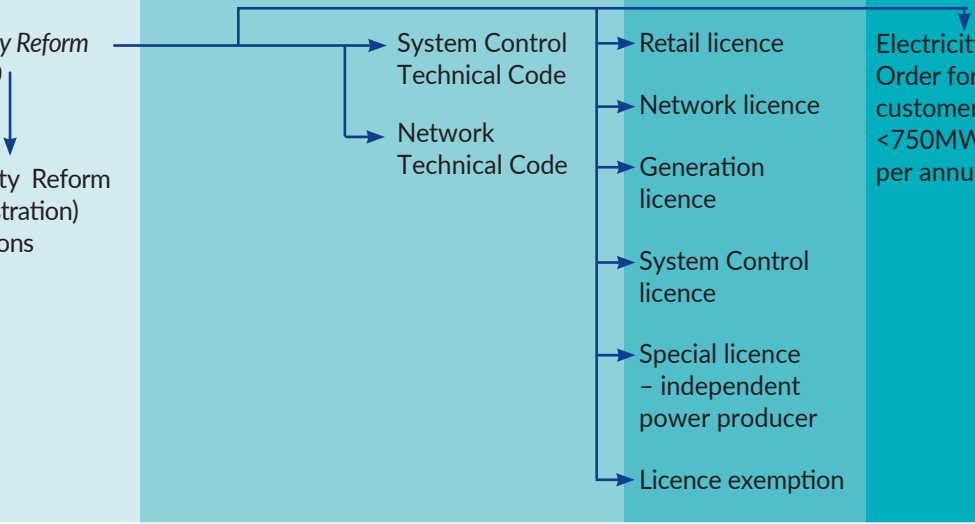
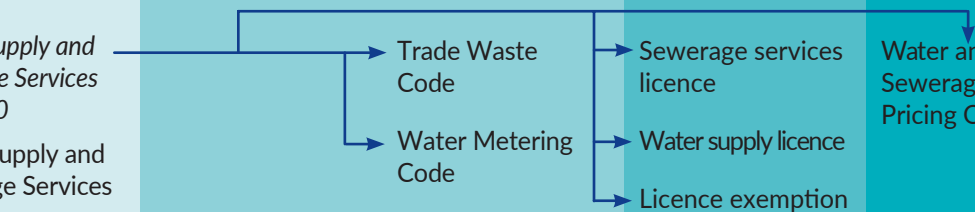
Ports industry

In accordance with the *Ports Management Act 2015*, the Commission administers a pricing and access regime for prescribed services provided by a private port operator at a designated port (currently only the Port of Darwin).

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 2021-22

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><i>Ports Management Act 2015</i></p> <p>Ports Management Regulations</p>	<p>Port Operator's access policy</p>			<p>Price Determination for price monitoring</p>
<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>	<p>Electricity Pricing Order for prescribed customers using <750MWh per annum¹</p>	
<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>	<p>Water and Sewerage Pricing Order¹</p>	

¹ Pricing orders are issued by the minister. The Commission is responsible for compliance, monitoring, enforcement and investigation of complaints from customers in relation to pricing orders.

The Commission

Commissioners

Mr Lyndon Rowe was appointed 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.

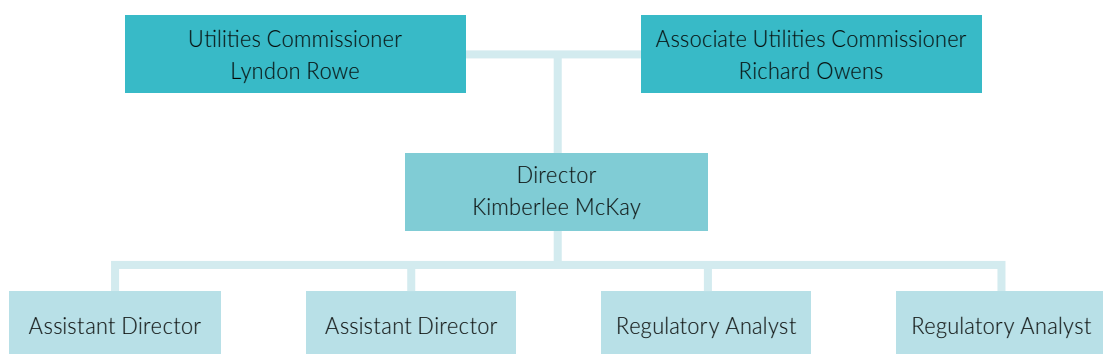
Mr Richard Owens was appointed as Associate Utilities Commissioner (part-time) on 6 April 2018. He is also a director at farrierswier consulting and is a member of the Consumer Panel for the National Electricity Market Integrated System Plan. He was Executive General Manager, Networks at the Australian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

Section 13 of the *Utilities Commission Act 2000* provides for the staff of the Commission to comprise Territory public servants assigned to assist the Commission.

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

Figure 2: Organisational chart as at 30 June 2022



Commission meetings and decisions

The commissioners and Commission staff meet regularly to consider and discuss Commission tasks, obligations and issues. During 2021-22, the Commission formally met 11 times by videoconference, noting COVID-19 restrictions impacted the commissioners' ability to travel to the Territory to meet in person.

In addition to meetings, the Commission considered various issues and made 11 associated out-of-session decisions.

Appendix A sets out the Commission meetings, dates and attendance, and major decisions made during 2021-22.

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 as necessary, 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 2021-22, including through videoconference facilities to overcome COVID-19 restrictions and risks. Stakeholders with whom the commissioners met included licensees, industry and other representative bodies, 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 2021-22. Total direct expenditure for 2021-22 was \$1.13 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 2021-22 was \$0.56 million, which relates primarily to electricity supply industry 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 \$0.33 million in 2021-22.

2 | Performance summary



This chapter provides details on the key highlights for the Commission in undertaking its functions in 2021-22 and its key priorities for 2022-23.

Highlights for 2021-22

Licensing

During 2021-22, the Commission provided advice on the Territory's regulatory frameworks and licensing regime to current and potential licensees.

