

Review of the Electricity Industry Performance Code

Consultation paper

A paper seeking feedback on the
Commission's review of version 2
of the Electricity Industry
Performance Code

September 2024

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Abbreviations and acronyms

AER	Australian Energy Regulator
AER Guidelines	AER Retail performance reporting procedures and guidelines
AF	Availability factor
Commission	Utilities Commission of the Northern Territory
EAF	Equivalent availability factor
EFOF	Equivalent forced outage factor
EIP Code	Electricity Industry Performance Code
FOF	Forced outage factor
IEEE	Institute of Electrical and Electronics Engineers
PV	Photovoltaic
PWC	Power and Water Corporation
SAIDI	System average interruption duration index
SAIFI	System average interruption frequency index
UAF	Unplanned availability factor
UC Act	<i>Utilities Commission Act 2000</i>

Executive summary

The Utilities Commission (the Commission) is undertaking a review of the Electricity Industry Performance Code (EIP Code) version 2, which commenced on 1 July 2023. This review aims to address identified issues, incorporate feedback from stakeholders as considered appropriate, and ensure that the EIP Code is effective and relevant in regulating the performance standards and reporting requirements for electricity entities in the Northern Territory.

This consultation paper outlines key areas of focus for the review, including:

- **Administrative and minor improvements:** Potential enhancements to the clarity, efficiency, and effectiveness of the EIP Code through minor corrections and updates
- **Exemption clause:** Consideration of a more comprehensive exemption clause to provide flexibility
- **Reporting requirements:** Clarification on the segmentation of historical data for reporting to ensure consistent and accurate performance monitoring
- **Institute of Electrical and Electronics Engineers (IEEE) Beta 2.5 events for network services:** Potential inclusion of requirements for network entities to report both unadjusted System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) metrics inclusive and exclusive of major event days
- **Schedule 2: Generation services performance indicators:** Evaluation of the relevance and suitability of current performance indicators for different types of generation, including solar photovoltaic (PV) and batteries
- **Schedule 3: Network services performance indicators:** Clarification of the methodology for calculating SAIDI for identifying poorly performing feeders
- **Schedule 4: Retail services performance indicators:** Consideration of alignment with the Australian Energy Regulator's (AER) revised Retail performance reporting procedures and guidelines (AER Guidelines)¹ and of additional customer service and complaint-related performance indicators.

Following this consultation, the Commission will consider the feedback received and develop its draft decision in relation to the review of the EIP Code. The draft decision will be published for feedback from stakeholders, which will inform its final decision.

The Commission seeks feedback from stakeholders by **5pm, Friday 25 October 2024**. To help guide submissions, the consultation paper poses 26 questions for consideration by respondents.

Submissions should be provided electronically by email to utilities.commission@nt.gov.au in Adobe Acrobat or Microsoft Word format. Submissions will be made publicly available on the Commission's website.

¹ <https://www.aer.gov.au/industry/registers/resources/guidelines/retail-performance-reporting-procedures-and-guidelines-2024-update>.

1 | Introduction

The Commission is an independent statutory body established by the *Utilities Commission Act 2000* (UC Act) with defined roles and functions for declared (regulated) industries in the Northern Territory, including electricity supply, water supply, sewerage services, and ports. The Commission's purpose is to protect the long-term interests of consumers of services provided by regulated industries with respect to price, reliability, and quality.

The EIP Code sets out the performance standards and reporting requirements for electricity entities in the Northern Territory. The EIP Code helps to ensure that these entities meet specified standards of service, contributing to the reliability and quality of electricity supply for consumers.

This consultation paper initiates the review of version 2 of the EIP Code, which commenced on 1 July 2023. The review aims to address identified issues, incorporate feedback from stakeholders as considered appropriate and ensure that the EIP Code is effective and relevant.

Context to the consultation paper

The EIP Code is made by the Commission under section 24 of the UC Act. The Commission is authorised to make a code relating to standards of service in the electricity supply industry under section 24 of the UC Act and regulation 2B of the Utilities Commission Regulations.

The Commission regularly reviews its codes and guidelines to ensure they remain relevant and effective in achieving their objectives. The current review of the EIP Code is driven by the need to address certain challenges faced by some licensees in reporting against aspects of the EIP Code and to provide for changes in the regulatory environment and technological advancements.

