

CHAPTER 3



3. Market Rules

3.12 Market Intervention by AEMO

3.12.1 Intervention and market suspension pricing schedule period settlement timetable

- (a) *AEMO* must use reasonable endeavours to complete and fulfil its obligations set out in clauses 3.12.2, 3.12.3, 3.14.5A, 3.14.5B, 3.15.7, 3.15.7A, 3.15.7B, 3.15.8 and 3.15.10C as soon as practicable and no later than:
- (1) 100 *business days* after the end of the *AEMO intervention event* and/or market suspension pricing schedule period (as the case may be), or the end of a series of related *AEMO intervention events* and/or market suspension pricing schedule periods (as the case may be), if *AEMO* is not required to appoint an independent expert under clause 3.15.7A or refer a matter to an independent expert under clause 3.12.2(l), 3.12.2(m), 3.14.5B(f), 3.15.7B(c) or 3.15.7B(d);
 - (2) 150 *business days* after the end of the *AEMO intervention event* and/or market suspension pricing schedule period (as the case may be), or the end of a series of related *AEMO intervention events* and/or market suspension pricing schedule periods (as the case may be), if *AEMO* is:
 - (i) required to appoint an independent expert under clause 3.15.7A but is not required to refer a claim or matter to an independent expert under clause 3.12.2(l), 3.12.2(m), 3.14.5B(f), 3.15.7B(c) or 3.15.7B(d); or
 - (ii) required to refer a claim or matter to an independent expert under clause 3.12.2(l), 3.12.2(m), 3.14.5B(f), 3.15.7B(c) or 3.15.7B(d) but is not required to appoint an independent expert under clause 3.15.7A; and
 - (3) 200 *business days* after the end of the *AEMO intervention event* and/or market suspension pricing schedule period (as the case may be), or the end of a series of related *AEMO intervention events* and/or market suspension pricing schedule periods (as the case may be), if *AEMO* is required to appoint an independent expert under clause 3.15.7A and refer a claim or matter to an independent expert under clause 3.12.2(l), 3.12.2(m), 3.14.5B(f), 3.15.7B(c) or 3.15.7B(d).
- (b) Subject to clause 3.12.1(a), *AEMO* must *publish* a timetable that sets a date for each of *AEMO*'s and the independent expert's obligations pursuant to clauses 3.12.2, 3.12.3, 3.14.5B(f), 3.15.7, 3.15.7A, 3.15.7B, 3.15.8 and 3.15.10C, where required (the *intervention settlement timetable*).
- (c) *AEMO* must at least once a month revise and *publish* the *intervention settlement timetable* to reflect any changes to the *intervention settlement timetable*.

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 clause 3.12.3(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) 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 clause 3.12.3(a) more than 25% of the *Referred Affected Participants*, *Referred Market Customers*, *Referred Eligible Claimants* and *Referred Directed Participants* in relation to that *direction 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 Eligible Claimants* or *Referred Directed Participants* under clause 3.12.2(f), 3.14.5B(a) 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 *intervention price trading interval*;
- (A1) the total amount of compensation payable to *Referred Eligible Claimants* pursuant to clause 3.14.5B;
- (B) the total amount of compensation payable to *Referred Directed Participants* pursuant to clause 3.15.7B; and

- (C) the methodology and assumptions, if any, used by the independent expert in making the determination in clauses 3.12.3(c)(1)(ii), ~~and~~ 3.12.3(c)(1)(iii) ~~and~~ 3.12.3(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); ~~and~~
- (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 3.15.7B; ~~and-~~
- (iv) deliver to each *Referred Eligible 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 Eligible Claimants* and *Referred Directed Participants* after publishing the draft report and delivering the draft assessment under clause 3.12.3(c)(1).
- (3) Before the *publication* of the final report and delivery of the final assessment pursuant to clause 3.12.3(c)(4), the independent expert must:
- (i) if requested to do so by a *Referred Affected Participant*, *Referred Market Customer*, *Referred Eligible 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 Eligible 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 Eligible 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 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 clause 3.12.3(c)(ii).
- (5) A report prepared under clauses 3.12.3(c)(1)(i) and 3.12.3(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 Eligible Claimant* or *Referred Directed Participant* under clause 3.12.2(f), 3.14.5B(a) 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 Eligible Claimant* and *Referred Directed Participant* in a form developed by *AEMO* pursuant to clause 3.12.3(e).
- (d) A final report and a final assessment of an independent expert prepared in accordance with clause 3.12.3(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.