Following stakeholder consultation, the Commission issued a generation licence to EDL Jabiru Pty Ltd to generate electricity at the Jabiru hybrid power station and sell the electricity to other entities holding a retail or generation licence.

Consistent with its 2021-22 priorities, the Commission also progressed the first stage of its review of the electricity licensing regime, which focuses on the coverage, relevance and flexibility (scope and design) of the Territory's electricity supply licensing regime. The Commission released an issues paper on 8 April 2022, which sought input from stakeholders on three broad areas:

- types of activities that should be subject to licensing given emerging technologies and business models
- framework for circumstances where an exemption rather than a licence would be more appropriate
- conditions that should be placed on licensees and those who are exempted from the requirement to hold a licence.

Nine submissions were received from a broad range of stakeholders, which were under consideration at 30 June 2022.

Stage 2 review of Electricity Retail Supply Code

Stakeholder submissions on the Commission's issues paper for the stage 2 review of the Electricity Retail Supply Code were due on 30 August 2021. The stage 2 review follows the Commission's most recent comprehensive review of the Electricity Retail Supply Code, completed in November 2019, which resulted in an amended Electricity Retail Supply Code and a commitment to undertake a stage 2 review to consider known issues, gaps, overall relevance and effectiveness of the Electricity Retail Supply Code more broadly. The Commission received nine submissions from eight stakeholders, including a follow-up written submission received on 14 February 2022.

In early 2022, the Commission met with a number of stakeholders to discuss the feedback provided in their submissions in more detail. As at 30 June 2022, the Commission was still considering stakeholder feedback, with a draft decision expected to be published during the first half of 2022-23.

Power system reporting

To meet its legislated reporting requirements to the minister and inform government, licence holders and stakeholders, during 2021-22 the Commission published:

- the 2020-21 Northern Territory Electricity Retail Review, which focuses on retail performance and quality of service provided to residential and small business electricity customers

- 2020-21 Northern Territory Power System Performance Review (NTPSPR), which focuses on the 2020-21 generation and network performance of the Darwin-Katherine, Alice Springs and Tennant Creek power systems (the regulated power systems)
- 2021 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 undertook a post-project review of the reports and associated data collection and analysis processes immediately following completion of the reports.

Township of Nhulunbuy Guaranteed Service Level Performance Report

The Commission published its first Township of Nhulunbuy Guaranteed Service Level Performance Report in February 2022, which provides an assessment of Alcan Gove Pty Ltd's (Alcan Gove) guaranteed service level performance in relation to the operation of the electricity network in the township of Nhulunbuy. Guaranteed service levels provide for payments to eligible customers when performance does not meet the defined standard of service.

In addition, the Commission undertook an assessment of Alcan Gove's request to exclude a town-wide network outage in November 2021 from guaranteed service level payments for the 2021-22 period. The Commission's associated decision was published on 3 May 2022, which advised the outage does not meet the threshold under the Electricity Industry Performance Code and therefore could not be excluded for the purposes of assessing Alcan Gove's potential obligations to make guaranteed service level payments to customers and for reporting purposes.

Progress reports – 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 a former 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. Subsequently, on 24 March 2021, the former Minister for Essential Services wrote to the Commission requesting it continue to report progress until all Alice Springs system black recommended actions are complete.

As requested, the Commission published its fourth and fifth six-monthly progress reports during 2021-22, on 23 August 2021 and 28 February 2022, respectively.

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 2021, Darwin Port Operations Pty Ltd (DPO) increased its tariffs for prescribed services by 2%, except for port induction fees. This was higher than the national CPI for the 12 months to March quarter 2021, which was 1.1%. The Commission advised stakeholders of the tariff changes through publishing the details on its website and direct correspondence as appropriate.

In November 2021, the Commission published its 2021 Ports Annual Price Monitoring Report, which was the third annual 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 six-year period. Further, it provides a summary of the revenue received by the private port operator for prescribed services.

Price determination

The *Ports Management Act 2015* and Ports Management Regulations 2015 (Ports Regulations) establish the requirement and framework for the Commission to make a determination relating to the charges fixed by a port operator in relation to the provision of prescribed services. Under the *Ports Management Act 2015*, a price determination cannot have effect for a period of more than three years.

On 23 September 2021, the Commission published a draft version of its third price determination, inviting submissions from port stakeholders. Following consideration of feedback, the Commission's 2022–2025 Prescribed Ports Services Price Determination for the Port of Darwin was published on 19 January 2022 and commenced on 16 February 2022.

Port access policy

The Commission has the function of approving an access policy from a private port operator for prescribed services at a designated port. The private port operator is required by legislation to comply with its access policy. The previous access policy was approved by the Commission on 30 June 2017 and was to expire on 30 June 2022.

In 2021-22, DPO submitted a new draft access policy to the Commission for approval. The Commission consulted with stakeholders and subsequently approved DPO's new access policy on 12 April 2022. The Commission also published an associated Statement of Reasons.

Review of Port of Darwin Reporting Guidelines

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.

During 2021-22, the Commission finalised a review of the Port of Darwin Reporting Guidelines, which was undertaken to ensure its content and requirements remain relevant and effective. On 18 August 2021, the Commission issued the revised Port of Darwin Reporting Guidelines, which commenced on 25 August 2021. The Commission also released an associated Statement of Reasons.

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

The Commission has a targeted, risk-based approach to compliance and enforcement whereby it seeks to effectively monitor and report on regulated entities' compliance, and focus enforcement action where the risks and potential impacts are greatest.

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 18 licences on issue during the 2020-21 reporting period was published on 9 November 2021.

During 2021-22, the Commission also required or requested (as appropriate) a number of electricity supply industry licensees undertake audits of their compliance with various regulatory obligations, including but not limited to, safety management and mitigation plans, electricity pricing orders, the Commission's Compliance Framework and Reporting Guidelines, and the adequacy of associated compliance systems and processes. The Commission is actively monitoring relevant licensees' implementation of audit recommendations.

