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## **Arid Lands Environment Centre (ALEC) Submission to the Review of Wholesale Electricity Market in the Northern Territory**

The Arid Lands Environment Centre (ALEC) is the peak regional environmental organisation servicing Central Australia. ALEC has a long history of advocating for sustainable natural resource use and environmental protection. ALEC was an active member of the Alice Solar City Consortium and is currently exploring opportunities for community-owned solar power in Alice Springs and community solar investment opportunities. ALEC is working towards establishing a 100% renewable energy generator to provide affordable and locally generated renewable energy for Alice Springs customers with options to expand into the future.

ALEC thanks the Utilities Commission for the opportunity to make comment on this review and commends the authors from Oakley and Greenwood for their thorough report and recommendations based on the Minister's NT Electricity Market objectives to:

- (a) promote the economically efficient, safe and reliable production and supply of electricity and electricity related services of the Territory;
- (b) facilitate competition among generators and retailers in the Territory's electricity system, including by enabling efficient entry of new competitors;
- (c) minimise the long-term cost of electricity supplied to customers from the Territory's electricity system; and
- (d) encourage the use of measures that more efficiently manage the volume of electricity used including the variations between peak and average loads

However, ALEC is concerned that the current review did not take into account key features of future energy grids which include:

- 'smart grids' - including distributed generation and storage;
- renewable energy including solar PV, solar thermal, wind, tidal and biogas and;
- incentivising energy productivity (efficiency) and market diversity through offering competitive contracts to reduce peakiness of daytime loads.

ALEC supports most of the recommendations that will lead to greater transparency in the NT Electricity Market including the Reliability Assurance Mechanism and Reliability Manager; the provision for energy trading mechanisms and the development of market rules to regulate the system.

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ALEC supports a tailor-made approach for the NT rather than simply importing rules from interstate (or the NER) where the market typically favours large centralised fossil fuel generation rather than supporting emerging renewable energy and energy efficiency technologies.

ALEC recommends that the NTG as the chief policymaker in this area take the time to develop the NTEM to reflect the needs of all Territorians (at least 12 months as suggested in *10. Implementation, transition and next steps*): ALEC also requests that the government consider the characteristics of the smaller grids in the development of the NTEM rather than overlay the Darwin-Katherine model across the entire Territory.

On behalf of the Arid Lands Environment Centre (ALEC) I thank you for the opportunity to make comment on this important review that will categorically change the electricity market in the Northern Territory. I hope that you will take this submission into consideration when making decisions for the next steps of this major reform.

To quote the authors on page 38 *'Experience shows that changing arrangements with commercial implications after the fact can be fraught. For this reason to the extent that interim arrangements do not reflect longer term objectives, for example to use the NER (or other market) as the template for market rules, it should be clear to new entrants what the longer term objectives are from the start.'*

Please ensure that there are sufficient arrangements to allow utility-scale renewables to compete in the NTEM. In the long-term, they are the most cost-effective, resource efficient and safe means of producing energy remotely and as part of a grid.

May the Territory leap forward by becoming a world leader in renewable energy generation and may Territorians reap these benefits long into the future.

The decision is yours.

Kind regards,

Jimmy Cocking  
Director