3.14 Administered Price Cap and Market Suspension

3.14.3 Conditions for suspension of the spot market

- (a) Subject to clause 3.14.3(b), *AEMO* may declare the *spot market* to be suspended in a *region* when in respect of that *region*:
 - (1) the *power system* has collapsed to a *black system*;
 - (2) *AEMO* has been directed by a *participating jurisdiction* to suspend the *market* or operate all or part of the *power system* in a manner contrary to the provisions of the *Rules* following the formal declaration by that *participating jurisdiction* of a state of emergency under its emergency services or equivalent legislation; or
 - (3) *AEMO* determines that it is necessary to suspend the *spot market* in a *region* because it has become impossible to operate the *spot market* in accordance with the provisions of the *Rules*.
- (a1) **[Deleted]**
- (b) *AEMO* must not suspend the *spot market* solely because:

- (1) *dispatch prices* have reached the *market price cap*;
 - (1A) *spot prices* have reached the *market floor price*;
 - (2) *AEMO* has issued a *direction*; or
 - (3) *AEMO* has otherwise intervened in the market under rule 3.12.
- (c) *AEMO* must conduct reviews of each occasion when it suspended the *spot market* in order to assess the adequacy of the provision and response of *facilities* or services, and the appropriateness of actions taken to restore or maintain *power system security*.
- (d) The report of the review carried out in accordance with paragraph (c) must:
- (1) for each *market suspension pricing schedule period*, include details of:
 - (i) the payments made to each *Eligible Claimant* under the *market suspension pricing schedule*;
 - (ii) the compensation paid (if any) to each *Eligible Claimant* under clauses 3.14.5A, 3.14.5B and 3.15.7B (other than compensation the subject of an independent expert's report that is required to be published under clauses 3.12.3(c)(1)(i) and 3.12.3(c)(4)(i)); and
 - (iii) the share of compensation costs payable by each *Market Customer*, as determined by *AEMO* under clause 3.15.10(b); and
 - (2) be made available to Registered Participants and the public as soon as practicable after the conclusion of the *market suspension*.
- (e) A *Registered Participant* must co-operate in any such review conducted by *AEMO* (including making available relevant records and information).

Note

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

- (f) A *Registered Participant* must provide to *AEMO* such information relating to the performance of its equipment during and after a suspension of the *spot market* as *AEMO* reasonably requires for the purposes of analysing or reporting on that suspension.

Note

This clause is classified as a 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) *AEMO* must provide to a *Registered Participant* such information or reports relating to the performance of that *Registered Participant's* equipment during a suspension of the *spot market* as that *Registered Participant* reasonably requests and in relation to which *AEMO* is required to conduct a review under this clause 3.14.3.

3.14.5 Pricing during market suspension

- (a) Subject to paragraph (b), if the *spot market* is suspended in a *region* then *central dispatch* and the determination of *dispatch prices*, *spot prices* and *ancillary service prices* in the *suspended region* are to continue in accordance with rules 3.8 and 3.9.
- (b) If, in AEMO's reasonable opinion, it is not practicable to operate *central dispatch* and determine *dispatch prices* and *ancillary service prices* in a *suspended region* in accordance with rules 3.8 and 3.9, AEMO must set *dispatch prices* and *ancillary service prices* for the *suspended region* at the prices applicable to the relevant *dispatch interval* in the current ~~estimated price schedule~~ market suspension pricing schedule developed and published in accordance with paragraph (e).
- (c) *Dispatch prices* and *ancillary service prices* determined in accordance with paragraph (b) for a *suspended region*:
 - (1) continue to be subject to the application of clause 3.14.2(d1) and clause 3.14.2(d2) in respect of *administered price periods*, and are to be adjusted (where applicable) in accordance with clause 3.14.2(e);
 - (2) are not to be adjusted in the circumstances set out in clause 3.9.2(e)(1) or clauses 3.9.2(e)(2) and 3.9.3;
 - (3) are not subject to review under clause 3.9.2B; and
 - (4) are not subject to clause 3.12A.6.
- (d) If the *dispatch prices* and *ancillary service prices* in a *suspended region* are being determined in accordance with paragraph (b), they must continue to be determined in accordance with that paragraph until the earlier of:
 - (1) the *time* that the *spot market* is no longer suspended in the relevant *region*; and
 - (2) if AEMO declared the *spot market* to be suspended for the reason set out in clause 3.14.3(a)(1) or (3), the *time* that, in AEMO's reasonable opinion, it is practicable to resume *central dispatch* and the determination of *dispatch prices* and *ancillary service prices* in the *suspended region* in accordance with rules 3.8 and 3.9; and
 - (3) if AEMO declared the *spot market* to be suspended for the reason set out in clause 3.14.3(a)(2), the *time* that, in AEMO's reasonable opinion, it is practicable to resume *central dispatch* and the determination of *dispatch prices* and *ancillary service prices* in the *suspended region* in accordance with rules 3.8 and 3.9, provided that the *participating jurisdiction* that directed AEMO under clause 3.14.3(a)(2) has agreed to the resumption of *central dispatch* and the determination of *dispatch prices* and *ancillary service prices* in the *suspended region* in accordance with rules 3.8 and 3.9
- (e) AEMO must:
 - (1) develop in accordance with the *Rules consultation procedures* a methodology to be used by AEMO (**estimated price methodology**) to