In relation to compliance with the ports access and pricing regime, on 4 November 2021 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 did not undertake any formal complaint investigations during 2021-22. However, the Commission did seek information from relevant licensees on an ad hoc basis to assist in addressing various queries and concerns from members of the public.

General advice and information

In addition to publishing general information, Commission consultation papers and decision advice on its website, during 2021-22 the Commission advised stakeholders, through its website, email and e-newsletter updates, of matters relevant to the Territory's regulated industries. In addition, the Commission regularly provided advice and guidance to stakeholders on matters relevant to the Commission's work when contacted through its public communication channels.

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 June 2021, the Commission published its 2022–2024 Strategic Plan, which sets out the Commission’s organisational goals and planned actions to achieve these goals over the 2021-22 to 2023-24 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 2021-22 priorities

The Commission delivered all 2021-22 priorities published in its 2020-21 Annual Report, other than conducting site visits with stakeholders, which was always subject to potential travel and other restrictions due to COVID-19.

2022-23 priorities

The Commission published its 2022-23 priorities on 1 July 2022.

The Commission’s 2022-23 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 2021-22 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
- deliver the Commission’s draft decision for the review of the Electricity Retail Supply Code
- progress the Electricity Industry Performance Code review
- deliver the Commission’s draft and final decisions for stage 1 of the electricity licensing regime review on the scope and design of the regime
- progress stage 2 of the electricity licensing regime review relating to the form and content of the licences
- continue to contribute to the Territory government’s priority electricity market reforms including undertaking inquiries as requested by the minister
- publish an annual price monitoring report for the Port of Darwin
- deliver the Commission’s annual report to the minister regarding any material instances of non-compliance with the private port operator’s access policy and determinations made by the Commission
- commence the 2023 review of the port access and pricing regime
- continue to provide advice to the Territory government as appropriate, including in relation to the planned Darwin ship lift access and pricing regulatory regime
- identify and have staff participate in relevant professional development.

3 | Electricity supply industry



Responsibilities under the *Electricity Reform Act 2000*

The electricity supply industry in the Territory is regulated by the *Electricity Reform Act 2000*, *Utilities Commission Act 2000* and associated legislation, and the National Electricity Law (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 Australian Energy Regulator (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 (at 30 June 2022) allocate ministerial responsibility for the *Electricity Reform Act 2000* as follows:

- 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 licence types currently on issue for participation in the electricity supply industry.

Table 1: Types of licences currently issued

Licence type	Description
Standard generation licence	Authorises the electricity entity to generate electricity for sale to electricity entities holding generation or retail licences (or as otherwise stated in the licence).
Retail licence	Authorises the electricity entity to trade in electricity (where 'trade' means the buying and selling of electricity other than to final consumers) and retail electricity to customers (where 'retail' means the selling of electricity to specified groups of final consumers).
Network licence	<p>Authorises the electricity entity to operate the electricity network in the geographical area stated in the licence.</p> <p>If stated in the licence, it allows entities to connect the electricity network to another electricity network.</p>
System control licence	<p>Authorises the electricity entity to monitor, plan and control the operation of the power system with a view to ensuring the system operates safely and securely. It provides the authority to issue directions to other licensed electricity entities.</p> <p>In May 2015, the Electricity Reform (Administration) Regulations were amended to prescribe operating a wholesale market as an operation for which a licence is required. These Regulations also define that an entity licensed for system control is also licensed to operate a wholesale market in relation to that power system.</p> <p>A system control licence is only issued where the power system is of sufficient size and complexity to warrant monitoring and control 'at arm's length'. In isolated communities with a single generator of electricity, management of system loads and frequency control is undertaken by the generator. Coordination of generation with third-party interconnected networks would be a matter for normal commercial contractual arrangements.</p> <p>In relation to the Interim Northern Territory Electricity Market, which operates in the Darwin-Katherine system only, the system control licensee 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. It was developed to accommodate legacy arrangements. The Commission does not expect to issue this type of licence for new operations.</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 to 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. It was developed to accommodate legacy arrangements. The Commission does not expect to issue this type of licence for new operations.</p>

New and varied licences during 2021-22

During 2021-22, the Commission issued one generation licence.

On 28 January 2020, the Commission received a generation licence application from RPS1101 Pty Ltd in relation to a proposed virtual power plant on the Alice Springs electricity network. The Commission undertook consultation and received three submissions. Following consultation and a review of the submissions, the Commission deferred its decision in relation to the generation licence application. Subsequently, RPS1101 Pty Ltd advised the Commission on 15 October 2021 that it was withdrawing its application. Therefore, the application was not progressed further by the Commission.

On 7 July 2021, the Commission received an application from EDL Jabiru Pty Ltd for a generation licence to generate electricity at the Jabiru hybrid power station and sell the electricity to other entities holding a retail or generation licence. The Commission undertook stakeholder consultation and did not receive any submissions in relation to the application. The generation licence was approved by the Commission and subsequently issued on 15 October 2021.

On 17 May 2022, the Commission received three applications from Eni Australia Limited, as agent for Eni New Energy Katherine Pty Ltd, Eni New Energy Batchelor Pty Ltd and Eni New Energy Manton Dam Pty Ltd, for generation licences to generate electricity from the Katherine Solar power station, the Batchelor Solar Farm power station and the Manton Dam Solar Farm power station, respectively. The licences had not been issued by 30 June 2022.

Surrendered licences during 2021-22

Eni Australia Limited submitted a notice to the Commission on 17 May 2022 to surrender its generation licence, subsequent and subject to the issue of the new generation licences, which apply to the same power stations. The surrender had not taken place by 30 June 2022.

Current standard generation licences

At 30 June 2022, there were eight 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 Jabiru Pty Ltd for a 4.5 MW diesel generating plant, a 3.845 MW AC solar PV plant and 4.95 MW AC battery energy storage system at the Jabiru power station
- 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) 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
- Power and Water Corporation (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 2022, 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. It also holds a system control licence for the Darwin-Katherine, Tennant Creek and Alice Springs power systems.

