

Indicative changes to National Electricity Rules made in *National Electricity Amendment (Compensation for market participants affected by intervention events) Rule 2021*

Note:

This document shows changes to the relevant parts of the National Electricity Rules (NER) made by the *National Electricity Amendment (Compensation for market participants affected by intervention events) Rule 2021*, based on version 174 of the NER. This document is provided for information purposes only. The Australian Energy Market Commission does not guarantee the accuracy, reliability or completeness of this version of the NER.

CHAPTER 3

3. Market Rules

3.8.14 Dispatch under conditions of supply scarcity

- (a) During times of *supply* scarcity:
- (1) *AEMO* must use its reasonable endeavours to ensure all valid and physically realisable *dispatch bids* and *dispatch offers* submitted by *Scheduled Generators*, *Semi-Scheduled Generators* or *Market Participants* are *dispatched*, including those priced at the *market price cap*; and
 - (2) if *AEMO* determines that it will be necessary, after *dispatching* all *dispatch bids* and *dispatch offers* in accordance with subparagraph (a)(1), to take additional action to address the conditions of *supply* scarcity, *AEMO* must determine which *supply scarcity mechanism*, or combination of *supply scarcity mechanisms*, to use in accordance with paragraph (b) and the procedures developed under clause 3.8.14A(a).
- (b) For the purposes of subparagraph (a)(2), when determining which *supply scarcity mechanism*, or combination of *supply scarcity mechanisms*, to use, *AEMO* must use its reasonable endeavours to choose the mechanism, or combination of mechanisms, that is effective in addressing the conditions of *supply* scarcity while minimising the direct and indirect costs of using such a mechanism or mechanisms.
- (c) Without limitation, examples of the types of direct costs referred to in paragraph (b) include:
- (1) pre-activation and activation costs payable under *reserve contracts* if *AEMO* *dispatches* or *activates reserves*; and
 - (2) paying compensation to a *Market Customer* or *Ancillary Service Provider* that is entitled to compensation under clause 3.12.2, a *Directed Participant* and an *Affected Participant*.
- (d) Without limitation, examples of the types of indirect costs referred to in paragraph (b) include:
- (1) distortionary effects on the operation of the *market*; and
 - (2) the implied value of lost *load* when *load shedding* occurs as a result of a *clause 4.8.9 instruction*, the value of which may be determined by *AEMO* having regard to the value of customer reliability.

3.12.2 Affected Participants **and**, Market Customers **and** Ancillary Service Providers entitlements to compensation in relation to AEMO intervention

Definitions

(a00) In this clause 3.12.2:

adjustment claim means the difference between the amounts referred to in subparagraph (g)(3).

intervention dispatch run means the *central dispatch* process used to *dispatch Market Participants* in an *intervention price trading interval*.

intervention pricing run means the process used under clause 3.9.3(b) to set the *spot price* and *ancillary service price* for an *intervention price trading interval*.

recovery amount means the amount referred to in subparagraph (r)(1).

Compensation - objective

(a0) The objective of the compensation framework established by this clause 3.12.2 is, as far as practicable, to put *Affected Participants, Market Customers* and *Ancillary Service Providers* entitled to compensation in the position they would have been in, had the *AEMO intervention event* not occurred.

Entitlement to compensation

(a) In respect of each *intervention price trading interval*~~*pricing 30-minute period*~~:

(1) an *Affected Participant* is entitled to receive from *AEMO*, or must pay to *AEMO*, in respect of one or more of its *scheduled generating units* or *scheduled network services*, 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:

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

(ii) the items listed in paragraph (ja1); 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*, in respect of one or more of its *scheduled loads*, ~~to receive~~ an amount as determined in accordance with this clause 3.12.2, taking into account solely:

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

(ii) the items listed in paragraph (a1); and

(3) an *Ancillary Service Provider*, other than an *Ancillary Service Provider* 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 *ancillary service generating units* or *ancillary service loads* that is also classified as a *scheduled generating unit* or *scheduled load* respectively, an amount as determined in accordance with this clause 3.12.2, taking into account solely:

(i) the amount notified by *AEMO* under subparagraph (c)(4); and

- ~~(ii) the items listed in paragraph (a1).~~
- ~~(a1) AEMO must, in determining the amounts for the purposes of paragraph (a), take into account the following, as appropriate:~~
- ~~(1) the direct costs incurred or avoided by the *Affected Participant, Market Customer* or *Ancillary Service Provider* in respect of that *scheduled plant* or *ancillary service generating unit*, as the case may be, as a result of the *AEMO intervention event* including:

 - ~~(i) fuel costs;~~
 - ~~(ii) incremental maintenance costs; and~~
 - ~~(iii) incremental manning costs;~~~~
 - ~~(2) any amounts which the *Affected Participant, Market Customer* or *Ancillary Service Provider* is entitled to receive under clauses 3.15.6 or 3.15.6A, as the case may be;~~
 - ~~(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).~~

~~calculated by applying the following formula:~~

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

~~where:~~

~~DC (in dollars) is the amount the *Market Customer* is entitled to receive in respect of that *scheduled load* for the relevant *intervention pricing 30-minute period*;~~

~~RRP (in dollars per MWh) is the *regional reference price* in the relevant *intervention pricing 30-minute period* 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 pricing 30-minute period*;~~

~~QD (in MWh) is the difference between the amount of electricity consumed by the *scheduled load* during the relevant *intervention pricing 30-minute period* 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 pricing 30-minute period*, then the adjustment that the *Market Customer* is~~

~~entitled to claim in respect of that *scheduled load* for that *intervention pricing 30-minute period* 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~~ or Ancillary Service Provider 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*, *Market Customer* or *Ancillary Service Provider* is not entitled to compensation under this clause 3.12.2 with respect to *scheduled plant* or an *ancillary service generating unit* for an *intervention price trading interval* if that *scheduled plant* is *dispatched* under a *scheduled reserve contract* or 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* or *ancillary service generating unit* and *intervention price trading interval*.

(b2) In respect of an *intervention price trading interval*:

(1) an *Affected Participant* or *Market Customer* is not entitled to compensation under this clause 3.12.2 if the *loading level* determined by the *dispatch algorithm* for a *scheduled generating unit*, *scheduled network service* or *scheduled load* (as relevant) in the *intervention dispatch run* is equal to the estimated level of *dispatch* for that *scheduled generating unit*, *scheduled network service* or *scheduled load*, determined through the *intervention pricing run*; and

(2) an *Ancillary Service Provider* is not entitled to compensation under this clause 3.12.2 if the *enabled quantity* of each *market ancillary service* determined by the *dispatch algorithm* for each *ancillary service generating unit* or *ancillary service load* (as relevant) in the *intervention dispatch run* is equal to the estimated *enabled quantity* of the same *market ancillary service* for that *ancillary service generating unit* or *ancillary service load*, determined through the *intervention pricing run*.