The consultation paper outlines the key issues identified through the operation of the EIP Code and feedback from stakeholders. The Commission seeks to gather further input from stakeholders to inform its draft decision, which is expected to be released for consultation in the first quarter of 2025.

Following this consultation, the Commission will consider the feedback received and develop its draft decision regarding the review of the EIP Code. The draft decision will be published for feedback from stakeholders, which will inform the final decision.

Structure of the consultation paper

The consultation paper is arranged as follows:

- Chapter 2 discusses matters identified through the operation of the EIP Code and previous reviews, which are being considered as part of this review.

Where relevant, the consultation paper poses questions, which appear like this:

Question X	Example question
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- Appendix A provides a summary of the consultation questions.

How to make a submission on the consultation paper

All interested parties (stakeholders) are invited to make submissions on matters raised in the Consultation paper by **5pm, Friday 25 October 2024**. Responses to the Consultation paper will inform the Commission's draft decision, which is expected to be released in the first quarter of 2025.

To facilitate publication, submissions should be provided electronically by email to utilities.commission@nt.gov.au in Adobe Acrobat or Microsoft Word format.

Stakeholders need only respond to matters relevant to their areas of expertise or interest. The Commission encourages stakeholders to include sufficient explanatory detail in their responses to any matters discussed in the Consultation paper.

Any questions regarding the Consultation paper or the review should be directed to the Commission at any of the following:

Email: utilities.commission@nt.gov.au

Telephone: +61 8 8999 5480

GPO Box 915
DARWIN NT 0801

Confidentiality

In the interests of transparency, the Commission will make all submissions publicly available on its website, with the exclusion of confidential information. Confidential information may include:

- information that could affect the competitive position of an entity or other person
- or information that is commercially sensitive for some other reason.

Submissions must clearly specify any information that a respondent considers confidential and advise the Commission why they would like the information to be treated as confidential. A version of the submission suitable for publication (that is, with any confidential information removed) should also be submitted to the Commission.

The Commission may also exercise its discretion not to publish any submission based on its content such as submissions containing material that is offensive or defamatory.

Review timing

The review is expected to be completed by 30 June 2025. The key dates for the review, subject to stakeholder feedback, are shown in Table 1.

Table 1 EIP Code Review key dates

Stage	Time
Consultation paper released	11 September 2024
Public consultation	September - October 2024
Draft decision and draft version of the EIP Code released	February 2025
Public consultation	March 2025
Final decision and final version of the EIP Code released	May 2025
Amended EIP Code (version 3) commences	1 July 2025

2 | Issues for consideration

This chapter discusses matters identified through the operation of the EIP Code and previous reviews, which are being considered as part of this review. A series of related questions are posed to stakeholders.

Administrative and minor improvements

The Commission has identified several administrative and minor changes to enhance the operation of the EIP Code, which will be considered as part of this review. These include correcting typographical errors, clarifying ambiguous language, and updating outdated references.

While the identified improvements are considered minor, they should enhance the clarity, efficiency, and effectiveness of the Code, and thus facilitate better compliance and understanding among stakeholders.

The Commission invites stakeholders to provide feedback on any administrative or minor improvements they have identified in the EIP Code that could help to ensure it is up-to-date and user friendly. This is an opportunity for stakeholders to highlight areas that may benefit from further clarification or adjustment.

Question 1	Are there any administrative or minor improvements to the EIP Code that stakeholders have identified and would like to bring to the Commission's attention?
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Exemption clause

Clause 5.1.3 of the EIP Code is an exemption clause which allows licensed entities to apply to the Commission for an exemption or an extension to their reporting obligations. This provision seeks to provide necessary flexibility, ensuring that the Code remains practical and adaptable to accord for various operational challenges and unforeseen events to the greatest extent possible. The exemption clause aims to balance regulatory compliance with operational realities, acknowledging that there may be legitimate reasons for an entity to be temporarily unable to meet certain obligations.

During independent audits of compliance with the EIP Code, as required under clause 6.2, there have been suggestions that the EIP Code may benefit from a more comprehensive exemption clause. This overall exemption clause could allow entities to apply for exemptions from complying with any requirements of the EIP Code, not just reporting obligations.