Current special licences

As of 30 June 2022, 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 at 30 June 2022, which is held by Groote Eylandt Mining Company Pty Ltd for electricity generation, electricity sales and owning and operating a network at Alyangula.

Review of the Northern Territory electricity licensing regime

During 2021-22, the Commission initiated a review of the Territory's electricity licensing regime, noting the regime has not been subject to major review since its establishment in 2000 and the evolving industry, market and regulatory environment during this time. This includes an increased demand for renewable energy that has resulted in the rapid growth of alternative electricity supply arrangements not contemplated at the time the licensing regime was established.

The Commission's review will ultimately examine all aspects of the regime, with the first stage of the review focused on the coverage, relevance and flexibility (scope and design) of the Territory's licensing regime.

The review commenced on 8 April 2022 with the release of the Northern Territory Electricity Licensing Regime Review – Issues Paper, which sought input from stakeholders on three broad areas:

- types of activities that should be subject to licensing given emerging technologies and business models
- framework for circumstances where an exemption rather than a licence would be more appropriate
- conditions that should be placed on licensees and those who are exempted from the requirement to hold a licence.

Stakeholder submissions were due by 3 June 2021, with nine submissions received from a broad range of stakeholders. As at 30 June 2022, the feedback from stakeholders was still under consideration.

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 section 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 2021-22, the Commission issued no new exemptions from the requirement to be licensed under section 87 of the *Electricity Reform Act 2000*. The Commission also issued no variations to existing exemptions.

Relinquished exemptions

During 2021-22, one exemption from the requirement to be licensed under section 87 of the *Electricity Reform Act 2000* was relinquished.

On 10 March 2022, the Commission received written notice from GPT RE Limited and GPT Funds Management Limited, and Innogen Australia Pty Ltd that, due to the sale of

Casuarina Square shopping centre, the entities no longer required the licence exemption granted by the Commission in October 2014. Accordingly, the Commission revoked the licence exemption, effective 8 April 2022.

Current exemptions

As at 30 June 2022, there were three section 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
- 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

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 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, with the due date subsequently extended to 30 August 2021. The Commission received nine submissions from eight stakeholders, including a follow-up written submission received on 14 February 2022.

In early 2022, the Commission met with a number of stakeholders, including licensees, a representative body and a research group, to discuss the feedback provided in their submissions in more detail. As at 30 June 2022, the Commission was still considering stakeholder feedback, with a draft decision expected to be published during the first half of 2022-23.

Review of Electricity Industry Performance Code

The Electricity Industry Performance Code commenced in 2017 following a significant review of the former Electricity Standards of Service Code and Guaranteed Service Level 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. Eight stakeholder submissions were received from six stakeholders, including two follow-up submissions received in mid-2021. At 30 June 2022, the Commission was still considering stakeholder feedback.

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 orders

Retail electricity prices charged to residential and commercial customers (those consuming less than 750 megawatt hours (MWh) of electricity per annum) are regulated by the Territory Government through a pricing order made by the Treasurer under section 44 of the *Electricity Reform Act 2000*.

On 9 June 2021, the Treasurer issued an Electricity Pricing Order to regulate associated prices to take effect from 1 July 2021 to 30 June 2022.

On 4 March 2022, the Treasurer amended the Electricity Pricing Order dated 9 June 2021, with the amendments to take effect from 1 January 2022 to 31 March 2022. The Electricity Pricing Order provided for reduced fixed daily and consumption charges where a customer had been issued a business hardship certificate by the Department of Industry, Tourism and Trade.

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 2022, the Commission was not aware of any material breaches of the pricing orders during 2021-22.

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.

In April 2022, PWC submitted to the Commission its 2022-23 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 and consequently, approved the proposed charges. The charges approved for 2022-23 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 Territory Government consulted during 2020-21 in relation to ancillary services (referred to as essential system services) arrangements, including on the quantum of the rate paid to Territory Generation for essential system services by other generators. At 30 June 2022, government had not published its final position in relation to essential system services 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* (section 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.

To meet its legislated reporting requirements, the Commission publishes three reports annually:

- 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 2021-22.

2020-21 Northern Territory Electricity Retail Review

The 2020-21 Northern Territory Electricity Retail Review was published on 31 March 2022. 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 2020-21 Northern Territory Electricity Retail Review focuses solely on Territory retail performance. It was the fourth year this type of focused report has been published by the Commission.

The review found, among other things:

- Jacana Energy, which has the majority share of small customers in the Territory, took proactive steps to manage the effects of COVID-19 on its customers during 2020-21. As a result of its actions, the number of Jacana Energy residential and small business customers disconnected for non-payment reduced to almost zero in 2020-21.
- The duration and frequency of self-disconnection events for prepayment meter customers in the Territory increased in 2020-21 relative to 2019-20 levels. This deterioration is concerning.
- There continued to be limited retail competition in the Territory in 2020-21, particularly for residential and small business customers, with no indication of increased competition eventuating under current market conditions.
- Regulating prices for customers up to 750 MWh per annum results in a number of large commercial customers receiving taxpayer subsidised and below-cost reflective prices.
- The Territory Government's community service obligation payment to electricity retailers continues to lack transparency for customers and industry and may be a barrier to competition. In 2020-21, the average subsidy was \$936 per customer.
- Customer complaints to retailers decreased in 2020-21, relative to 2019-20 levels. The level of customer complaints compares favourably with other jurisdictions.
- A gap in customer protections still exists whereby no external dispute resolution services are available to customers of privately owned electricity retailers.
- There was a large increase in the percentage of residential customers with energy bill debt in the Territory during 2020-21, with the associated average amount of energy bill debt also increasing substantially.
- There was a substantial decrease in the percentage of small business customers with energy bill debt in the Territory during 2020-21, with the associated average energy bill debt also decreasing, likely resulting from the government's COVID-19-related business support measures.
- The percentage of residential customers on a hardship program in the Territory increased in 2020-21, with a large increase in the percentage of customers entering a hardship program with less than \$500 debt compared with 2019-20, indicating that Jacana Energy may be offering hardship support to customers sooner than in previous years.
- Consistent with the previous reviews, 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. In the absence of the Territory Government completing work to implement a fulsome energy protection framework suitable for the Territory, the Commission is considering amending the Electricity Retail Supply Code to include such an obligation.

