

20 July 2023

AEMC Reference: GRC0067

Ms Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Dear Ms Collyer,

Wholesale Energy Market Dispute Resolution Adviser (WEMDRA) submission re: AEMC Gas Compensation and Dispute Resolution Frameworks, Consultation paper, June 2023

Chapter 8 of the National Electricity Market (NEM) and Part 15C of the National Gas Rules (NGR) establish a comprehensive dispute resolution framework. The framework authorises a Resolution Adviser to triage, manage, and facilitate resolution. If a resolution is not achievable through facilitation, an expert dispute resolution panel (DRP) is available for formal determination. This centralised scheme has proven effective.

Complications can arise when the Rules provide for individual issues to be set aside for separate resolution. One such scenario involves the mechanism for managing errors. In this situation, sometimes it is a resettlement and other times (or scheduling errors or unexpected scheduling outcomes) the Market self-insures through a participant compensation fund. Access to this fund is only permissible with the approval of an external expert, a process managed by the Resolution Adviser.

The aim of the process for errors is always to offer a straightforward, cost-effective compensation to a participant in case of an error. Difficulties may arise when the Rules impose inconsistent requirements on timing, fees, and other factors in providing that redress. This lack of consistency increases the challenges for participants seeking advice, complicates the Adviser's efforts to standardise documents and procedures, and adds to the costs for experts interpreting rules. This is especially the case when the error is unanticipated or involves novel aspects due to changing market conditions, which may exceed the capacity of the Rules established in a previous market iteration.

To streamline the system, the rules might consider:

1. Providing high-level guidelines with flexibility regarding timing.
2. Explicitly authorising the Adviser to administer the rules flexibly, while ensuring reasonable care is exercised.
3. Allowing a Dispute Resolution Panel (DRP) flexibility in considering specific information the parties deem relevant.



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4. Enabling a DRP to award costs in a neutral manner, wherever possible. This would consider a fair pass-through for the Australian Energy Market Operator (AEMO) and would implement penalties for applicants who are uncooperative or cause delays.

If you have any queries or wish to discuss any of these matters further, please feel free to contact me on 0411 380 380.

Yours sincerely,



Shirli Kirschner
WEMDRA
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