While such a clause would enhance the flexibility of the EIP Code, it may be beneficial to specify criteria or principles the Commission must consider when granting an exemption, to make it clear an exemption request will not be simply approved. It will require well justified reasons that meet the Commission's expectations. The criteria or principles could include:

- Public interest - The exemption must not adversely affect the public interest, particularly regarding service reliability, safety, and consumer protection.
- Compliance integrity - The entity's history of compliance and commitment to returning to full compliance within a reasonable timeframe should support the exemption request (where relevant).
- Proportionality and temporariness - Exemptions should be temporary, proportionate to the issue, and accompanied by a clear plan for achieving or resuming compliance.

Including exemption approval criteria or principles in the EIP Code may assist in transparency by demonstrating on what basis the Commission makes its decisions, to ensure that exemptions are granted appropriately, maintaining the integrity of the EIP Code while allowing for necessary flexibility.

Question 2	Is the current reporting exemption provision under clause 5.1.3 of the EIP Code appropriate for licensees in terms of ensuring EIP Code reporting compliance? Why or why not?
Question 3	Should there be a broader exemption clause in the EIP Code to cover more than reporting obligations? Why or why not?

Question 4	If the answer to question 3 is yes, should the EIP Code include criteria or principles that the Commission must consider when granting an exemption? If so, are the criteria/principles outlined in this paper appropriate? Why or why not?
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Reporting requirements

Clause 5.2.2(c) of the EIP Code requires licensed entities to include four years of historical data plus the reporting period data in their reports. Clause 5.2.2A requires the methodology used for the reporting of historical data under clause 5.2.2(c) to be consistent with the methodology used for the reporting period data under clause 5.2.2(c).

While the required reporting methodology is now clear in the EIP Code, the Commission has observed inconsistencies in how entities segment their historical data. Specifically, while the reporting period data is correctly segmented by quarter, the four years of historical data is often reported on an annual basis instead of quarterly, as required by the EIP Code.

Ensuring that both historical data and the reporting period data are segmented consistently will provide a more detailed and accurate picture of performance trends over time. This will facilitate easier comparison and analysis, enabling the licenced entities and the Commission to identify patterns, anomalies, and areas requiring attention more effectively.

To address this issue, the Commission is considering making the EIP Code more explicit that historical data must be segmented in the same manner as the reporting period data. While the proposed change would be consistent with current expectations, the Commission seeks feedback on whether making this explicit in the EIP Code would cause any concerns for stakeholders.

Question 5	Should the EIP Code be more explicit in requiring historical data to be segmented in the same manner as the reporting period data? Why or why not?
Question 6	What challenges, if any, do entities face in segmenting historical data, such as quarterly? How could these challenges be addressed?

IEEE beta 2.5 events for network entities

The IEEE 2.5 beta method is used to identify major event days (or natural events) that significantly impact the reliability metrics of network services. This method helps to separate the impact of extreme events from regular performance metrics, providing a clearer picture of underlying network reliability.

Natural event day calculations and data

Clause 5.4.1 of the EIP Code requires the Commission to be notified in writing within 14 business days of a natural event that occurs that is identified as a statistical outlier using the IEEE 2.5 beta method. Clause 5.4.2 of the EIP Code requires that if a network entity excludes a network outage from the adjusted category or guaranteed service level payments under clause 7.2.3(f), it must issue a report to the Commission within 30 business days.

Clause 5.4.3 of the EIP Code requires the report to include:

- the relevant event identified under clause 7.2.3(f)
- information and documentation on the circumstances surrounding the event
- the impact of the event on the network entity's ability to meet the guaranteed service levels
- the extent of the exclusion from the adjusted category
- the proposed extent of the exclusion
- reasons why the Commission should consider the event as an exclusion.

Currently, when assessing a natural event report, the Commission often requests the entity's workings and associated data to confirm the occurrence and correctness of the calculations. To improve efficiency and provide clarity on what is required to enable the Commission to verify the event was outside the network entity's control, there may be benefit in including a specific requirement under clause 5.4.3 of the EIP Code for entities to provide their workings and data as part of their report.

While the proposed change would aim to make the process more efficient by reducing the need for subsequent requests, and associated assessment delays, the Commission seeks feedback on whether this proposed requirement would cause any concerns for stakeholders.