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. The Commission intends to continue working with retailers to identify potential improvements in Electricity Industry Performance Code data reporting, including through the current Electricity Industry Performance Code review.

2020-21 Northern Territory Power System Performance Review

The 2020-21 NTPSPR was published on 31 May 2022 and focuses on the 2020-21 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 2020-21 was satisfactory, however generation performed poorly in the Alice Springs power system and the overall performance in Tennant Creek was poor.

The review found, among other things:

- While generation and network performance in 2020-21 was satisfactory in the Darwin-Katherine power system, the trend was assessed to be flat and deteriorating for generation and networks, respectively. Warning signs remain of significant issues that must be addressed to maintain or improve performance in the future. For instance, the frequency of single generation unit trips remains high, which is a vulnerability in a power system undergoing a transition to include more variable renewable forms of generation.
- Of concern is the age of the generating fleet in the Darwin-Katherine power system, with constraints being applied to keep the failing units out of operating zones where they were once stable. Further, the next tranche of generating systems to be connected are struggling to meet the requirements for network and model compliance.
- Network performance in the Alice Springs power system was satisfactory in 2020-21, however the generating units did not perform adequately. Performance in the Alice Springs power system remained in a state of recovery and transition, following 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 remains a concern (and a system cost). The age of the generation units at the Ron Goodin power station is leading to poor reliability. There remains a high number of single unit trips in the region, however these are not affecting customers' access to electricity due to adequate spinning reserve margins (which comes at a cost).
- Although performance of the Tennant Creek power system improved for a second straight year, neither generation nor the network performed adequately in 2020-21. 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 concurrence of network and generator incidents, and protection equipment failures.
- Four recommendations from the 2019-20 NTPSPR remain in progress, noting the recommendations are those of the Commission and are not enforceable unless they relate to non-compliance.

- Two of the recommendations from the 2019-20 NTPSPR have been completed. These recommendations pertained to the Alice Springs power system operability and better post-commissioning support mechanisms. Where progress is being made, the benefits are showing in the performance of the power systems.

Regular reporting on the electricity supply industry, such as through the annual NTPSPR, should help increase understanding and transparency of issues and, consequently, improve planning, investment, understanding of value for money and general performance by holding electricity businesses accountable for their performance and impacts on customers.

2021 Northern Territory Electricity Outlook Report

The 2021 NTEOR was published on 30 June 2022 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 2021-22 to 2030-31. 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.

The 2021 NTEOR excludes plans that are not fully funded or that are particularly ambitious in terms of technology, complexity and timing, but acknowledges there is increased government and industry activity. Nevertheless, the report advised the Commission still considers limited progress has been made and the three key overarching themes identified in the 2020 NTEOR remain valid. These are:

- Territory Generation's planned retirement of six large generators at the Channel Island power station and three generators at the Katherine power station
- the need for government to accelerate the electricity market reform program, particularly in relation to essential system services
- the forecast capacity shortfall to meet system security requirements in Darwin-Katherine and Alice Springs.

The 2021 NTEOR discusses, among other things:

- Forecast system security challenges as a result of falling minimum demand, primarily stemming from increasing household and commercial distributed PV systems. Licensees have advised these challenges are already apparent in Alice Springs and they are forecast to start as early as 2023-24 in Darwin-Katherine.
- Forecast shortfalls for generation capacity and essential system services, leading to an increased risk of power outages. These shortfalls are expected as early as 2026-27 and 2027-28 in Alice Springs and Darwin-Katherine, respectively.
- Private industry remains effectively locked out of providing essential system services, noting government has still not made its final position on the competitive provision of essential system services known. The Commission maintained its view that industry's involvement is vital to encourage innovation, achieve the change needed at least cost and share the risk.

The Commission is hopeful appropriate government and industry commitment and action is underway. Without this, it is concerned that delays in meeting the emerging challenges and opportunities mean less time to respond, which may increase risks and costs, and may ultimately negatively impact Territory electricity consumers and taxpayers.

Township of Nhulunbuy Guaranteed Service Level Performance Report

The Commission published its first Township of Nhulunbuy Guaranteed Service Level Performance Report in February 2022, which provides an assessment of Alcan Gove's guaranteed service level performance in relation to the operation of the electricity network in the township of Nhulunbuy. Guaranteed service levels provide for payments to eligible customers when performance does not meet the defined standard of service.

As Alcan Gove needed to implement systems to capture relevant data following the introduction of guaranteed service level obligations in August 2020, this first reporting period was 6 December 2020 to 30 June 2021.

Alcan Gove reported that it met all of its guaranteed service levels for the township of Nhulunbuy during the reporting period. While the Commission considered Alcan Gove's reported performance positive, the report notes the shortened reporting period may have assisted in achieving this level of performance.

In addition to the above, on 26 November 2021, Alcan Gove submitted a report to the Commission in accordance with the Electricity Industry Performance Code requesting the Commission consider excluding a town-wide network outage on 4 November 2021, which was caused by a lightning strike, from guaranteed service level payments for the 2021-22 period.

The Commission assessed the network outage event data and found it did not meet the threshold under the Electricity Industry Performance Code and therefore could not be considered as an excluded event for the purposes of assessing Alcan Gove's potential obligation to make guaranteed service level payments to customers and for reporting purposes. The Commission's assessment and associated decision was published on 3 May 2022.

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 2021-22, the Commission considered and approved one updated life support equipment procedure in relation to PWC.

