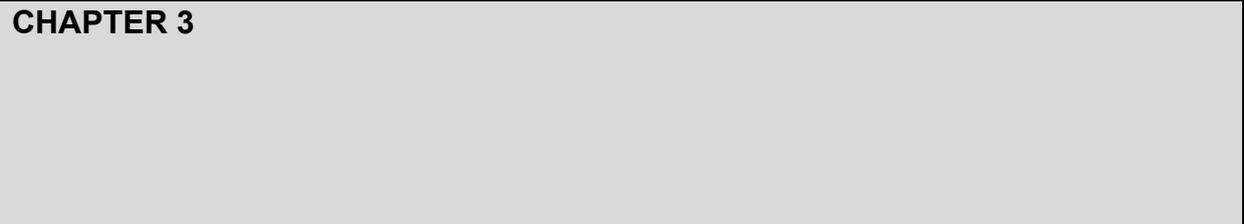


CHAPTER 3



3. Market Rules

3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention

(a) In respect of each *intervention price trading interval*:

(1) an *Affected Participant* is entitled to receive from *AEMO*, or must pay to *AEMO*, an amount as determined in accordance with this clause 3.12.2 that will put the *Affected Participant* in the position that the *Affected Participant* would have been in regarding the *scheduled generating unit* or *scheduled network service*, as the case may be, had the *AEMO intervention event* not occurred, taking into account solely: ~~the items listed in paragraph (j);~~

~~(i) the amounts notified by *AEMO* under subparagraphs (c)(1) and (c)(2); and~~

~~(ii) the items listed in paragraph (j); and~~

(2) a *Market Customer*, other than a *Market Customer* which was the subject of any *direction* that constituted the *AEMO intervention event*, is entitled ~~to receive from *AEMO*, or must pay to *AEMO*,~~ in respect of one or more of its *scheduled loads*, ~~an amount as determined in accordance with this clause 3.12.2 that will put the *Market Customer* in the position that the *Market Customer* would have been in regarding the *scheduled load* had the *AEMO intervention event* not occurred, taking into account solely;~~ ~~to receive an amount calculated by applying the following formula:~~

~~(i) the amounts notified by *AEMO* under subparagraph (c)(3); and~~

~~(ii) the items listed in paragraph (j).~~

$$\text{DC} = ((\text{RRP} \times \text{LF}) - \text{BidP}) \times \text{QD}$$

where:

~~DC (in dollars) is the amount the *Market Customer* is entitled to receive in respect of that *scheduled load* for the relevant *intervention price trading interval*;~~

~~RRP (in dollars per MWh) is the regional reference price in the relevant *intervention price trading interval* determined in accordance with clause 3.9.3(b);~~

~~LF where the *scheduled load's connection point* is a *transmission connection point*, is the relevant *intra-regional loss factor* at that *connection point* or where the *scheduled load's connection point* is a *distribution network connection point*, is the product of the *distribution loss factor* at that *connection point* multiplied by the relevant *intra-regional loss factor* at the *transmission connection point* to which it is assigned;~~

~~BidP (in dollars per MWh) is the price of the highest priced price band specified in a dispatch bid for the scheduled load in the relevant intervention price trading interval;~~

~~QD (in MWh) is the difference between the amount of electricity consumed by the scheduled load during the relevant intervention price trading interval determined from the metering data and the amount of electricity which AEMO reasonably determines would have been consumed by the scheduled load if the AEMO intervention event had not occurred;~~

~~provided that if DC is negative for the relevant intervention price trading interval, then the adjustment that the Market Customer is entitled to claim in respect of that scheduled load for that intervention price trading interval is zero.~~

Note

~~Where two intra regional loss factors are determined for a transmission network connection point under clause 3.6.2(b)(2), AEMO will determine the relevant intra regional loss factor for use under this clause in accordance with the procedure determined under clause 3.6.2(d1).~~

- (b) In respect of a single AEMO intervention event, an Affected Participant or Market Customer is not entitled to receive from, or obliged to pay to, AEMO an amount pursuant to this clause 3.12.2 if such an amount is less than \$5,000.