Question 7	Would requiring network entities to provide their workings and associated data for calculating the occurrence of a natural event under the IEEE 2.5 beta method cause any concerns? If so, what are the concerns?
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Unadjusted SAIDI and SAIFI inclusive and exclusive of natural events days

The current EIP Code is not clear on whether natural events should be included in the unadjusted SAIDI and SAIFI performance metrics. A strict reading would imply inclusion, which could distort the reporting and not accurately reflect the underlying performance, providing a misleading picture. However, excluding natural events could obscure the full impact on customers during the reporting period.

In line with the AER's reporting requirements, the Commission considers there is merit in potentially requiring network entities to report both unadjusted SAIDI and SAIFI metrics inclusive and exclusive of natural events. This dual reporting approach would offer a more comprehensive view of network performance and its impact on customers.

While requiring both inclusive and exclusive reporting of SAIDI and SAIFI would help distinguish between underlying network performance and the impact of extraordinary events on service delivery, and align with the practice of the AER, the Commission seeks feedback from stakeholders on whether there would be any barriers or difficulties in implementing this requirement.

Question 8	Would requiring network entities to report both unadjusted SAIDI and SAIFI metrics inclusive and exclusive of natural events (or major event days) cause any concerns? If so, what are the concerns?
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Schedule 2: Generation services performance indicators

The primary purpose of reporting on generation services performance indicators is to monitor and ensure the reliability, availability, and overall performance of electricity generators within the Territory's power systems, which has been important for protecting electricity consumer interests where there has been no or very limited competition.

The benefits of requiring generators to report on performance indicators include transparency, accountability and the ability to identify performance issues. However, there are costs associated with data collection, reporting, and compliance, which must be weighed against the benefits.

When the Commission originally implemented these requirements, it considered that the benefits of reporting generation services performance indicators outweighed the costs. However, given the evolving nature of the industry, the Commission considers it is timely to reassess whether this balance remains appropriate.

Historically, the electricity industry in the Territory was dominated by the government-owned monopoly, the Power and Water Corporation (PWC) (previously the Power and Water Authority) providing electricity network, retail and generation services. In 2014, PWC was split into three separate government owned corporations, including Territory Generation. Since 2014, Territory Generation has remained the dominant generator in all power systems, however, the Territory electricity market has changed, with the entry of new privately-owned generator entities, particularly in the Darwin-Katherine power system.

The increase in generation competition could potentially reduce the need for Commission oversight of performance if market forces are sufficient to drive performance improvements. However, the extent to which competition has developed in the Darwin-Katherine power system, particularly in comparison to the Alice Springs and Tennant Creek power systems, raises the question of whether different approaches across the three power systems might now be justified.

From the Commission's research, it appears that it is not common practice for generators in other Australian jurisdictions to report performance-related indicators to state or territory-based economic regulators, primarily because most generation in Australia is connected to the National Electricity Market. This may limit the direct comparability of practices between the Territory and other Australian jurisdictions.

Question 9	Should generators continue to be required to report their performance under the EIP Code, particularly given the evolving market dynamics in the Darwin-Katherine, Alice Springs, and Tennant Creek power systems? Why or why not from a cost-benefit perspective?
Question 10	What happens in other Australian jurisdictions and relevant jurisdictions around the world regarding generator performance reporting? Are there any alternative approaches that the Commission should consider?
Question 11	Has the entry of new privately-owned generation competitors in the Darwin-Katherine power system changed the need for generation performance oversight in that power system?
Question 12	Should the three power systems in the Territory be treated differently in terms of generation performance reporting requirements? Why or why not?
Question 13	Should Territory Generation be treated differently in terms of reporting requirements due to its government ownership and majority position, particularly where it is the only licensed generator in the Alice Springs and Tennant Creek power systems? Why or why not?

Generating unit availability performance indicators

The following performance indicators are currently included in Schedule 2 of the EIP Code:

- availability factor (AF)
- unplanned availability factor (UAF)
- equivalent availability factor (EAF)
- forced outage factor (FOF)
- equivalent forced outage factor (EFOF).

These indicators are related to unit availability and forced outages.

In its Final Decision Statement of Reasons, following the review of the Electricity Standards of Service and Guaranteed Service Level Codes and making of the EIP Code, the Commission stated there is merit in undertaking further review of the generation performance indicators to ensure they are appropriate for not only current generators, but also future generators, including batteries and renewable energy (or intermittent generation).