Ring-fencing procedures

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 Northern Territory Electricity Ring-fencing Code requires PWC to submit to the Commission for approval draft information procedures, accounting procedures and cost allocation procedures. The requirements for these procedures changed following the Commission's final decision on the Northern Territory Electricity Ring-Fencing Code and Guidelines Review, which was published on 23 July 2020.

During 2021-22, the Commission considered and approved PWC's new Information Procedure, which governs the identification, handling, storing, sharing and publishing of confidential and designated information by PWC, as well as the electronic, physical and procedural security measures in relation to such information.

The Commission also considered and approved updates to PWC's Accounting and Cost Allocation Procedure during 2021-22. PWC's combined NT and AER Electricity Ring-fencing Accounting and Cost Allocation Procedure sets out how it will establish and maintain separate financial accounts and reports for each prescribed business under the Northern Territory Electricity Ring-fencing Code and the AER's Ring-fencing Guideline.

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 as appropriate, 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 Alice Springs System Black Incident 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 2021-22, 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 28 February 2022, that System Control continued to make good progress in tracking, implementing and closing out recommendations from incident reports as appropriate. The progress report also highlighted positive outcomes whereby when a recommendation is not related to a compliance issue, System Control now actively seeks to negotiate with system participants to encourage action.

The Commission continues to monitor and report on System Control's compliance with System Control Technical Code incident reporting obligations, including tracking of progress in implementing associated recommendations, noting progress was also reported in the 2020-21 NTPSPR.

Safety management and mitigation plans

All generation and network licences issued by the Commission require the relevant licensee to have an approved safety management and mitigation plan, and to annually review and, if necessary, update the plan to ensure it is consistent with and reflects good electricity industry practice.

The 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 2021-22, the Commission considered and approved six new and updated safety management and mitigation plans.

Compliance audits

One of the Commission's priorities is to monitor licensees' compliance with regulatory obligations, including ensuring regular internal audits and requiring independent audits of compliance as appropriate.

During 2021-22, the Commission required or requested (as appropriate) a number of electricity supply industry licensees undertake audits of their compliance with various regulatory obligations including but not limited to safety management and mitigation plans, electricity pricing orders, the Commission's Compliance Framework and Reporting Guidelines, and the adequacy of associated compliance systems and processes. The licensees were required to submit their respective audit scope (or scopes) to the Commission for approval, along with the final reports and management responses to the findings following completion of the audits.

The Commission is actively monitoring relevant licensees' implementation of audit recommendations.

Complaint investigation

Under section 48 of the *Electricity Reform Act 2000*, the Commission must investigate complaints against any electricity entity made on the grounds the entity is engaging in conduct contrary to the objects of the *Electricity Reform Act 2000* or the *Utilities Commission Act 2000*.

The Commission is exempt from investigating a complaint if it believes the complainant is not or is 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 2021-22, no complaints were made to the Commission under the *Electricity Reform Act 2000* that required investigation under 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 section 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 on electricity supply industry and market policy matters, either on its own initiative or at the request of the minister, in accordance with section 45(1)(d) of the *Electricity Reform Act 2000*.

During 2021-22, the Commission provided requested advice to the minister once, in accordance with section 45(1)(d) of the *Electricity Reform Act 2000* in relation to two actions stemming from the Territory Government's response to the Commission's Independent Investigation of Alice Springs System Black Incident on 13 October 2019.

Progress reports – Alice Springs system black incident recommendations implementation

As part of the Territory Government's response to the Commission's Independent Investigation of Alice Springs System Black Incident on 13 October 2019, a former Treasurer 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.

In response to the Commission's 1 March 2021 progress report and advice that it was likely there would be outstanding and subsequent actions not complete by August 2021 (when the last six-monthly progress report was due), on 24 March 2021 the former 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.

The Commission published its fourth and fifth six-monthly reports during 2021-22, on 23 August 2021 and 28 February 2022, respectively. The 28 February 2022 progress report advised that one recommended action was still outstanding, although underway, and reiterated the Commission would continue to publish six-monthly reports until the final outstanding action is complete.

4 | Port access and price regulation



Responsibilities under the *Ports Management Act 2015*

The *Ports Management Act 2015* and Ports Regulations provide for the control, management and operation of ports, and for related purposes. The Minister for Infrastructure, Planning and Logistics is responsible for the *Ports Management Act 2015* and Ports Regulations.

The Commission is the regulator for Part 11 of the *Ports Management Act 2015* and Part 3 of the Ports 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 Ports 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 determination

The *Ports Management Act 2015* and Ports Regulations establish the requirement and framework for the Commission to make a determination relating to the charges fixed by a port operator in relation to the provision of prescribed services. The Ports Regulations provide that the determination must use price monitoring of the price levels of prescribed services as the form of regulation.

On 13 February 2019, the Commission made its second price determination in relation to charges fixed by DPO for providing prescribed services at the Port of Darwin. In accordance with section 132(4) of the *Ports Management Act 2015*, a price determination cannot have effect for a period of more than three years.

Accordingly, on 23 September 2021, the Commission published a draft version of the new price determination, inviting submissions from port stakeholders. One submission was received and considered.

The Commission's 2022–2025 Prescribed Ports Services Price Determination for the Port of Darwin was published on 19 January 2022. The price determination commenced on 16 February 2022 and expires on 15 February 2025, three years from commencement.

Price monitoring

The Ports 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 1 June 2021, DPO advised the Commission it would be increasing its standard charges for prescribed services by 2%, except for port induction fees, from 1 July 2021. This increase was higher than the national CPI for the 12 months to March quarter 2021, which was 1.1%. The Commission advised stakeholders of the tariff changes through publishing the details on its website and direct correspondence as appropriate.

In November 2021, the Commission published its 2021 Ports Price Monitoring Report, which was the third annual 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 six-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 six 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 six years.

Port access policy

Under Part 11 Division 2 of the *Ports Management Act 2015*, the Commission has the function of approving an access policy from a private port operator for prescribed services at a designated port. The private port operator is required by legislation to comply with its access policy.