(b1) An Affected Participant or Market Customer is not entitled to compensation under this clause 3.12.2 with respect to scheduled plant for an intervention price trading interval if AEMO is required to pay compensation under clauses 3.15.7, 3.15.7A or 3.15.7B with respect to that scheduled plant and intervention price trading interval.

- (c) In respect of each intervention price trading interval, AEMO must, in accordance with the intervention settlement timetable, notify, in writing:

(1) each Affected Participant (except eligible persons) of:

(i) the estimated level of dispatch in MW that its scheduled network service or scheduled generating unit would have been dispatched at had the AEMO intervention event not occurred; and

(ii) where its scheduled generating unit is also registered as an ancillary service generating unit, the estimated level of dispatch of market ancillary services in MW that the unit would have been enabled to provide had the AEMO intervention event not occurred; and

(iii) an amount equal to:

(A) the estimated trading amount that it would have received had the AEMO intervention event not occurred based on the level of dispatch in subparagraphs (i) and (ii), less:

(B) the estimated trading amount for that Affected Participant (excluding from that trading amount the amount referred

to in clause 3.15.10C(a)) as determined by AEMO based on the dispatch targets determined through the central dispatch process used to dispatch Market Participants set out in its final statement provided pursuant to clause 3.15.14 for the billing period in which the intervention price trading interval occurs;

- (2) each eligible person of:
- (i) the estimated level of flow in MW of all relevant *directional interconnectors* that would have occurred had the *AEMO intervention event* not occurred; and
 - (ii) an amount equal to:
 - (A) the estimated amount that person would have been entitled to receive pursuant to clause 3.18.1(b) had the *AEMO intervention event* not occurred based upon the flows referred to in subparagraph (i); less
 - (B) the actual entitlement of that person under clause 3.18.1(b); and
- (3) each *Market Customer* ~~of;~~ ~~the amount calculated by AEMO in accordance with paragraph (a)(2) for that Market Customer.~~
- (i) the estimated level of dispatch in MW that its scheduled load would have been dispatched at had the AEMO intervention event not occurred; and
 - (ii) where its scheduled load is also registered as an ancillary service load, the estimated level of dispatch of market ancillary services in MW that the load would have been enabled to provide had the AEMO intervention event not occurred; and
 - (iii) an amount equal to:
 - (A) the amount calculated by AEMO in accordance with the formula at paragraph (d) for that Market Customer; plus
 - (B) the estimated trading amount that it would have received had the AEMO intervention event not occurred based on the level of dispatch in subparagraph (ii); less
 - (C) the estimated trading amount for that Market Customer (excluding from that trading amount the amount referred to in clause 3.15.10C(a)) as determined by AEMO based on the dispatch targets determined through the central dispatch process used to dispatch Market Participants.

- (d) ~~[Deleted]~~ For the purpose of subparagraph (c)(3)(iii)(A), the formula is:

$$DC = \sum_{bcB} \max(0, ((RRP \times LF) - BidP_b) \times QD_b)$$

where:

DC (in dollars) is the amount the Market Customer is entitled to receive in respect of that scheduled load for the relevant intervention price trading interval;

$\sum b \in B$ represents the sum over each *price band* “b” in the set of all non-zero *price bands* for the *scheduled load* “B”.

$\max(0, x)$ represents the maximum of the two values 0 and x.

RRP (in dollars per MWh) is the *regional reference price* in the relevant *intervention price trading interval* determined in accordance with clause 3.9.3(b);

LF where the *scheduled load's connection point* is a *transmission connection point*, is the relevant *intra-regional loss factor* at that *connection point* or where the *scheduled load's connection point* is a *distribution network connection point*, is the product of the *distribution loss factor* at that *connection point* multiplied by the relevant *intra-regional loss factor* at the *transmission connection point* to which it is assigned;

b represents each *price band* in the set “B” of all *price bands* for the *scheduled load* in the relevant *intervention price trading interval*.

