

## **2024 Electricity Industry Performance Code Review Consultation – Feedback of Territory Generation**

**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?**

The current exemption is appropriate. It provides for the licensee to seek an exemption or an extension in respect of reporting obligations from the Commission. There could be varied reasons to seek such exemption or extension, and it provides the Commission with the flexibility to deal with such requests on a case by case basis.

**Q3) Should there be a broader exemption clause in the EIP Code to cover more than reporting obligations? Why or why not?**

TGen would support there being a broader exemption clause. There could be varied reasons to seek such exemption or extension from obligations other than reporting, and a broader exemption will provide the Commission with the flexibility to deal with such requests on a case by case basis.

**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?**

Even though including criteria or principles may appear appropriate, that might confine and curtail the Commission's ability to provide the exemption or extension even in appropriate cases. The better approach would be, in the event the Commission wants to put in principles or criteria, would be to include a proviso such as "but not limited to" and to give the Commission the flexibility to grant such exemption or extension when it considers it appropriate to do so.

**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?**

The current wording in the EIP Code is sufficient.

**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?**

Yes, generators should continue to report their performance under the EIP Code, except for SAIDI and SAIFI data, the responsibility for which should be statutorily transferred to the network operator being the most appropriate body to provide this data.

In small markets the costs of data collection and compliance are valid concerns, and as such, compliance obligations should not be over burdensome.

**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?**

TGen has no comment on reporting that occurs in other jurisdictions due to a lack of familiarity and in-depth knowledge of those reporting requirements. In relation to the Northern Territory, the

Commission could consider focus on performance-based incentives and market accountability rather than strict reporting mandates.

**Q 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?**

Yes, the entry of new privately-owned competitors has likely reduced the need for stringent oversight in the Darwin-Katherine power system. Increased competition can drive performance improvements naturally, as generators seek to attract customers and operate efficiently.

**Q 12) Should the three power systems in the Territory be treated differently in terms of generation performance reporting requirements? Why or why not?**

Yes, the three power systems should be treated differently, due to the size of the Alice Springs and Tennant Creek systems. Tailoring the approach allows for a more effective regulatory response aligned with the specific market dynamics of each regulated system.

**Q 13) Should TGen 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?**

The differentiation driving reporting obligations is not so much government ownership, but rather the unique nature, size and market dynamics of each system. It is important to factor in the cost of compliance for smaller power systems.

**Q 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?**

No, TGen is of the view that the current generating unit availability-related performance indicators (AF, UAF, EAF, FOF, EFOF) are not suitable for all types of generation, particularly solar PV and battery systems. Reasons include:

- **Operational differences:** Solar PV and batteries operate differently from traditional thermal generators. Solar availability is highly dependent on weather conditions and time of day, while battery performance is influenced by charging and discharging cycles, which are not adequately captured by the existing indicators. The regulator should differentiate between grid-forming and grid-following Battery Energy Storage Systems (BESS) in their oversight and performance metrics.
- **Intermittent nature:** The intermittent nature of renewable energy sources like solar PV means that traditional metrics, which assume a constant generation capability, fail to reflect actual availability and performance effectively.
- **Market constraints:** There may be instances when solar PV or battery systems are technically available but not dispatched due to system constraints. Current metrics do not account for these scenarios, which could misrepresent their operational effectiveness.
- **Inadequate insights:** The existing indicators do not provide adequate insights into the performance and reliability of renewable and battery storage technologies, which could hinder regulatory oversight and market development.

**Q 15) If the answer to Q 14 is no, should the relevant licensees be excluded from generating unit availability reporting, or are there other more relevant performance indicators?**

TGen suggests that the current exclusion remains until alternative performance indicators that better reflect the characteristics of intermittent generation and battery systems are developed.

**Q 16) Is the reporting of SAIDI and SAIFI by generators relevant and appropriate? Why or why not?**

TGen is of the view that the reporting of SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) by generators is not appropriate and is a role best undertaken by the network operator. Reasons include:

- **Attribution Challenges:** In interconnected power systems, interruptions may arise from various sources, making it difficult to attribute specific outages to individual generators. This can lead to skewed performance assessments and unfair comparisons among generators.
- **Network Operator's Role:** Network operators are generally better positioned to report on system-wide reliability metrics, as they have a comprehensive view of all operational factors affecting supply. Relying on them for these metrics can streamline reporting and provide a clearer picture of overall system performance.
- **Limited Control:** Many generators do not have direct control over grid-related issues that may cause outages, such as network constraints or system imbalances. Reporting SAIDI and SAIFI may therefore not accurately reflect their reliability or operational effectiveness.
- **Duplication of Effort:** If network entities are already reporting on these metrics, requiring generators to report them as well could lead to unnecessary duplication of efforts, adding to the administrative burden without providing additional insights.

**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?**

TGen currently utilises the data provided by Power and Water Corporation to generate the SAIDI and SAIFI figures. The interconnected nature of power systems does create challenges to accurate reporting. The network operator would be better placed to address this question.

**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?**

The network operator would be better placed to address this question.