On 30 June 2017, the Commission approved DPO's initial access policy for the Port of Darwin. The access policy provides a framework for port users requesting access to prescribed services, the approach to be taken by the private port operator in determining access and the terms on which access will be provided at the Port of Darwin.

Under section 127(10) of the *Ports Management Act 2015*, DPO's initial access policy was to expire on 30 June 2022, being five years after the day it was approved. Under the legislation DPO was required to give a new draft access policy to the Commission before the expiry.

On 23 February 2022, DPO submitted a new draft access policy to the Commission for approval, with an amended draft access policy provided on 7 April 2022, providing clarifications on a number of matters. The Commission consulted with stakeholders on DPO's draft access policy and received one submission, which supported the draft access policy.

The Commission approved DPO's new access policy and published an associated Statement of Reasons on 12 April 2022.

Port access – review of Port of Darwin Reporting Guidelines

The Port of Darwin Reporting Guidelines 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 2021-22, the Commission finalised a review of the Port of Darwin Reporting Guidelines, which was undertaken to ensure its content and requirements remain relevant and effective. On 18 August 2021, the Commission issued the revised Port of Darwin Reporting Guidelines, which commenced with publication in the Northern Territory Government Gazette on 25 August 2021. The Commission also released an associated Statement of Reasons.

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 4 November 2021, advising it was not aware of any material breaches by DPO in 2020-21. The report was deemed tabled in the Legislative Assembly on 22 March 2022, 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 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 Administrative Arrangements Order allocate ministerial responsibility for the *Water Supply and Sewerage Services Act 2000* as:

- The Minister for Health is responsible for provisions in relation to the quality of drinking water (section 46), compliance with the minimum water quality standards (section 49(3)) and compliance with the minimum water quality monitoring program (section 50(2)).
- The Treasurer is responsible for provisions including declaration of water supply and sewerage services licence areas (sections 8 and 9), setting licence application and annual fees, approving varied terms or conditions of a licence (section 20(1)), approving the Commission to grant an exemption (section 26(1)), approving an authorised officer (section 35(1)), approving conditions under a licence (section 42(1), (3) and (4)), specifying minimum standards that a licensee must meet in providing water supply or sewerage services to customers (section 45(1)), issuing a pricing order to regulate the prices for the sale of water supply and sewerage services (section 60(1) and (7)), and restricting the consumption of water or use of sewerage services (section 80).
- The Minister for Essential Services is responsible for making a determination in relation to the Commission taking over operations (section 32(1) and (5)), approving a code for connections, upgrading connections and increased loads on a licensee's infrastructure (section 52(2)), appointing a services officer and associated identity card form (sections 55(1) and 57(2)), declaring a water supply or sewerage services extension area (section 61(1)), and dealing with a dispute between a licensee and agency in relation to carrying out work on public land (section 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 Northern Territory Government Gazette, to be a water supply or sewerage services licence area pursuant to sections 8 and 9 of the *Water Supply and Sewerage Services Act 2000*.

A licence is required to provide 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 to provide services that take place outside a water supply or sewerage services licence area.

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

At 30 June 2022, 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 2021-22 there were no applications for water supply or sewerage services licences or exemptions, and no variations applied for or made to the terms and conditions of existing licences.

Price regulation

Water supply and sewerage services prices paid by customers, whether residential or commercial, are regulated by the Territory Government through a pricing order made by the Treasurer under section 60 of the *Water Supply and Sewerage Services Act 2000*.

On 9 June 2021, the Treasurer issued a pricing order to regulate water supply and sewerage services to take effect from 1 July 2021 to 30 June 2022.

The Treasurer amended the pricing order on 4 March 2022 to reduce water supply and sewerage service charges for commercial and non-residential customers issued a business hardship certificate by the Department of Industry, Tourism and Trade, from 1 January 2022 to 31 March 2022.

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*. At 30 June 2022, the Commission was not aware of any material breaches of the pricing orders during 2021-22.

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 clause 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 29 October 2021, 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 supply and sewerage services industries.

Minimum standards that a licensee must meet in providing water supply or sewerage services to customers may be set by the Treasurer in accordance with section 45 of the *Water Supply and Sewerage Services Act 2000*.

As of 30 June 2022, 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 2021-22, the Commission did not receive any requests from the minister for advice in relation to water supply and sewerage services.



| Appendices

Appendix A: Utilities Commission meetings and major decisions

Table A1: Commission meetings

Commission meeting	Location	Lyndon Rowe	Richard Owens
8 July 2021	Videoconference	Present	Present
19 August 2021	Videoconference	Present	Present
23 September 2021	Videoconference	Present	Present
4 November 2021	Videoconference	Present	Present
2 December 2021	Videoconference	Present	Present
16 December 2021	Videoconference	Present	Present
20 January 2022	Videoconference	Present	Present
24 February 2022	Videoconference	Present	Present
7 April 2022	Videoconference	Present	Present
19 May 2022	Videoconference	Present	Present
23 June 2022	Videoconference	Present	Present