Subsequently, a number of stakeholders have raised concerns (including in relation to the reporting of SAIDI and SAIFI for generators) and provided feedback as part of a previous EIP Code review, suggesting that additional categories or guidance on reporting situations where plants are available but not dispatched due to system constraints should be considered. Again, the Commission committed to reviewing the obligations.

The Commission acknowledges that traditional generation availability metrics may not be suitable for solar PV and battery energy storage systems (intermittent generation). These technologies have different

operational characteristics compared to conventional thermal generation. For instance, solar PV availability is highly dependent on weather conditions, while battery storage performance is influenced by charging and discharging cycles.

Relevantly, to address immediate issues faced by generation entities with intermittent generation and batteries commencing operations, the Commission issued a direction on 26 June 2024 under clause 1.6 of the EIP Code. This direction states that these entities are not required to report against the EIP Code in relation to their intermittent generation and battery assets until the EIP Code is updated or advised otherwise by the Commission. This temporary measure aims to prevent potential non-compliance and reduce the reporting burden on relevant licensees.

The Commission is interested in stakeholders' views on the reporting of generating unit availability, particularly in relation to intermittent generation and batteries.

- Question 14** Are the current generating unit availability-related performance indicators (AF, UAF, EAF, FOF, EFOF) suitable for all types of generation, including solar PV and batteries? Why or why not?
- Question 15** If the answer to question 14 is no, should the relevant licensees be excluded from generating unit availability reporting, or are there other more relevant performance indicators?

Generating services reliability performance indicators

Generation services reliability performance indicators, such as SAIDI and SAIFI, are designed to measure the reliability of electricity supply by tracking the frequency and duration of interruptions. However, in power systems with multiple generators, accurately attributing interruptions to specific generators can be challenging and may lead to inaccurate or unfair reporting of SAIDI and SAIFI metrics, potentially distorting the performance assessment of individual generators.

As part of a previous review of the EIP Code, Territory Generation noted that the interconnected nature of power systems with multiple generators complicates the reporting of SAIDI and SAIFI metrics, suggesting that the network operator may be better equipped to report on these indicators. EDL NGD (NT) Pty Ltd also argued that SAIDI and SAIFI are not relevant performance indicators for generators and should be excluded. Eni Australia suggested that only those generators [that are] paid for the provision of essential system services should report on these benchmarks, as they [Eni Australia] are not considered firm sources of generation.

Network entities are already required to report both unadjusted and adjusted SAIDI and SAIFI metrics. Unadjusted SAIDI and SAIFI include all outages or interruptions to customers, while adjusted SAIDI and SAIFI allow for the exclusion of certain types of interruptions under clause 7.2.3 of the EIP Code. These exclusions include outages due to generation shortfalls, load shedding, and natural events identified using the IEEE 2.5 beta method. The rationale for allowing these exclusions is to enable a clearer view of the true underlying performance of the network by focusing on factors within the network entity's control.

Given that one of the exclusion criteria for network entities under clause 7.2.3 is related to generation shortfalls, the difference between unadjusted and adjusted SAIDI and SAIFI metrics reported by network entities may provide insights into generation performance. Therefore, there may be an argument that if network reporting of these metrics is deemed sufficient, additional reporting of SAIDI and SAIFI by generators might be unnecessary. This could simplify the reporting requirements for generators and reduce the potential for duplication of effort.

Relevantly, Schedule 3 of the EIP Code, specifically clauses S.3.8.1 and S.3.8.2, requires network entities to provide details regarding exclusions applied under clause 7.2.3, including at a minimum, the type and number of exclusions by performance indicator and region. This reporting by network entities may already, or could be modified to, capture sufficient information about the impact of generation-related outages on overall system performance.

The Commission is interested in stakeholders' views on the reporting of SAIDI and SAIFI by generators.

Question 16	Is the reporting of SAIDI and SAIFI by generators relevant and appropriate? Why or why not?
Question 17	Does the interconnected nature of power systems with multiple generators create challenges in accurately reporting generators' SAIDI and SAIFI? If yes, what are the challenges and how might they be overcome?
Question 18	Is the level of performance already captured by network reporting of SAIDI and SAIFI sufficient, particularly regarding generation-related outages? If not, could network reporting requirements be reasonably modified to sufficiently capture generation performance?