BidP_b (in dollars per MWh) is the price offered by the *scheduled load* in the *price band* “b” in the relevant *intervention price trading interval*;

QD_b (in MWh) is the difference between the amount of electricity consumed by the *scheduled load* in that *price band* during the relevant *intervention price trading interval* (based on the *dispatch targets* for that *trading interval* determined through the *central dispatch process* used to *dispatch Market Participants*) and the amount of electricity which AEMO reasonably determines would have been consumed by the *scheduled load* in that *price band* if the *AEMO intervention event* had not occurred (based on the *dispatch targets* for that *trading interval* determined through the *central dispatch process* used to set prices under clause 3.9.3(b)),

provided that if DC or QD_b is negative for the relevant *intervention price trading interval*, then the adjustment that the *Market Customer* is entitled to in respect of that *scheduled load* for that *intervention price trading interval* is zero.

Note

Where two *intra-regional loss factors* are determined for a *transmission network connection point* under clause 3.6.2(b)(2), AEMO will determine the relevant *intra-regional loss factor* for use under this clause in accordance with the procedure determined under clause 3.6.2(d1).

- (e) Subject to paragraph (b), if the figure calculated in accordance with paragraph (c) is:
 - (1) negative, the absolute value of that amount is the amount payable to AEMO by the relevant person; and
 - (2) positive, the absolute value of that amount is the amount receivable from AEMO by the relevant person.
- (f) Subject to paragraphs (h) and (i), within 15 *business days* of receipt of the notice referred to in paragraph (c) an *Affected Participant* or *Market Customer* may make a written submission to AEMO in accordance with paragraph (g) claiming that the amount set out in the notice is greater than or less than its entitlement or liability pursuant to paragraph (a)(1) as an

Affected Participant or paragraph (a)(2) as a *Market Customer*, as the case may be.

- (g) A written submission made by an *Affected Participant* or *Market Customer* pursuant to paragraph (f) must:
- (1) itemise each component of the claim;
 - (2) contain sufficient data and information to substantiate each component of the claim;
 - (3) if the *Affected Participant* claims that the amount calculated by AEMO pursuant to subparagraphs (c)(1) or (c)(2) is less than the amount the *Affected Participant* is entitled to receive or greater than the amount the *Affected Participant* is required to pay pursuant to subparagraph (a)(1), specify the difference between such amounts (such difference being the *affected participant's adjustment claim*);
 - (4) if the *Market Customer* claims that the amount calculated by AEMO pursuant to subparagraph (c)(3) is less than the amount the *Market Customer* is entitled to receive or greater than the amount the *Market Customer* is required to pay pursuant to subparagraph (a)(2), specify the difference between such amounts (such difference being the *market customer's additional-adjustment claim*); and
 - (5) be signed by an authorised officer of the *Affected Participant* or *Market Customer* certifying that the written submission is true and correct.
- (h) If an *Affected Participant* or *Market Customer* does not deliver to AEMO a written submission in accordance with paragraph (f) it shall cease to have an entitlement to compensation under this clause 3.12.2.
- (i) In respect of a single *AEMO intervention event* an *Affected Participant* or *Market Customer* may only make a claim pursuant to paragraph (f) in respect of that *AEMO intervention event* if it claims that its entitlement or liability pursuant to this clause 3.12.2 is greater than \$5,000.
- (j) In determining the amount for the purposes of subparagraphs (a)(1) and (a)(2), the following must, as appropriate, be taken into account:
- (1) the direct costs incurred or avoided by the *Affected Participant* or *Market Customer* in respect of that *scheduled generating unit*, ~~or~~ *scheduled network service* or *scheduled load*, as the case may be, as a result of the *AEMO intervention event* including:
 - (i) fuel costs in connection with the *scheduled generating unit* or *scheduled network service*;
 - (ii) incremental maintenance costs in connection with the *scheduled generating unit*, ~~or~~ *scheduled network service* or *scheduled load*; and
 - (iii) incremental manning costs in connection with the *scheduled generating unit*, ~~or~~ *scheduled network service* or *scheduled load*;
 - (2) any amounts which the *Affected Participant* is entitled to receive under clauses 3.15.6 and 3.15.6A; ~~and~~