Table A2: Major decisions

Date	Agenda item	Item	Industry
8 July 2021	2.1	Approved PWC's Northern Territory Ring-fencing Accounting and Cost Allocation Procedure and Northern Territory Ring-fencing Information Procedure	Electricity
	2.3	Approved publication of the statement regarding changes to standard charges for prescribed services for the Port of Darwin	Ports
19 Aug 2021	2.2	Approved the revised Port of Darwin Reporting Guidelines and associated Statement of Reasons	Ports
	2.3	Approved the fourth Progress Report: Implementation of Recommendations – Alice Springs System Black Incident on 13 October 2019	Electricity
16 Sept 2021	OOS no. 2	Approved the engagement of Entura to provides technical advice relating to the 2020-21 NTPSPR	Electricity
23 Sept 2021	2.1	Approved the 2022-2025 Prescribed Port Services Draft Price Determination for the Port of Darwin	Ports
	2.2	Approved the 2020-21 Annual Report, including publication	All
7 Oct 2021	OOS no. 3	Approved a generation licence be issued to EDL Jabiru Pty Ltd for the generation of electricity at the Jabiru hybrid power station	Electricity
4 Nov 2021	2.1	Approved the Annual Report on Material Instances of Non-compliance with the Ports Access Policy and Determinations for 2020-21	Ports
	2.2	Approved the 2021 Ports Price Monitoring Report, including publication	Ports
	2.3	Approved requests for selected licensees to undertake internal audits of compliance with their safety management and mitigation plans	Electricity
	2.6	Approved the Annual Compliance Report for 2020-21, including publication	Electricity, Water and Sewerage
2 Dec 2021	2.2	Approved Rimfire Energy's proposed independent auditor and scope to undertake an audit of compliance with its retail licence and the Compliance Framework and Reporting Guidelines	Electricity
16 Dec 2021	2.1	Approved the 2022–2025 Prescribed Ports Services Price Determination for the Port of Darwin	Ports
	2.3	Approved the updated safety management and mitigation plans for PWC, Eni Australia Limited, Territory Generation and EDL	Electricity
20 Jan 2022	2.1	Approved PWC's updated Accounting and Cost Allocation Procedure	Electricity
	2.2	Approved the methodology and assumptions for the 2021 NTEOR	Electricity
	2.3	Approved endorsement of the draft terms of reference for PWC's internal audit of compliance with clause 5.7 of the System Control Technical Code	Electricity
	2.5	Approved EDL Jabiru Pty Ltd's proposed safety management and mitigation plan	Electricity
24 Feb 2022	2.1	Approved the Township of Nhulunbuy Guaranteed Service Level Performance Report, including publication	Electricity
	2.2	Approved the fifth Progress Report: Implementation of Recommendations – Alice Springs System Black Incident on 13 October 2019	Electricity
	2.6	Approved Territory Generation's proposed terms of reference for an internal audit of compliance with its safety management and mitigation plan	Electricity

continued

Date	Agenda item	Item	Industry
28 March 2022	OOS no. 5	Approved the 2020-21 Northern Territory Electricity Retail Review, including publication	Electricity
7 April 2022	2.1	Approved endorsement of PWC's proposed independent auditor to undertake an audit of compliance obligations under its licences for water supply and sewerage supply services	Water and Sewerage
	2.2	Approved EDL Jabiru Pty Ltd's updated safety management and mitigation plan	Electricity
	2.3	Approved the Assessment of Network Outage Event on 4 November 2021 – Alcan Gove Pty Ltd, including publication	Electricity
	2.4	Approved PWC's draft terms of reference for an internal audit of compliance with its safety management and mitigation plan	Electricity
	2.6	Approved the issues paper for the Review of the Northern Territory's Electricity Licensing Regime, including publication	Electricity
12 April 2022	OOS no. 6	Approved the Access Policy for the Port of Darwin and the associated Statement of Reasons	Ports
14 April 2022	OOS no. 7	Approved PWC's Pricing Proposal for 2022-23 System Control and Market Operator charges	Electricity
19 May 2022	2.1	Approved PWC's updated Life Support Equipment Procedure	Electricity
	2.2	Approved PWC's updated Customer Charter	Electricity, Water and Sewerage
	2.3	Approved the 2020-21 NTPSPR, including publication	Electricity
23 June 2022	2.1	Approved three generation licences be issued to Eni New Energy Katherine Pty Ltd, Eni New Energy Batchelor Pty Ltd and Eni New Energy Manton Dam Pty Ltd, with each to be held jointly with Eni Australia Limited	Electricity
	2.2	Approved publication of the statement regarding Port of Darwin changes to standard charges for prescribed services	Ports
27 June 2022	OOS no. 11	Approved the 2021 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

	2021-22	2020-21
	\$000	\$000
EMPLOYEE EXPENSES	625	593
GENERAL EXPENSES	508	746
Regulatory/Commission expenses	145	148
Expert advice (including legal)	334	562
Office expenses and administration	27	24
Recruitment and training	2	12
TOTAL EXPENSES	1 133	1 339

Table B2: Licence fees and charges

	2021-22	2020-21
	\$000	\$000
FEES AND CHARGES		
Licence application fees	7	5
Electricity licence fees	498	475
Water and sewerage licence fees	50	50
TOTAL REVENUE	555	530

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 2021-22, the Commission used the services of various consultants. Total fees paid to consultants was \$0.334 million, compared with \$0.545 million in the previous year. No legal expenses were incurred during the year, compared with \$18,000 in the previous year.

The Commission engaged the following consultants in 2021-22:

- Australian Energy Market Operator to assist the Commission with the development of and modelling undertaken for the 2021 NTEOR
- Entura (Hydro-Electric Corp) to assist the Commission with technical advice relating to the 2020-21 NTPSPR.

Appendix D: Publications and reports

Table D1: During 2021-22, the Commission published the following reports and documents

Date released	Publication
August 2021	Progress Report: Implementation of Recommendations – Alice Springs System Black Incident on 13 October 2019 (fourth report) Port of Darwin Reporting Guidelines and Statement of Reasons
September 2021	2022-2025 Prescribed Port Services Draft Price Determination for the Port of Darwin
October 2021	Annual Report 2020-21
November 2021	2021 Ports Price Monitoring Report Annual Compliance Report 2020-21
January 2022	2022–2025 Prescribed Port Services Price Determination for the Port of Darwin
February 2022	Progress Report: Implementation of Recommendations – Alice Springs System Black Incident on 13 October 2019 (fifth report) Township of Nhulunbuy Guaranteed Service Level Performance Report
March 2022	2020-21 Northern Territory Electricity Retail Review
April 2022	Issues Paper – Northern Territory Electricity Licensing Regime Review
May 2022	Assessment of Network Outage Event on 4 November 2021 – Alcan Gove Pty Ltd 2020-21 Northern Territory Power System Performance Review
June 2022	2021 Northern Territory Electricity Outlook Report

These publications can be viewed on the Utilities Commission's website: utilicom.nt.gov.au.