Schedule 3: Network services performance indicators

Poorly performing feeders

The Commission is not intending to conduct a comprehensive review of Schedule 3 as part of this EIP Code review, as the focus is primarily on Schedules 2 and 4, along with some minor improvements. However, one specific area under Schedule 3 that the Commission proposes to clarify is the reporting methodology for poorly performing feeders.

The Commission has previously identified that PWC may not have been applying the correct methodology for calculating the SAIDI when identifying poorly performing feeders. PWC was calculating SAIDI based on the feeder's contribution to the overall feeder category result (total of all outages in a feeder category). However, PWC should have been calculating SAIDI based on the individual performance of each feeder, specifically considering the duration and impact of outages on customers served by that feeder.

The correct formula for calculating SAIDI for a specific feeder (Feeder Y) is as follows:

$$\text{feeder Y SAIDI} = \frac{\sum \text{duration of feeder Y outage} \times \text{feeder Y customers impacted}}{\text{customers served by feeder Y}}$$

This formula means that SAIDI for a particular feeder is calculated by taking the total duration of all outages that occurred on that feeder, multiplying each outage duration by the number of customers affected, and then dividing this by the total number of customers served by that feeder. This approach focuses on the individual feeder's performance rather than its contribution to a broader category, providing a more accurate measure of reliability for that specific feeder.

The intended or expected calculation methodology has been clarified informally with PWC, but this should be formalised in the EIP Code to remove any ambiguity and ensure consistent application.

Question 19	Do stakeholders agree with the proposed explicit calculation methodology for SAIDI for individual feeders as outlined above? Why or why not?
Question 20	Are there any challenges or concerns with implementing this methodology in stakeholders' reporting processes? If so, what are these?

Schedule 4: Retail services performance indicators

Retail services performance indicators in Schedule 4 of the EIP Code fall under one of five categories:

- customer service and complaints
- handling customers experiencing payment difficulties
- pre-payment meters
- de-energisation (disconnection) and Re-energisation (reconnection)
- hardship program.

The primary purpose of retail services performance indicators is to monitor and report on the performance of the Territory electricity retail industry. It provides for accountability and transparency, which is important for protecting consumer interests.

AER Retail performance reporting procedures and guidelines review

The AER is currently reviewing its Guidelines, with an updated version expected to be implemented on 1 January 2025². The AER's review aims to ensure that data submitted is high-quality, relevant, and comprehensive. This includes potential new indicators, refining current indicators, and increasing the frequency and granularity of data collection.

The AER's review is particularly relevant to the Commission's review of the EIP Code because many of the retail-related performance indicators in Schedule 4 of the EIP Code point to the AER's Guidelines. If the AER updates its Guidelines, some of the performance indicators in the EIP Code will also be (automatically) updated.

The changes proposed to the AER's Guidelines, which have the potential to materially impact retailers in the Territory reporting against the EIP Code are shown in table 2.

Table 2 Potential material changes to the AER's Guidelines

EIP Code performance indicator	AER Guideline indicator number	Proposed change
Customer service and complaints		
Total number of calls to an operator	3.1	Relevant reporting period increased from annually to quarterly.
Number and percentage of calls forwarded to an operator that are answered within 30 seconds.	3.2	Relevant reporting period increased from annually to quarterly.
Number and percentage of calls abandoned before being answered by an operator	3.4	Relevant reporting period increased from annually to quarterly.
Complaints—billing	3.6	Increased segmentation.

² <https://www.aer.gov.au/industry/registers/resources/guidelines/retail-performance-reporting-procedures-and-guidelines-2024-update#:~:text=We%20aim%20to%20complete%20our,invited%20by%207%20August%202023.>

Handling customers experiencing payment difficulties

Number of small customers repaying an energy bill debt	3.17	Increased segmentation.
Average amount of energy bill debt for small customers	3.20	Increased segmentation.
Number of residential customers on a payment plan	3.28	Scope increased to include small business customers in addition to residential customer.
		The proposed change states that customers in embedded networks should also be included.

De-energisation (disconnection) and Re-energisation (reconnection)

Total number of residential customers reconnected in the same name at the same address	Removed.
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While there are some benefits to the 'automatic' updating of some EIP Code retail-related performance indicators, some changes might not be relevant for the Territory or require Territory retailers to make difficult or expensive changes to their retail systems. Therefore, the Commission needs to understand the AER's changes, their potential impacts on Territory retailers and the associated costs and benefits to adopting these in the Territory. If the Commission considers the costs would exceed the benefits, the Commission could amend the EIP Code accordingly, to ensure the EIP Code remains practical and relevant.