- (3) the *regional reference price published* pursuant to clause 3.13.4(m);
and-
- (4) the ancillary service prices published pursuant to clause 3.13.4(l).
- (k) AEMO must in accordance with the *intervention settlement timetable* calculate the *additional intervention claim* being the total of:
 - (1) the sum of the *affected participant's adjustment claims* and *market customer's ~~additional-adjustment~~ claims* in respect of a *AEMO intervention event*, or in respect of, in AEMO's reasonable opinion, a series of related *AEMO intervention events*; plus
 - (2) the total claims by *Directed Participants* pursuant to clauses 3.15.7B(a), 3.15.7B(a1) and 3.15.7B(a2) in respect of that *AEMO intervention event*, or in respect of that series of related *AEMO intervention events*.
- (l) AEMO must in accordance with the *intervention settlement timetable*:
 - (1) refer an *affected participant's adjustment claim* or *market customer's ~~additional-adjustment~~ claim* to an independent expert to determine such claim in accordance with clause 3.12.3 if the claim is equal to or greater than \$20,000 and the *additional intervention claim* that includes that claim is equal to or greater than \$100,000; and
 - (2) determine in its sole discretion whether all other *affected participants' adjustment claims* and *market customers' ~~additional-adjustment~~ claims* are reasonable and if so pay the amounts claimed in accordance with clause 3.15.10C.
- (m) If AEMO determines pursuant to paragraph (l) that an *affected participant's adjustment claim* or *market customer's ~~additional-adjustment~~ claim* in respect of a *AEMO intervention event* is unreasonable, it must in accordance with the *intervention settlement timetable*:
 - (1) advise the *Affected Participant* or *Market Customer*, as the case may be, in writing of its determination including its reasons for the determination; and
 - (2) refer the matter to an independent expert to determine the claim for compensation in accordance with clause 3.12.3.
- (n) For the purposes of clauses 3.15.8 and 3.15.10C(b) any payment pursuant to paragraph (a) must include interest on the sum of that amount less the payment made in accordance with 3.15.10C(a)(1), computed at the average *bank bill rate* for the period from the date on which payment was required to be made under clauses 3.15.16 and 3.15.17 in respect of the *final statement* for the *billing period* in which the *AEMO intervention event* occurred to the date on which payment is required to be made pursuant to clause 3.15.10C.

3.15.7B Claim for additional compensation by Directed Participants

- (a) Subject to clauses 3.15.7B(a1) and 3.15.7B(a4), a *Directed Participant* entitled to compensation pursuant to clause 3.14.5A(d), clause 3.15.7 or clause 3.15.7A may, within 15 *business days* of receipt of the advice referred to in clauses 3.14.5A(g), 3.15.7(e) or 3.15.7A(f), make a written submission to *AEMO* claiming an amount equal to the sum of:
- (1) the aggregate of the loss of revenue and additional net direct costs incurred by the *Directed Participant* in respect of a *scheduled generating unit, semi-scheduled generating unit* or *scheduled network services*, as the case may be, as a result of the provision of the service under *direction*; less
 - (2) the amount notified to that *Directed Participant* pursuant to clause 3.14.5A(g), clause 3.15.7(e) or clause 3.15.7A(f); less
 - (3) the aggregate amount the *Directed Participant* is entitled to receive in accordance with clause 3.15.6(c) for the provision of a service rendered as a result of the *direction*.
- (a1) Subject to clause 3.15.7B(a4), if *AEMO* determines pursuant to clause 3.15.7A(b) that an independent expert could not reasonably be expected to determine within a reasonable period of time the relevant fair payment price, a *Directed Participant* may, in accordance with the *intervention settlement timetable*, make a written submission to *AEMO* claiming compensation from *AEMO* for the provision of services under the *direction* equal to:
- (1) loss of revenue and additional net direct costs which the *Directed Participant* incurred as a result of the provision of services under the *direction*; and
 - (2) a reasonable rate of return on the capital employed in the provision of the service determined by reference as far as reasonably practicable to rates of return for the provision of similar services by similar providers of such services.
- (a2) Subject to clause 3.15.7B(a4), if a *Directed Participant* entitled to compensation pursuant to clause 3.15.7(d) considers that the amount notified pursuant to clauses 3.15.7(e) is less than the amount it is entitled to receive pursuant to that clause, the *Directed Participant* may, in accordance with the *intervention settlement timetable*, make a written submission to *AEMO* requesting compensation from *AEMO* for that difference.
- (a3) For the purposes of the calculation of additional net direct costs pursuant to paragraphs (a)(1) and (a1)(1), the additional net direct costs incurred by the *Directed Participant* in respect of that *scheduled generating unit, semi-scheduled generating unit* or *scheduled network services* (as the case may be) includes without limitation:
- (1) fuel costs in connection with the relevant *generating unit* or *scheduled network services*;