- (c) In respect of each ~~*intervention pricing 30-minute period*~~ *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 for~~ its *scheduled network service* or *scheduled generating unit* would have been dispatched at had the *AEMO intervention event* not occurred, determined through the *intervention pricing run*; and

(ii) 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 subparagraph (i), less:
 - (B) the *trading amount* for that *Affected Participant* (excluding from that *trading amount* the amount referred to in clause 3.15.10C(a)) as set out in its *final statement* provided pursuant to clause ~~3.15.14~~ 3.15.15 for the *billing period* in which the ~~intervention pricing 30-minute period~~ 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, determined through the intervention pricing run; 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*; ~~the amount calculated by AEMO in accordance with paragraph (a)(2) for that Market Customer of:~~
- ~~(i) the estimated level of dispatch in MW for its scheduled load, determined through the intervention pricing run; and~~
 - ~~(ii) the amount calculated by AEMO in accordance with the formula at paragraph (d) for that Market Customer; and~~
- (4) each *Ancillary Service Provider* of:
- ~~(i) the estimated enabled quantity of each market ancillary service in MW for its ancillary service generating unit or ancillary service load, determined through the intervention pricing run; and~~
 - ~~(ii) an amount equal to:~~
 - ~~(A) the estimated trading amount that it would have received in respect of each market ancillary service had the AEMO intervention event not occurred based on the estimated enabled quantity in subparagraph (i); less~~
 - ~~(A) the trading amount for that Ancillary Service Provider (excluding from that trading amount the amount referred to in clause 3.15.10C(a)) as set out in its final statement provided pursuant to clause 3.15.15 for the billing period in which the intervention price trading interval occurs.~~

(d) ~~[Deleted]~~ For the purpose of subparagraph (c)(3)(ii), the formula

is:

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

where:

DC (in dollars) is the amount the *Market Customer* is entitled to receive for the consumption of *energy* 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 network 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 network connection point* to which it is assigned;

b represents each *price band* in the set “B” of all non-zero *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*; and

QD_b (in MWh) is the amount of *energy* consumed by the *scheduled load* in that *price band* during the relevant *intervention price trading interval* (based on *metering data*) less the amount of *energy* which AEMO reasonably determines would have been consumed by the *scheduled load* in that *price band* during the relevant *intervention price trading interval* if the *AEMO intervention event* had not occurred (based on the estimated level of *dispatch* determined through the *intervention pricing run*),

provided that if QD_b is negative for the relevant *intervention price trading interval*, then the amount that the *Market Customer* is entitled to in accordance with this paragraph 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 3.12.2 in accordance with the procedure determined under clause 3.6.2(d1).

- (e) Subject to paragraph (b), if the ~~amount notified 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.
- (e1) 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.

Adjustment claims

- (f) Subject to paragraphs ~~(h) and (i)~~, ~~within 15 business days of receipt of the notice referred to in paragraph (e)~~ an *Affected Participant*, ~~or Market Customer~~ or Ancillary Service Provider 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*, or paragraph (a)(3) as an Ancillary Service Provider, as the case may be.
- (g) A written submission made by an *Affected Participant*, ~~or Market Customer~~ or Ancillary Service Provider 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) specify the difference between the amount notified by *AEMO* pursuant to paragraph (c) and the amount the *Affected Participant*, *Market Customer* or *Ancillary Service Provider* claims it is entitled to receive or must pay pursuant to paragraph (a); and if the *Affected Participant* claims that the amount calculated by *AEMO* pursuant to paragraphs (e)(1) or (e)(2) is less than the amount the *Affected Participant* is entitled to receive pursuant to paragraph (a)(1), specify the difference between such amounts (such difference being the *affected participant's adjustment claim*);
 - (4) be made within 15 business days of receipt of the notice referred to in paragraph (c); and if the *Market Customer* claims that the amount calculated by *AEMO* pursuant to paragraph (c)(3) is less than the amount the *Market Customer* is entitled to receive pursuant to paragraph (a)(2), specify the difference between such amounts (such difference being the *market customer's additional claim*); and

- (5) be signed by an authorised officer of the *Affected Participant* ~~or~~, *Market Customer* or Ancillary Service Provider certifying that the written submission is true and correct.
- (h) ~~[Deleted] 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* or Ancillary Service Provider may only make a claim submission 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~~ the adjustment claim is greater than \$5,000.
- (j) ~~[Deleted] In determining the amount for the purposes of paragraph (a)(1), the following must, as appropriate, be taken into account:~~
- (1) ~~the direct costs incurred or avoided by the *Affected Participant* in respect of that *scheduled generating unit* or *scheduled network service*, 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*; and~~
- (iii) ~~incremental manning costs in connection with the *scheduled generating unit* or *scheduled network service*;~~
- (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).~~
- (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 claims*~~ in respect of an *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) 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 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 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 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~~ *or Ancillary Service Provider*, 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.

Methodology for determining compensation

- (n) *AEMO must develop, publish on its website, and may amend from time to time, in accordance with the Rules consultation procedures, a methodology to be used by AEMO to determine the amount of compensation that an Affected Participant, Market Customer or Ancillary Service Provider is entitled to receive, or must pay, under this clause 3.12.2.*

~~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.~~

- (o) The methodology must describe how AEMO will:
- (1) calculate the amounts in subparagraphs (c)(1), (c)(2), (c)(3) and (c)(4);
 - (2) determine, based on the amounts referred to in subparagraph (1), whether or not an Affected Participant, Market Customer or Ancillary Service Provider is entitled to receive, or must pay, compensation under this clause 3.12.2 in accordance with paragraph (b); and
 - (3) take into account the items listed in paragraph (a1), as appropriate.
- (p) AEMO may make minor or administrative amendments to the methodology without complying with the Rules consultation procedures.

Repayment of compensation

- (q) An Affected Participant, Market Customer or Ancillary Service Provider must not by any act or omission, whether intentionally or recklessly, cause or significantly contribute to the circumstances causing an AEMO intervention event, without reasonable cause.
- (r) If on application by the AER a court determines, in relation to an AEMO intervention event, that an Affected Participant, Market Customer or Ancillary Service Provider has breached paragraph (q) or clause 4.9.8(a), then:

- (1) the Affected Participant, Market Customer or Ancillary Service Provider shall not be entitled to, and must repay to AEMO, an amount equal to the compensation received from AEMO under this clause 3.12.2 plus interest on that amount computed at the average bank bill rate for the period from the date of payment of such amount to the Affected Participant, Market Customer or Ancillary Service Provider until the date that the amount is repaid to AEMO, in relation to that AEMO intervention event;
- (2) the AER must forward to AEMO a written notice of the court's determination; and
- (3) following receipt of the notice from the AER issued pursuant to subparagraph (2), AEMO must:
 - (i) include the recovery amount as an amount payable to AEMO in the first relevant settlement statement issued to that Affected Participant, Market Customer or Ancillary Service Provider; or
 - (ii) if the Affected Participant, Market Customer or Ancillary Service Provider is no longer a Registered Participant, issue a tax invoice to the relevant entity for the recovery amount with a due date for payment of not less than 30 days.
- (s) AEMO must, following receipt of the recovery amount, use reasonable endeavours to distribute the amount to the relevant Market Participants who funded the compensation for that AEMO intervention event.