The Commission's EIP Code review also presents an opportunity to consider increasing or expanding the customer service and complaint-related performance indicators in the EIP Code, noting the AER has indicated it intends to expand those in the AER Guidelines. For example, the AER is considering new indicators in relation to embedded networks, life support customers, and customers affected by family violence, noting these would not 'automatically' apply in the EIP Code.

The Commission is interested in stakeholders' views on the potential impacts of changes to retail performance indicators as a result of expected changes to the AER Guidelines.

Question 21	How might the proposed changes to the AER's performance reporting procedures and guidelines impact stakeholders' associated operations and reporting under the EIP Code?
Question 22	Are there specific challenges stakeholders foresee with implementing the AER's proposed changes to relevant indicators and are associated refinements to the EIP Code required?

Customer service and complaints

The customer service and complaints performance indicators in the EIP Code are:

- total number of calls to an operator
- number and percentage of calls forwarded to an operator that are answered within 30 seconds
- number and percentage of calls abandoned before being answered by an operator
- complaints - billing
- complaints – energy marketing

- complaints – customer transfers
- complaints – hardship (Territory specific performance indicator)
- complaints – other.

The Commission has previously discussed in the annual Northern Territory Electricity Retail Review its concern that the current EIP Code customer service-related performance indicators are too basic and may need to be expanded. For example, performance indicators refer to phone calls only and more modern forms of communication with electricity retailers, such as through social media or messaging platforms, are not captured.

Relevantly, the AER's Guidelines review includes expanding indicators to cover online chats and other digital communication platforms. This provides an opportunity for the Commission to leverage off the AER and enhance Territory indicators, ensuring they reflect current communication trends and provide a more comprehensive view of customer service performance.

The Commission notes that the AER Guidelines also include several metering-related complaint categories, with many related to smart meters. This level of detail may not be necessary for the Territory, where metering-related complaints currently fall under the "other" category. However, the Commission is interested in stakeholders' views on whether there would be benefits (that outweigh the costs) in introducing an overarching meter-related complaint category specific to the Territory.

Question 23	Should customer service-related indicators be expanded to capture modern communication methods? If so, why?
Question 24	Do stakeholders support the introduction of a Territory-specific overarching meter-related complaint category, rather than no meter-related complaint category or multiple meter related categories consistent with the AER Guidelines? Why or why not?

Energy bill debt definition

The handling customers experiencing payment difficulties performance indicators in the EIP Code are:

- number of small customers repaying an energy bill debt
- average amount of energy bill debt for small customers
- amount of residential customer energy bill debt
- number of residential customers on a payment plan
- number of residential customers who successfully completed their payment plan.

Feedback from retailers to the Commission has been that the EIP Code may benefit from including a definition of 'energy bill debt', noting the AER's Guidelines include a definition, but the EIP Code does not, other than to refer to the AER Guidelines in Schedule 4.

Energy bill debt is defined in the current AER Guidelines as the dollar amount owed to the retailer for the sale and supply of gas or electricity, excluding other services, which has been outstanding to the energy retailer for a period of 90 calendar days or more. An amount owing after the final bill has been issued by a retailer to a customer on termination of a customer contract (that is, where a customer changes retailer) should not be counted as energy bill debt.

The draft AER Guidelines³ propose the "period of 90 calendar days or more" timeframe in the definition be replaced with a provision in the definition to specify the period in the Guidelines. The associated indicators in the draft AER Guidelines are specified in the schedule and aim to provide more detail on energy bill debt.

³ <https://www.aer.gov.au/system/files/2024-02/AER%20-%20Draft%20-%20%28Retail%20Law%29%20Performance%20reporting%20procedures%20and%20Guidelines%20%28marked%20up%29.pdf>

For example, it would require reporting of the number of small customers with energy bill debt that has been outstanding for at least 30 calendar days but less than 60 calendar days, that has been outstanding for at least 60 calendar days but less than 90 calendar days and that has been outstanding for at least 90 calendar days or greater.