- (2) incremental maintenance costs in connection with the relevant *generating unit* or *scheduled network services*;
 - (3) incremental manning costs in connection with the relevant *generating unit* or *scheduled network services*;
 - (4) acceleration costs of maintenance work in connection with the relevant *generating unit* or *scheduled network services*, where such acceleration costs are incurred to enable the *generating unit* or *scheduled network services* to comply with the *direction*;
 - (5) delay costs for maintenance work in connection with the relevant *generating unit* or *scheduled network services*, where such delay costs are incurred to enable the *generating unit* or *scheduled network services* to comply with the *direction*; and
 - (6) other costs incurred in connection with the relevant *generating unit* or *scheduled network services*, where such costs are incurred to enable the *generating unit* or *scheduled network services* to comply with the *direction*; and
 - ~~(7) any compensation which the *Directed Participant* receives or could have obtained by taking reasonable steps in connection with the relevant *generating unit* or *scheduled network services* being available.~~
- (a4) In respect of a single *direction*, a *Directed Participant* may only make a claim pursuant to clauses 3.15.7B(a), 3.15.7B(a1) or 3.15.7B(a2) if the amount of the claim is greater than \$5,000.
 - (b) The submissions pursuant to clauses 3.15.7B(a), 3.15.7B(a1) and 3.15.7B(a2) must:
 - (1) itemise each component of a claim;
 - (2) contain sufficient data and information to substantiate each component of a claim for loss of revenue and additional direct costs incurred and the reasonable rate of return, as the case may be; and
 - (3) be signed by an authorised officer of the applicant certifying that the written submission is true and correct.
 - (c) *AEMO* must, in accordance with the *intervention settlement timetable*:
 - (1) refer a claim by a *Directed Participant* under clause 3.15.7B(a), 3.15.7B(a1) or 3.15.7B(a2) to an independent expert to determine such claim in accordance with clause 3.12.3 if the claim is equal to or greater than \$20,000 and the *additional intervention claim* that includes that claim is equal to or greater than \$100,000; and
 - (2) determine in its sole discretion if all other claims by a *Directed Participant* in respect of that *direction* pursuant to clauses 3.15.7B(a), 3.15.7B(a1) and 3.15.7B(a2) are reasonable and if so pay the amount claimed in accordance with clause 3.15.10C.
 - (d) If *AEMO* considers that a claim by a *Directed Participant* under clause 3.15.7B(a) or 3.15.7B(a1) or 3.15.7B(a2) is unreasonable, it must, in accordance with the *intervention settlement timetable*:

- (1) advise the *Directed Participant* of its determination in writing, setting out its reasons; and
- (2) refer the matter to an independent expert to determine the claim for compensation in accordance with clause 3.12.3.

CHAPTER 10



10. Glossary

market customer's ~~additional~~adjustment claim

Has the meaning given in clause 3.12.2(g)(4).