3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO and market suspension pricing schedule periods

- (a) Subject to paragraph (a1), if a matter is to be referred to an independent expert pursuant to clauses 3.12.2(l), 3.12.2(m), 3.14.5B(f), 3.14.5B(g), 3.15.7A or 3.15.7B, AEMO must in accordance with the *intervention settlement timetable* publish a notice of its proposed nominee as independent expert and appoint such nominee.
- (a1) If within 3 *business days* of publication of AEMO's nominee pursuant to paragraph (a) more than 25% of the *Referred ~~Affected~~ Participants, Referred ~~Market Customers~~, Referred Market Suspension Compensation Claimants and Referred Directed Participants* in relation to the relevant *AEMO intervention event* or *market suspension pricing schedule period* (as the case may be) object in writing to AEMO's nominee AEMO must, as soon as reasonably practicable thereafter, request the AEMC to nominate an independent expert.
- (a2) If a valid objection pursuant to clause 3.12.3(a1) is made, the AEMC must, within 3 *business days* of a written request from AEMO, nominate an independent expert to be appointed by AEMO for the purposes of this clause 3.12.3.
- (b) AEMO must provide to the independent expert a copy of all written submissions made by *Referred ~~Affected~~ Participants, Referred ~~Market Customers~~, Referred Market Suspension Compensation Claimants* or

Referred Directed Participants under clause 3.12.2(f), 3.14.5B(a), 3.15.7A(f) or 3.15.7B(a).

- (b1) To the extent reasonably practicable, all claims arising out of a single *AEMO intervention event* or *market suspension pricing schedule period* (as the case may be), or arising out of, in *AEMO's* reasonable opinion, a series of related *AEMO intervention events* or *market suspension pricing schedule periods* (as the case may be), should be determined by the same independent expert as part of the same process.
- (c) *AEMO* must include as part of the independent expert's terms of appointment the following requirements:
 - (1) In accordance with the *intervention settlement timetable* the independent expert must:
 - (i) determine and *publish* a draft report setting out:
 - (A) as appropriate, the total compensation payable by, or receivable by, *Referred Affected Participants and Referred Market Customers*—under clause 3.12.2(a) pursuant to claims referred to the independent expert ~~pursuant to clauses 3.12.2(l) and 3.12.2(m)~~—in respect of the *AEMO intervention event pricing 30-minute period*;
 - (A1) the amount of compensation payable to each *Referred Market Suspension Compensation Claimant* pursuant to clause 3.14.5B;
 - (B) the total amount of compensation payable to *Referred Directed Participants* pursuant to either clause 3.15.7A or clause 3.15.7B, as the case may be; and
 - (C) the methodology and assumptions, if any, used by the independent expert in making the determination in subparagraphs (c)(1)(ii), (c)(1)(iii) and (c)(1)(iv);
 - (ii) notify individual assessments by delivery to each *Referred Affected Participant and Referred Market Customer*—and to *AEMO* of a draft assessment detailing the amount payable or receivable by that party, as the case may be, pursuant to clause 3.12.2(a);
 - (iii) deliver to each *Referred Directed Participant* and to *AEMO* a draft assessment detailing the calculation of the amount of compensation receivable by that party pursuant to clause 3.15.7A or 3.15.7B as the case may be; and
 - (iv) deliver to each *Referred Market Suspension Compensation Claimant* and to *AEMO* a draft assessment detailing the calculation of the amount of compensation receivable by that party pursuant to clause 3.14.5B.
 - (2) The independent expert must call for submissions from all relevant *Referred Affected Participants, Referred Market Customers, Referred Market Suspension Compensation Claimants* and *Referred Directed*

Participants after *publishing* the draft report and delivering the draft assessment under subparagraph (c)(1).

- (3) Before the *publication* of the final report and delivery of the final assessment pursuant to subparagraph (c)(4), the independent expert must:
 - (i) if requested to do so by a *Referred ~~Affected~~ Participant, Referred ~~Market Customer~~, Referred Market Suspension Compensation Claimant* or *Referred Directed Participant*, within 15 *business days* of the *publication* of the draft report and draft assessment, meet with *representatives* of the *Referred ~~Affected~~ Participant, Referred ~~Market Customer~~, Referred Market Suspension Compensation Claimant* or *Directed Participant* to discuss any queries it has in relation to the draft report or draft assessment as appropriate; and
 - (ii) take into consideration, any further written submissions made by a *Referred ~~Affected~~ Participant, Referred ~~Market Customer~~, Referred Market Suspension Compensation Claimant* or *Referred Directed Participant* in relation to the draft report or draft assessment, as the case may be, if the independent expert receives those submissions within 15 *business days* of the *publication* of the draft report and draft assessment.
- (4) The independent expert must in accordance with the *intervention settlement timetable*:
 - (i) prepare and *publish* a final report;
 - (ii) prepare and deliver his or her final assessment of the amounts payable or receivable by the relevant party pursuant to clause 3.12.2(a), 3.14.5B, 3.15.7A or 3.15.7B, as the case may be; and
 - (iii) deliver to *AEMO* a final tax invoice for the services rendered by the independent expert and a copy of all final assessments issued pursuant to subparagraph (c)(4)(ii).
- (5) A report prepared under subparagraphs (c)(1)(i) and (c)(4)(i) must not disclose *confidential information*.
- (6) If the independent expert requires further information than that contained in a written submission made by the *Referred ~~Affected~~ Participant, Referred ~~Market Customer~~, Referred Market Suspension Compensation Claimant* or *Referred Directed Participant* under clause 3.12.2(f), 3.14.5B(a), 3.15.7A(f) or 3.15.7B(a), the independent expert may advise the relevant party in writing of the information required.
- (7) If the relevant party has not provided that information to the independent expert within 10 *business days* of the date of the request for further information, then the independent expert, acting reasonably, is entitled to make such assumptions concerning that information as he or she thinks appropriate.

- (8) The independent expert must enter into, and deliver, a confidentiality deed for the benefit of each *Referred ~~Affected~~ Participant, Referred ~~Market Customer~~, Referred Market Suspension Compensation Claimant and Referred Directed Participant* in a form developed by *AEMO* pursuant to paragraph (e).
- (d) A final report and a final assessment of an independent expert prepared in accordance with subparagraph (c)(4) is final and binding.
- (e) *AEMO* must in accordance with the *Rules consultation procedures* prepare and *publish* a confidentiality deed for the purposes of this clause 3.12.3.