The Commission is interested in stakeholders' views on whether there is a need to include a definition of 'energy bill debt' in the EIP Code and if so, whether it should be consistent with the (expected) updated AER Guidelines (taking into consideration the costs and benefits of reporting more detailed/segmented data).

Question 25	Should the EIP Code include a definition of 'energy bill debt'? Why or why not?
Question 26	If the answer to question 25 is yes, should the definition be consistent with what Territory retailers are currently reporting, or align with updated AER guidelines, which would require more detailed/segmented data?

Appendix A – Summary of consultation questions

- Q1 Are there any administrative or minor improvements to the EIP Code that stakeholders have identified and would like to bring to the Commission's attention?
- Q2 Is the current reporting exemption provision under clause 5.1.3 of the EIP Code appropriate for licensees in terms of ensuring EIP Code reporting compliance? Why or why not?
- Q3 Should there be a broader exemption clause in the EIP Code to cover more than reporting obligations? Why or why not?
- Q4 If the answer to question 3 is yes, should the EIP Code include criteria or principles that the Commission must consider when granting an exemption? If so, are the criteria/principles outlined in this paper appropriate? Why or why not?
- Q5 Should the EIP Code be more explicit in requiring historical data to be segmented in the same manner as the reporting period data? Why or why not?
- Q6 What challenges, if any, do entities face in segmenting historical data, such as quarterly? How could these challenges be addressed?
- Q7 Would requiring network entities to provide their workings and associated data for calculating the occurrence of a natural event under the IEEE 2.5 beta method cause any concerns? If so, what are the concerns?
- Q8 Would requiring network entities to report both unadjusted SAIDI and SAIFI metrics inclusive and exclusive of natural events (or major event days) cause any concerns? If so, what are the concerns?
- Q9 Should generators continue to be required to report their performance under the EIP Code, particularly given the evolving market dynamics in the Darwin-Katherine, Alice Springs and Tennant Creek power systems? Why or why not from a cost-benefit perspective?
- Q10 What happens in other Australian jurisdictions and relevant jurisdictions around the world regarding generator performance reporting? Are there any alternative approaches that the Commission should consider?
- Q11 Has the entry of new privately-owned competitors in the Darwin-Katherine power system changed the need for oversight in that power system?
- Q12 Should the three power systems in the Territory differently in terms of reporting requirements? Why or why not?
- Q13 Should Territory Generation be treated differently in terms of reporting requirements due to its government ownership and majority position, particularly where it is the only licensed generator in the Alice Springs and Tennant Creek power systems? Why or why not?
- Q14 Are the current generating unit availability-related performance indicators (AF, UAF, EAF, FOF, EFOF) suitable for all types of generation, including solar PV and batteries? Why or why not?

- Q15 If the answer to question 14 is no, should the relevant licensees be excluded from generating unit availability reporting, or are there other more relevant performance indicators?
- Q16 Is the reporting of SAIDI and SAIFI by generators relevant and appropriate? Why or why not?
- Q17 Does the interconnected nature of power systems with multiple generators create challenges in accurately reporting generators' SAIDI and SAIFI? If yes, what are the challenges and how might they be overcome?
- Q18 Is the level of performance already captured by network reporting of SAIDI and SAIFI sufficient, particularly regarding generation-related outages? If not, could network reporting requirements be reasonably modified to sufficiently capture generation performance?
- Q19 Do stakeholders agree with the proposed explicit calculation methodology for SAIDI for individual feeders as outlined above? Why or why not?
- Q20 Are there any challenges or concerns with implementing this methodology in stakeholders' reporting processes? If so, what are these?
- Q21 How might the proposed changes to the AER's performance reporting procedures and guidelines impact stakeholders' associated operations and reporting under the EIP Code?
- Q22 Are there specific challenges stakeholders foresee with implementing the AER's proposed changes to relevant indicators and are associated refinements to the EIP Code required?
- Q23 Should customer service-related indicators be expanded to capture modern communication methods? If so, why?
- Q24 Do stakeholders support the introduction of a Territory-specific overarching meter-related complaint category, rather than no meter-related complaint category or multiple meter related categories consistent with the AER Guidelines? Why or why not?
- Q25 Should the EIP Code include a definition of 'energy bill debt'? Why or why not?
- Q26 If the answer to question 25 is yes, should the definition be consistent with what Territory retailers are currently reporting, or align with updated AER guidelines, which would require more detailed/segmented data?



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