

Northern Territory Airports is enthusiastic to expand further into the solar generation arena and capitalise on our current experience in grid connected solar installations.

Some of our comments toward the draft documents out for stake holder review are as follows.

- With the commitment given in 2015 to migrate toward NER, pushing the last 6 months of that period with the stakeholder responses from draft to finalised document is unreasonable. More time would allow further consultation.
- The omission, initially, of ancillary services remuneration simply provides a missing link in the ability to calculate returns and contingency requirements. It also introduces uncertainty into design scope.
- AEMO clearly defines solar as a semi-scheduled generator in the 'guide to NEM generator classification and exemption' document published in August 2014 section 2.1, removing the semi-scheduled classification is not aligning the NT with the rest of Australia.
- Such a major change to the NT energy market with stringent rule changes in an environment that requires major investment to achieve, appears to be counter intuitive and possibly biased toward a predetermined outcome. A perception may be that the splitting of PWC into three separate entities has not occurred completely at the highest levels of governance. Investment will require the confidence in a fair and unbiased environment where returns on investment remain true for the timeline of the project.
- Asking solar output to become a scheduled generator with the use of new technology for schedule estimation and the enforcement of penalties written into the document without acceptable trial and assessment periods is unreasonable
- Who provides scheduling estimates for solar currently on the NEM, and what is the cost of this service. Is there a listing of non-compliances and the cost of the penalties associated with these excursions? I.e. how does an investor include these likelihoods into their financial calculations?
- The requirement for each generator to inherently be capable of generating a significant reactive energy component as well as having FCAS ability requires simultaneous over engineering for active energy and reduces the viability of ancillary services only connected equipment in a decentralised flexible environment. Allowing separate equipment and connections to the network to work in synergy to comply with the requirements is more flexible and likely more efficient.
- Capacity Mechanism – We would like an explanation or discussion describing this mechanism. What are acceptable levels of excess capacity?
- Would a mechanism for compensation be provided in the event that reliability and capacity of the system results in underutilisation of generators connected to the network? Is that a part of the capacity mechanism?
- How will the reliability manager work toward mitigating derating factors on generators as is currently occurring in the NEM? Derating whilst ensuring system security is also enabling bankruptcy.
- It has been stated that there is little opportunity for large storage (pumped Hydro) in the N.T. This will not allow the decommissioning of significant amounts T-Gens synchronous generation. To allow for the 50% target of renewables, repurposing and extending this infrastructure to support non-synchronise generation would provide all of the required FCAS and ancillary services for the system as it currently stands.
- Scheduling margins and ramp rates will change investment returns dramatically as compared to the requirements previous to these proposed changes. Allowing a reasonable margin for non-synchronise generation and ensuring specific hardware optimised for out of balance control are balanced on the network would maintain security as well as relax investment requirements for the 2030 50% renewables target.
- Any scheme that makes less certain the ability to pay debt required to build a major project could be problematic. Shifting the control of the sale of the income that pays the debt to a third party will influence confidence and risk acceptance. Investors will need confidence that system control will dispatch their production, how is this going to be enforced so investors have certainty.

Northern Territory Airports has funding approval and is ready to design and implement projects as soon as the regulations are finalised and certainty toward design requirements is achieved.