3.15.7B Claim for additional compensation by Directed Participants

- (a) Subject to clause 3.15.7B(a4), a *Directed Participant* entitled to compensation pursuant to clause 3.14.5A(d) or clause 3.15.7 may, within 15 *business days* of receipt of the advice referred to in clauses 3.14.5A(g) or 3.15.7(e), 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) or clause 3.15.7(e); 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) [Deleted]
- (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 paragraph (a)(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) 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) 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, 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) 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) 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(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.

3.15.8 Funding of Compensation for directions

Definitions

(a0) In this clause 3.15.8:

ancillary service compensation recovery amount has the meaning given to it in clause 3.15.8(e).

customer energy in respect of a *Market Customer* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Customer's* relevant *connection points*, provided that, if the sum of those figures is positive, then the *Market Customer's customer energy* for that *trading interval* is zero;

a *connection point* is a "relevant connection point" of a *Market Customer* if:

- (1) the *Market Customer* is *financially responsible* for the *connection point*; and
- (2) the *load* at that *connection point* has been classified (or is deemed to be classified) as a *market load*.

generator energy in respect of a *Market Generator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Generator's* applicable connection points, provided that, if the sum of those figures is negative, then the *Market Generator's generator energy* for that *trading interval* is zero;

a *connection point* is an "applicable connection point" of a *Market Generator* if:

- (1) the *Market Generator* is financially responsible for the *connection point*; and
- (2) the *connection point* connects a *market generating unit* to the *national grid*.

small generator energy in respect of a *Market Small Generation Aggregator* for a *trading interval* means the sum of the *adjusted gross energy* figures calculated for that *trading interval* in respect of that *Market Small Generation Aggregator's* applicable connection points, provided that, if the sum of those figures is negative, then the *Market Small Generation Aggregator's small generator energy* for that *trading interval* is zero; and

a *connection point* is an "applicable connection point" of a *Market Small Generation Aggregator* if:

- (1) the *Market Small Generation Aggregator* is *financially responsible* for the *connection point*; and
- (2) the *connection point* connects a *small generating unit* classified as a *market generating unit* to the *national grid*.

(a) AEMO must, in accordance with the *intervention settlement timetable*, calculate the *compensation recovery amount* being:

- (1) the sum of:

- (i) the total of the compensation payable to *AEMO* by *Affected Participants* and ~~*Market Customers*~~ *Ancillary Service Providers* under clause 3.12.2 in respect of a *direction* for the provision of *energy*; plus
- (ii) the total of the amounts retained by *AEMO* pursuant to clause 3.15.6(b) in respect of a *direction* for the provision of *energy*;
- (2) less the sum of:
 - (i) the total of the compensation payable by *AEMO* to *Affected Participants* ~~and~~, *Market Customers* and *Ancillary Service Providers* pursuant to clause 3.12.2 in respect of a *direction* for the provision of *energy*; plus
 - (ii) the total of the compensation payable by *AEMO* to *Directed Participants* (other than *Directed Participants* who are also *Market Suspension Compensation Claimants*) pursuant to clause 3.15.7(a) in respect of a *direction* for the provision of *energy*; plus
 - (iii) the total amount payable by *AEMO* to the independent expert pursuant to clause 3.12.3(c).
- (b) *AEMO* must, in accordance with the *intervention settlement timetable*, calculate a figure for each *Market Customer* in each *region* applying the following formula:

$$MCP = \frac{E}{\sum E} \times \frac{RB}{\sum RB} \times CRA$$

where

MCP is the amount payable or receivable by a *Market Customer* pursuant to this clause 3.15.8(b);

E is the sum of the *Market Customer's adjusted gross energy* amounts at each *connection point* for which the *Market Customer* is *financially responsible* in a *region*, determined in accordance with clauses 3.15.4 and 3.15.5 in respect of the relevant *intervention price trading interval* ~~*intervention pricing 30-minute periods*~~ excluding any *loads* in respect of which the *Market Customer* submitted a *dispatch bid* for the relevant *intervention price trading interval* ~~*intervention pricing 30-minute period*~~ in that *region*; and

RB is the regional benefit determined by *AEMO* pursuant to clause 3.15.8(b1) at the time of issuing the *direction*.

CRA is the *compensation recovery amount*.

Note

This paragraph is classified as a tier 3 civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

Note

The values of E and $\sum E$ are subject to substitution in accordance with clause 3.15.6AA.

- (b1) *AEMO* must, as soon as practicable following the issuance of a *direction*, determine the relative benefit each *region* received from the issuance of a *direction* in accordance with the *regional benefit directions procedures*.
- (b2) *AEMO* must develop in accordance with the *Rules consultation procedures* a procedure to determine the relative benefit each *region* receives from the issuance of a *direction* (the *regional benefit directions procedures*). Such procedures must take into account, where applicable to the reason the *direction* was given, the *load* at risk of not being supplied if the *direction* were not issued or the extent of improvement in available *energy* reserve in the *region*, capability to control *voltage* in the *region*, and capability to control *power system frequency* within the *region* and any other relevant matters.
- (c) If the figure calculated for a *Market Customer* under clause 3.15.8(b) is negative, the absolute value of that amount is the amount payable by the *Market Customer* to *AEMO* pursuant to clause 3.15.8(b).
- (d) Subject to clause 3.15.22, if the figure calculated for a *Market Customer* under clause 3.15.8(b) is positive, such amount is the amount receivable by the *Market Customer* from *AEMO* pursuant to clause 3.15.8(b), subject to the provisions of clause 3.15.22.
- (e) *AEMO* must, in accordance with the *intervention settlement timetable*, calculate for each *ancillary service* the subject of a *direction*, the "**ancillary service compensation recovery amount**" being:
 - (1) the sum of:
 - (i) the total of the compensation payable to *AEMO* by *Affected Participants* and ~~*Market Customers*~~ *Ancillary Service Providers* under clause 3.12.2 in respect of a *direction* for the provision of that *ancillary service*; plus
 - (ii) the total of the amounts retained by *AEMO* pursuant to clause 3.15.6(b) in respect of a *direction* for the provision of that *ancillary service*;
 - (2) less the sum of:
 - (i) the total of the compensation payable by *AEMO* to *Affected Participants*, ~~and~~ *Market Customers* and *Ancillary Service Providers* pursuant to clause 3.12.2 in respect of a *direction* for the provision of that *ancillary service*; plus
 - (ii) the total of the compensation payable by *AEMO* to *Directed Participants* pursuant to clause 3.15.7(a) in respect of a *direction* for the provision of that *ancillary service*; plus
 - (iii) the total amount payable by *AEMO* to the independent expert pursuant to clause 3.12.3(c), if the *direction* the subject of the independent expert's determination was with respect to that *ancillary service*.
- (f) The *trading amount* must be calculated as follows:

- (1) subject to clause 3.15.8(f)(2) and (3) *AEMO* must use the appropriate formula set out in clause 3.15.6A(c8), (c9), (d), (e), (f), (g), (h) or (i) depending on which *ancillary service* was the subject of the *direction*;
- (2) TNSCASP, TSRP, RTCRSP, RTCLSP or TSFCAS (as applicable) in the relevant formula is equal to the *ancillary service compensation recovery amount* for the relevant *ancillary service* in respect of the *direction*; and
- (3) if TCE, TGE, TSGE, AGE, ATCE, ATGE, ATSGE or AAGE is used in the relevant formula, then the words 'the *trading interval*' in the definitions of those terms in the formula are to be read as 'all of the *trading intervals* during which the *direction* applied'.

