

5 March 2019



Mr Craig Graham
Under Treasurer
Department of Treasury and Finance
GPO Box 1974
DARWIN NT 0801

Via email: DTF.UtilitiesReform@nt.gov.au

Dear Craig

NORTHERN TERRITORY ELECTRICITY MARKET DESIGN

I write in response to your invitation by letter to the President, Mayor Damien Ryan of 31 January 2019 for LGANT to provide input to the "Northern Territory Electricity Market" (NTEM) design which it appreciates being given the opportunity to do now as well as in the future.

LGANT supports the functional specification for the NTEM to the extent that it:

- provides a platform for local government to participate in renewable energy initiatives and potentially enter the electricity market by providing renewable power
- takes into account advancements in technology and infrastructure efficiencies
- is geared towards facilitating some return on investments in renewable energy
- has the objective of facilitating greater levels of competition in the electricity supply industry
- is designed to reduce the cost of electricity supply to customers in the Northern Territory
- will provide reports and information about the operation of the market and relevant forecasts of future conditions
- provides a pathway for councils to achieve accredited capacity.

Local government:

- wants to invest in renewable energy solutions
- supports the Northern Territory Government:
 - having a 50 per cent renewable energy target
 - issuing instructions to T-Gen and Jacana Energy on how each will be involved in future contracting for renewable resources
- sees itself as being a market participant in electricity generation albeit on a small scale and particularly given the following LGANT policy was adopted at the general meeting of councils in November 2018, namely:
 - *"THAT LGANT supports councils undertaking energy production, implementing energy efficiencies and making greater use of renewable energies to the extent they are able".*

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- is looking for opportunities to collaborate with business and the government to:
 - improve energy efficiency in the Northern Territory by installing renewable energy technologies relating to rooftop solar panel systems and landfill gases
 - enable studies to be conducted on the technologies needed and the viability of methane gas capture for areas outside of Darwin

is already involved in renewable energy projects such as:

1. the City of Darwin is treating renewable energy as a priority in its strategic plan with:

- a renewable energy facility at its Shoal Bay waste management site (the first of its kind in a tropical region) which is capable of providing electricity to 1,000 Darwin homes
- a Photovoltaic (Solar Panel) System established at its Casuarina library which has a real time site on the web (<http://www.darwin.nt.gov.au/climate-change/renewable-energy>) for showing outputs from the system for the public

2. Alice Springs Town Council:

- was the lead proponent in the Alice Solar City project from 2008 to 2013
 - installed 396 solar panels at the Alice Springs Aquatic and Leisure Centre in 2015 with capacity to generate 184,000kWh each year, equalling the energy usage of 20 Alice Springs households
 - installed solar panels across five of Council facilities (see link: <http://www.alicesprings.nt.gov.au/council/solar-energy-council>)
 - [Note: In 2016, the Alice Springs grid experienced the highest solar generation contribution of any grid in Australia, with an estimated 10.6MW capacity and around 40 per cent of 220 GWh average annual demand].
- will be looking to hold meetings with the Reliability Manager (once appointed) in the future to discuss capacity adequacy with councils.

I look forward to further consultations on this matter and have registered by email Peter McLinden, Director, Transport and Infrastructure, of this office for that purpose.

Yours sincerely



Tony Tapsell
Chief Executive Officer