Note

The values of TCE, AGE, ATCE and AAGE are subject to substitution in accordance with clause 3.15.6AA.

- (g) Any compensation payable by *AEMO* under clause 3.12.2 and 3.15.7 not recovered under clauses 3.15.8(b) and 3.15.8(e) must be recovered from *Market Customers*, *Market Generators* and *Market Small Generation Aggregators*. *AEMO* must, in accordance with the *intervention settlement timetable*, calculate a figure for each *Market Customer*, *Market Generator* and *Market Small Generation Aggregator* in each *region* applying the following formula:

$$MCP = \frac{TGE + TSGE - TCE}{RATGE + RATSGE - RATCE} \times \frac{RB}{\sum RB} \times CRA \times -1$$

where:

- | | | |
|-------|---|---|
| MCP | = | the amount payable or receivable by a <i>Market Customer</i> , <i>Market Generator</i> or <i>Market Small Generation Aggregator</i> under this clause 3.15.8(g); |
| TGE | = | the generator energy for the <i>Market Generator</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ; |
| TSGE | = | the small generator energy for the <i>Market Small Generation Aggregator</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ; |
| TCE | = | the <i>customer energy</i> for the <i>Market Customer</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction</i> ; |
| RATGE | = | the aggregate of the generator energy for all <i>Market Generators</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the |

		<i>direction;</i>
RATSGE	=	the aggregate of the small generator energy for all <i>Market Small Generation Aggregation</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction;</i>
RATCE	=	the aggregate of the <i>customer energy</i> for all <i>Market Customers</i> in that <i>region</i> of the relevant <i>trading interval</i> for the period of the <i>direction;</i>
RB	=	the regional benefit determined by <i>AEMO</i> under clause 3.15.8(b1) at the time of issuing the <i>direction;</i> and
CRA	=	the <i>compensation recovery amount.</i>

Note

The values of TCE and RATCE are subject to substitution in accordance with clause 3.15.6AA.

3.15.9 Reserve settlements

- (a) *AEMO's* costs incurred in contracting for the provision of *reserves* are to be met by fees imposed on *Market Customers* in accordance with this clause 3.15.9.
- (a1) If clause 3.15.9A applies in respect of a *region*, fees imposed under this clause 3.15.9 may be subject to subsequent adjustment under clause 3.15.9A.
- (b) *AEMO* must, in accordance with the *intervention settlement timetable*, calculate:
 - (1) the aggregate of the amounts payable by *AEMO* under *reserve contracts* in respect of the relevant *billing period;*
 - (2) any amounts determined as payable by *AEMO*:
 - (i) by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT* during the relevant *billing period;* or
 - (ii) as a result of a *scheduled generating unit, scheduled network service, wholesale demand response unit* or *scheduled load* under a *scheduled reserve contract* being *dispatched* or *generating units* or *loads* under an *unscheduled reserve contract* being *activated;* or
 - (iii) to *Affected Participants*, ~~and~~ *Market Customers* and Ancillary Service Providers pursuant to clause 3.12.2 in respect of an

AEMO intervention event that is an exercise of the *RERT* during the relevant *billing period*,

in respect of the relevant *billing period*;

- (3) the aggregate of the amounts receivable by *AEMO* under the *Rules* in respect of *reserve contracts* during the relevant *billing period*; and
- (4) any amounts determined as receivable by *AEMO*:
 - (i) by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT* during the relevant *billing period*; or
 - (ii) from *Affected Participants* and ~~*Market Customers*~~ *Ancillary Service Providers* pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT* during the relevant *billing period*,

in respect of the relevant *billing period*.

- (c) Separate amounts must be calculated under paragraph (b):
 - (1) for *reserve contracts* entered into by *AEMO* specifically in respect of the *Market Participant's region* in accordance with paragraph (d); and
 - (2) for *reserve contracts* other than those entered into for and allocated to a specific *region* or *regions*.
- (d) Where either:
 - (1) without the intervention in the *market* of *AEMO* a *region* would otherwise, in *AEMO's* reasonable opinion, fail to meet the minimum *power system security standards* or *the reliability standard*; or
 - (2) a *region* requires a level of *power system reliability* or *reserves* which, in *AEMO's* reasonable opinion, exceeds the level required to meet the *reliability standard*,

then *AEMO* must:

- (3) recover its net liabilities, or distribute its net profits, under the terms of *reserve contracts* entered into to meet these requirements; and
- (4) recover any amounts determined as payable by *AEMO* to ~~*Affected Participants*~~ *and* ~~*Market Customers*~~ *and* ~~*Ancillary Service Providers*~~ (less any amounts determined as receivable by *AEMO* from ~~*Affected Participants*~~ and ~~*Market Customers*~~ *Ancillary Service Providers*) pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT*; and
- (5) recover any amounts determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT*,

from or to the *Market Customers* in that *region* in accordance with paragraph (e).

- (e) In respect of:
 - (1) *reserve contracts* entered into by *AEMO*; and

- (2) any amounts determined as payable by *AEMO* to *Affected Participants* ~~and~~, *Market Customers* and Ancillary Service Providers (less any amounts determined as receivable by *AEMO* from *Affected Participants* and ~~*Market Customers*~~ *Ancillary Service Providers*) pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT*; and
- (3) any amounts determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT*,

AEMO must calculate in relation to each *Market Customer* for each *region* in respect of each *billing period* a sum determined by applying the following formula:

$$MCP = \left[\frac{E_{UC} \times UC}{\sum E_{UC}} \right] + \left[\frac{E_{OC} \times OC}{\sum E_{OC}} \right]$$

where:

MCP is the amount payable by a *Market Customer* for a *region* in respect of a *billing period*;

UC is:

- (1) the total usage charges (or equivalent charges) paid by *AEMO* under *reserve contracts*, as allocated in accordance with paragraph (e1); and
- (2) the total amount determined as payable by *AEMO* to *Affected Participants* ~~and~~, *Market Customers* and Ancillary Service Providers (less any amounts determined as receivable by *AEMO* from *Affected Participants* and ~~*Market Customers*~~ *Ancillary Service Providers*) pursuant to clause 3.12.2 in respect of an *AEMO intervention event* that is an exercise of the *RERT*; and
- (3) the total amount determined as payable by *AEMO* by the independent expert under clause 3.12.3 in respect of an *AEMO intervention event* that is an exercise of the *RERT*.

E_{UC} is the sum of all that *Market Customer's adjusted gross energy* amounts in the relevant *region* (the "**relevant region**") in each *trading interval* during which *reserves* were *dispatched* or *activated* under a *reserve contract* in the *billing period*, excluding any *loads* in that *region* in respect of which the *Market Customer* submitted a *dispatch bid* for any such *trading interval*;

$\sum E_{UC}$ is the sum of all amounts determined as " E_{UC} " in accordance with this paragraph (e) in respect of that *region* for the relevant *billing period*;

OC is the total amount paid by *AEMO* under *reserve contracts* in the relevant *region* in the *billing period*, other than:

- (1) amounts determined as " UC " in accordance with this paragraph (e) in respect of that *billing period*; and
- (2) operational and administrative costs described in paragraph (g);

E_{OC} is the sum of all that *Market Customer's adjusted gross energy* amounts in the relevant *region* in the *billing period*, excluding any *loads* in that

region in respect of which the *Market Customer* submitted a *dispatch bid* for any *trading interval* during that *billing period*; and

$\sum E_{OC}$ is the sum of all amounts determined as "E_{OC}" in accordance with this paragraph (e) in respect of that *region* for the relevant *billing period*.

- (e1) For the purposes of determining amount "UC" in paragraph (e), *AEMO* must reasonably allocate usage charges (or equivalent charges) under *reserve contracts* to the *trading intervals* during which *reserves* were *dispatched* or *activated* in the relevant *region* in the *billing period*.
- (f) A *Market Customer* is liable to pay *AEMO* an amount equal to the sum calculated under paragraph (e) in respect of that *Market Customer*.

Note

This paragraph is classified as a tier 1 civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (g) Operational and administrative costs incurred by *AEMO* in arranging for the provision of *reserves*, other than its liabilities under the terms of the *reserve contracts* into which it has entered, are to be recovered by *AEMO* from all *Market Participants* as part of the fees imposed in accordance with rule 2.11.
- (h) For the purposes of clause 3.15.19, a re-determination by a panel established under clause 3.12.2 is to be taken to be an agreement between *AEMO* and each of the *Market Participants* and *Scheduled Generators*.

3.15.10C Intervention and Market Suspension Pricing Schedule Period Settlements

- (a) *AEMO* must include in the *final statements* provided under clause 3.15.15 for a *billing period* in which one or more *intervention price trading intervals* ~~*intervention pricing 30-minute period*~~ occurred:
 - (1) for each *Affected Participant*, ~~and~~ *Market Customer* and Ancillary Service Provider in relation to the relevant *AEMO intervention event* the amount calculated pursuant to clause 3.12.2(c);
 - (2) for each *Directed Participant* in relation to the relevant *AEMO intervention event* the amount calculated pursuant to clause 3.15.7(c) or clause 3.15.7(a1)(2), as the case may be;
 - (3) for each *Market Customer* in relation to an *AEMO intervention event* that is a *direction*, the amount calculated pursuant to clause 3.15.8(b) by application of clause 3.15.8 mutatis mutandis provided that the amount for the purposes of:
 - (i) clause 3.15.8(a)(1)(i) shall be the total amount payable to *AEMO* by *Affected Participants* and ~~*Market Customers*~~ *Ancillary Service Providers* calculated pursuant to clause 3.12.2(c);
 - (ii) clause 3.15.8(a)(1)(ii) shall be the amount calculated in accordance with that clause;

- (iii) clause 3.15.8(a)(2)(i) shall be the total amount payable by *AEMO* to *Affected Participants* ~~and~~, *Market Customers* and *Ancillary Service Providers* calculated pursuant to clause 3.12.2(c);
- (iv) clause 3.15.8(a)(2)(ii) shall be the sum of the total amount payable by *AEMO* to *Directed Participants* calculated pursuant to clause 3.15.7(c) and 3.15.7(a1)(2); and
- (v) clause 3.15.8(a)(2)(iii) shall be zero;
- (4) for each *Market Customer*, *Market Generator* and *Market Small Generation Aggregator* in relation to an *AEMO intervention event* that is a *direction* an amount calculated pursuant to clause 3.15.8(e) by application of clause 3.15.8 mutatis mutandis provided that for the purposes of clause 3.15.8(f)(2) TNSCASP, TSRP, RTCRSP, RTCLSP and TSFCAS shall be the total compensation payable by *AEMO* for the relevant *ancillary service* calculated in accordance with clause 3.15.7(c) or clause 3.15.7(a1)(2), as the case may be; and
- (4A) for each *Market Customer* in relation to an *AEMO intervention event* that is an exercise of the *RERT*, the amounts calculated pursuant to clause 3.15.9(b)(1), (b)(2)(ii) and (b)(3), and clause 3.15.9(e).
- (a1) *AEMO* must include in the final statement provided under clauses 3.15.14 and 3.15.15 for a *billing period* in which a *market suspension pricing schedule period* occurred:
 - (1) for each *Market Suspension Compensation Claimant* in relation to that *market suspension pricing schedule period*:
 - (i) the amount calculated in accordance with clauses 3.14.5A(d), 3.14.5B and 3.15.7B (as the case may be); and
 - (ii) any administrative fees payable under clause 3.14.5B(e); and
 - (2) for each *Market Customer* in relation to that *market suspension pricing schedule period*, the amount payable pursuant to clause 3.15.8A(c).
- (b) *AEMO* must include in each statement it provides under clause 3.12.1(a) following a final determination of all total amounts payable or receivable by it pursuant to clauses 3.12.2, 3.14.5A, 3.14.5B, 3.15.7(a), 3.15.8, 3.15.8A and 3.15.9, separate details of the amount:
 - (1) receivable by each *Directed Participant* pursuant to clause 3.15.7(a) less the amount, if any, paid to that *Directed Participant* pursuant to clause 3.15.10C(a)(2);
 - (1A) receivable by each *Market Suspension Compensation Claimant* pursuant to clauses 3.14.5A(b) and 3.14.5B (as the case may be);
 - (2) receivable by each *Affected Participant* ~~or~~, *Market Customer* or *Ancillary Service Provider* pursuant to clause 3.12.2:
 - (i) less the amount paid to that *Affected Participant* ~~or~~, *Market Customer* or *Ancillary Service Provider*, in accordance with the

- statement issued to it pursuant to clause 3.15.10C(a)(1), if any;
or
- (ii) plus the amount paid by that *Affected Participant* ~~or~~, *Market Customer* or Ancillary Service Provider in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(1), if any;
- (3) payable by each *Affected Participant* or ~~*Market Customer*~~ *Ancillary Service Provider* pursuant to clause 3.12.2:
- (i) less the amount paid by that *Affected Participant* or ~~*Market Customer*~~ *Ancillary Service Provider*, in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(1), if any;
or
 - (ii) plus the amount paid to that *Affected Participant* or ~~*Market Customer*~~ *Ancillary Service Provider* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(1), if any;
- (4) receivable by each *Market Customer* pursuant to clause 3.15.8(b):
- (i) less the amount paid to that *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(3), if any; or
 - (ii) plus the amount paid by that *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(3), if any;
- (5) payable by each *Market Customer* pursuant to clause 3.15.8(b) or clause 3.15.9(e):
- (i) less the amount paid by that *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(3), if any; or
 - (ii) plus the amount paid to that *Market Customer* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(3), if any;
- (6) if an *Affected Participant* ~~or~~, *Market Customer* or Ancillary Service Provider is not entitled to any compensation pursuant to clause 3.12.2, the amount:
- (i) receivable by that person equal to the amount paid by that person pursuant to clause 3.15.10C(a); or
 - (ii) payable by that person equal to the amount paid to that person pursuant to clause 3.15.10C(a);
- (7) payable by each *Market Customer*, *Market Generator* and *Market Small Generation Aggregator* equal to:
- (i) the amount payable by the *Market Customer*, *Market Generator* or *Market Small Generation Aggregator*, as the case may be, pursuant to clause 3.15.8(e) by application of clause 3.15.8 mutatis mutandis provided that for the purposes of clause 3.15.8(f)(2) TNSCASP, TSRP, RTRCSP, RTCLSP and TSFCAS shall be the total compensation payable by AEMO for

- the relevant *ancillary service* calculated in accordance with clause 3.15.7(a1)(2); less
- (ii) the amount paid by the *Market Customer, Market Generator* or *Market Small Generation Aggregator*, as the case may be, in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(4); and
- (8) payable by *Registered Participants* pursuant to clause 3.15.8(g).
- (c) If on application by the *AER* a court determines, in relation to a *direction*, that a *Directed Participant* has breached clause 4.8.9(c2) then:
- (1) the *Directed Participant* shall not be entitled to, and must repay, any compensation plus interest pursuant to clauses 3.15.7, 3.15.7A and 3.15.7B, in relation to that *direction*; and
 - (2) the *AER* must forward to *AEMO* a written notice of the court's determination.
 - (3) *AEMO* must include in the first relevant statement it provides under clauses 3.15.14 and 3.15.15 following receipt of the notice from the *AER* issued pursuant to clause 3.15.10C(c)(2) separate details of:
 - (i) an amount payable to *AEMO* by the *Directed Participant* equal to the total compensation received by that *Directed Participant* in accordance with clauses 3.15.7, 3.15.7A and 3.15.7B plus interest on that total compensation computed at the average *bank bill rate* for the period from the date of payment of such amount to the *Directed Participant* until the date of that first statement;
 - (ii) an amount payable by *AEMO* to each relevant *Market Customer* calculated by applying clause 3.15.8(b) *mutatis mutandis* except that:
 - (A) MCP shall equal the amount receivable by the *Market Customer*; and
 - (B) CRA shall equal that part of the amount, including interest, calculated pursuant to clause 3.15.10C(c)(3)(i) attributable to the provision of *energy* by the *Directed Participant*; and
 - (iii) an amount payable by *AEMO* to each relevant *Market Customer, Market Generator* and *Market Small Generation Aggregator* calculated by applying clause 3.15.8(f)(2) *mutatis mutandis* except that:
 - (A) all *trading amounts* determined by this clause 3.15.10C(c)(3)(iii) shall be positive; and
 - (B) TNSCASP, TSRP, RTCRSP, RTCLSP, and TSFCAS shall all be an amount equal to that part of the amount, including interest, calculated pursuant to clause 3.15.10C(c)(3)(i) attributable to the provision of the relevant *ancillary service*.

CHAPTER 4



4.8.9 Power to issue directions and clause 4.8.9 instructions

- (a) Notwithstanding any other provision of rule 4.8:
- (1) *AEMO* may require a *Registered Participant* to do any act or thing if *AEMO* is satisfied that it is necessary to do so to maintain or re-establish the *power system* to a *secure operating state*, a *satisfactory operating state*, or a *reliable operating state*; and
 - (2) *AEMO* may authorise a person to do any of the things contemplated by section 116 of the *NEL* if *AEMO* is satisfied that it is necessary to do so for reasons of public safety or the security of the electricity system.
- (a1) If *AEMO*, or a person authorised by *AEMO*, requires a *Registered Participant* to:
- (1) take action as contemplated by clause 4.8.9(a) or section 116 of the *NEL* in relation to *scheduled plant* or a *market generating unit*, *AEMO* is taken to have issued a *direction*; or
 - (2) take some other action contemplated by clause 4.8.9(a) or section 116 of the *NEL*, *AEMO* is taken to have issued a *clause 4.8.9 instruction*.
- (a2) *AEMO* must use reasonable endeavours to ensure that persons authorised by *AEMO* under clause 4.8.9(a)(2) follow all relevant processes in clause 4.8 prior to issuing a *direction*, unless it is not reasonably practical to do so.
- (b) *AEMO* must develop, and may amend from time to time, in accordance with the *Rules consultation procedures*, procedures for the issuance of *directions*. Such procedures must reflect the following principles:
- (1) *AEMO* must use its reasonable endeavours to minimise any cost related to *directions* and compensation to *Affected Participants*, ~~and~~ *Market Customers* *and Ancillary Service Providers* pursuant to clause 3.12.2 and compensation to *Directed Participants* pursuant to clauses 3.15.7 and 3.15.7A;
 - (2) a *direction* should be revoked as soon as *AEMO* determines that the *direction* is no longer required;
 - (3) *AEMO* must take into account any applicable guidelines issued by the *Reliability Panel*;
 - (4) *AEMO* must observe its obligations under clause 4.3.2 concerning *sensitive loads*;
 - (5) *AEMO* must expressly notify a *Directed Participant* that *AEMO's* requirement or that of another person authorised by *AEMO* pursuant to clause 4.8.9(a) is a *direction*.
- (c) A *Registered Participant* must use its reasonable endeavours to comply with a *direction* or *clause 4.8.9 instruction* unless to do so would, in the *Registered Participant's* reasonable opinion, be a hazard to public safety, or materially risk damaging equipment, or contravene any other law.
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Note

This paragraph is classified as a tier 1 civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c1) Subject to clause 4.8.9(c) a *Registered Participant* must use its best endeavours to comply with a *direction* or *clause 4.8.9 instruction* in accordance with the timeframe specified by *AEMO* in the *direction* or *clause 4.8.9 instruction*.
 - (c2) A *Market Participant* must not by any act or omission, whether intentionally or recklessly, cause or significantly contribute to the circumstances causing a *direction* to be issued, without reasonable cause.
 - (d) A *Registered Participant* must immediately notify *AEMO* of its inability to comply or its intention not to comply with a *direction* or *clause 4.8.9 instruction*.
 - (e) If a *Registered Participant* does not comply with a *direction* or *clause 4.8.9 instruction*, it must within 2 *business days* of the *direction* or *clause 4.8.9 instruction* deliver to *AEMO* and the *AER* a report detailing the reasons for the non compliance together with all relevant facts.
 - (f) *AEMO* must *publish* a report in accordance with clause 3.13.6A.
 - (g) Any *Registered Participant* who is aware of a failure to comply with a *direction* or *clause 4.8.9 instruction* or who believes any such failure has taken place must notify *AEMO* and the *AER* in writing and as soon as practicable of that fact.
 - (h) If *AEMO* issues a *direction* or *clause 4.8.9 instruction*, *AEMO* may, to give effect to the *direction* or *clause 4.8.9 instruction*:
 - (1) submit, update or vary *dispatch bids*, *dispatch offers* or *rebids* in relation to the *plant* of *Directed Participants* and *Affected Participants*; or
 - (2) change other inputs to the *dispatch process*.
 - (i) When issuing *clause 4.8.9 instructions* to implement *load shedding* across *interconnected regions*, *AEMO* must use reasonable endeavours to implement *load shedding* in an equitable manner as specified in the *power system security standards*, taking into account the *power transfer capability* of the relevant *networks*.
 - (j) When issuing *clause 4.8.9 instructions* to implement *load shedding*, *AEMO* must comply with its obligations under clauses 4.3.2(e) to (l) and Part 8 of the *NEL*.
-

CHAPTER 10



10. Glossary

~~*affected participant's adjustment claim*~~

~~Has the meaning given in clause 3.12.2(g)(3).~~

Affected Participant

- (a) In respect of a particular *direction* in an ~~*intervention price trading interval*~~ *intervention pricing 30-minute interval*:
- (1) A *Scheduled Generator* or *Scheduled Network Service Provider*:
 - (i) which was not the subject of the *direction*, that had its *dispatched* quantity affected by that *direction*; or
 - (ii) which was the subject of the *direction*, that had its *dispatched* quantity for other *generating units* or other services which were not the subject of that *direction* affected by that *direction*, however, the *Scheduled Generator* or *Scheduled Network Service Provider* is only an *Affected Participant* in respect of those *generating units* and services which were not the subject of that *direction*; or
 - (2) an *eligible person* entitled to receive an amount from *AEMO* pursuant to clause 3.18.1(b)(1) where there has been a change in flow of a *directional interconnector*, for which the *eligible person* holds units for the ~~*intervention price trading interval*~~ *intervention pricing 30-minute period*, as a result of the *direction*; and
- (b) in relation to the exercise of the *RERT* under rule 3.20:
- (1) a *Scheduled Generator* or *Scheduled Network Service Provider*:
 - (i) whose *plant* or *scheduled network service* was not *dispatched* under a *scheduled reserve contract*, that had its *dispatched* quantity affected by the *dispatch* of *plant* or *scheduled network service* under that *scheduled reserve contract*; and
 - (ii) who was not the subject of *activation* under an *unscheduled reserve contract*, that had its *dispatched* quantity affected by the *activation* of *generating units* or *loads* under that *unscheduled reserve contract*;
 - (2) a *Scheduled Generator* or *Scheduled Network Service Provider* whose *plant* or *scheduled network service* was *dispatched* under a *scheduled reserve contract*, that had its *dispatched* quantity for other *generating units* or other services which were not *dispatched* under the *scheduled reserve contract* affected by that *dispatch* of *plant* or *scheduled network service* under that *scheduled reserve contract*, however, the *Scheduled Generator* or *Scheduled Network Service Provider* is only an *Affected Participant* in respect of those *generating units* and services which were not *dispatched* under that *scheduled reserve contract*; or

- (3) an *eligible person* entitled to receive an amount from *AEMO* pursuant to clause 3.18.1(b)(1) where there has been a change in flow of a *directional interconnector*, for which the *eligible person* holds units for the ~~*intervention price trading interval*~~*intervention pricing 30-minute period*, as a result of the *dispatch* of *plant* or *scheduled network service* under a *scheduled reserve contract* or the *activation* of *generating units* or *loads* under an *unscheduled reserve contract*.

~~*intervention pricing 30-minute period*~~

~~*A 30-minute period that includes one or more intervention price trading intervals.*~~

~~*market customer's additional claim*~~

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

~~*Referred Affected Participant*~~

~~*An Affected Participant, Market Customer or Ancillary Service Provider*~~ who has a claim referred to an independent expert pursuant to clauses 3.12.2(l) or 3.12.2(m).

~~*Referred Market Customer*~~

~~*A Market Customer who has a claim referred to an independent expert pursuant to clauses 3.12.2(l) or 3.12.2(m).*~~

CHAPTER 11

Chapter 11

Savings and Transitional Rules

New Part ZZZZV Compensation for market participants affected by intervention events

11.146 Rules consequential on the making of the National Electricity Amendment (Compensation for market participants affected by intervention events) Rule 2021

11.146.1 Definitions

For the purposes of this rule 11.146:

Amending Rule means the *National Electricity Amendment (Compensation for market participants affected by intervention events) Rule 2021*.

commencement date means 1 August 2022.

new clause 3.12.2 means clause 3.12.2 of the *Rules* as in force on and from the commencement date.

old Chapter 3 means Chapter 3 of the *Rules* and all related definitions in the *Rules* as in force immediately before the commencement date.

old clause 3.12.2 means clause 3.12.2 of the *Rules* as in force immediately before the commencement date.

11.146.2 Initial methodology

- (a) By the commencement date, *AEMO* must develop and publish on its website the initial methodology under new clause 3.12.2.
- (b) *AEMO* is not required to comply with the *Rules consultation procedures* when developing the initial methodology under paragraph (a) but must publish a draft of the initial methodology on its website and provide at least 20 business days for written submissions from any person on this draft.
- (c) The initial methodology must:
 - (1) take into account any submissions on the draft of the initial methodology received under paragraph (b); and
 - (2) include the matters listed in new clause 3.12.2(o).

11.146.3 Compensation process for AEMO intervention event in effect on commencement date

If, on the commencement date:

- (a) an *AEMO intervention event* is in effect for which an *Affected Participant* or *Market Customer* is entitled to compensation under old clause 3.12.2; or
- (b) the process for determining the amount of compensation payable in relation to an *AEMO intervention event* under old clause 3.12.2 has commenced and not completed,

then the determination of compensation in relation to that *AEMO intervention event* must be conducted and completed under old Chapter 3.