- prepare and update schedules containing reasonable estimates of typical *market* prices during the periods to which the schedules relate (~~estimated price schedules~~*market suspension pricing schedule*);
- (2) develop and update ~~estimated price schedules~~*the market suspension pricing schedule* in accordance with the estimated price methodology, to be used during any period in which the *spot market* is suspended; and
 - (3) *publish* the estimated price methodology promptly after it has been developed and *publish* the ~~estimated price schedule~~*market suspension pricing schedule* at least 14 days prior to the first day to which the schedule relates.
- (f) If a *dispatch price* is set in accordance with paragraph (b) at a *regional reference node* (**suspension node**), then *dispatch prices* at all other *regional reference nodes* connected by one or more *regulated interconnectors* that have a net *energy* flow towards the suspension node must not exceed the *dispatch price* in the *suspended region* divided by the average *loss factor* that applies for *energy* flow in that direction for that *dispatch interval*.
 - (g) Paragraph (f) does not apply to a *dispatch price* at another *regional reference node* that has been replaced in accordance with clause 3.9.2B or where clause 3.8.21(b) applies.
 - (h) *AEMO* must use reasonable endeavours to ensure that any adjustments required to *dispatch prices* so that they do not exceed the limits set by paragraph (f) are finalised as soon as practicable but in any event by the end of the next *business day* following the day on which the *spot market* in the *region* ceased to be suspended
 - (i) *AEMO* must determine the average *loss factor* applicable to paragraph (f) by reference to the *inter-regional loss factor* equations relating to the relevant *regulated interconnectors*.

3.14.5A Payment of compensation due to market suspension pricing schedule periods

Compensation - objective

- (a) The objective for the payment of compensation under this clause 3.14.5A and clause 3.14.5B is to maintain the incentive for:
 - (1) Scheduled Generators to supply energy; and
 - (2) Ancillary Service Providers to supply market ancillary services, during market suspension pricing schedule periods.

Payment to Eligible Claimants

- (b) Subject to paragraph (c), AEMO must pay compensation to Eligible Claimants calculated in accordance with paragraph (d) and clause 3.14.5B (as the case may be).
- (c) For the purpose of clauses 3.15.10 and 3.15.10C, the amount of compensation due to an Eligible Claimant pursuant to paragraph (b) must include interest on that amount computed at the average bank bill rate beginning on the day 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 market suspension pricing schedule period occurred and ending on the day on which payment is required to be made pursuant to clause 3.15.10C.

(d) Subject to clause 3.14.5B, the compensation payable to each Eligible Claimant is to be determined in accordance with the formula set out below:

$$\underline{C} = \underline{CO} - \underline{RE}$$

where:

C \equiv the amount of compensation the Eligible Claimant is entitled to receive.

CO \equiv the costs the Eligible Claimant is deemed to have incurred during the market suspension pricing schedule period, to be determined in accordance with the formula set out below:

$$\underline{CO} \equiv (\underline{SOG} \times \underline{BVG}) + (\underline{MWE} \times \underline{BVAS})$$

where:

SOG \equiv the sum of the Eligible Claimant's sent out generation (in MWh) during the market suspension pricing schedule period.

BVG \equiv the amount (in \$/MWh) calculated in accordance with paragraph (e) below.

MWE \equiv the sum of the relevant market ancillary services (in MW) which the Eligible Claimant's ancillary service generating unit has been enabled to provide during the market suspension pricing schedule period.

BVAS \equiv the amount (in \$/MWh) calculated in accordance with paragraph (f) below.

RE \equiv the sum of the trading amounts determined pursuant to clauses 3.15.6 and 3.15.6A payable to the Eligible Claimant during the market suspension pricing schedule period,

and where C is a negative number, it will be deemed to be zero.

(e) The benchmark value for generation (BVG) at paragraph (d) is to be determined in accordance with the formula set out below and the market suspension compensation methodology developed under paragraph (h):

$$\underline{BVG} = \underline{BC}_{(av)} \times 1.1$$

where:

$BC_{(av)}$ \equiv the capacity-weighted average of the benchmark costs (BC) (in \$/MWh) of all *Scheduled Generators* in the same class of *Generator* for each *region*, with each benchmark cost to be determined in accordance with the formula below:

$$BC \quad \equiv \quad (FC \times E) + VOC$$

where:

FC \equiv the fuel cost (in \$/GJ) for the relevant *Generator*.

E \equiv the efficiency (in GJ/MWh) for the relevant *Generator*.

VOC \equiv the variable operating cost (in \$/MWh) for the relevant *Generator*.

In each case, the above inputs (FC, E and VOC) are to be the same as the equivalent *NTNDP inputs*. If there is no equivalent *NTNDP input*, it will be deemed to be 1.

(f) The benchmark value for *market ancillary services* (BVAS) at paragraph (d) is to be determined in accordance with the formula below:

$$BVAS \quad \equiv \quad BC_{(av)} \times \left(\frac{0.1}{n}\right)$$

where:

$BC_{(av)}$ has the same meaning as in paragraph (e) above.

n means the number of *trading intervals* within a one hour period.

(g) AEMO must, in accordance with the *intervention settlement timetable*, advise each *Eligible Claimant* in writing:

(1) whether the *Eligible Claimant* is entitled to receive compensation pursuant to paragraph (b); and

(2) if so, the amount of compensation payable, as calculated in accordance with paragraph (d).

Market suspension compensation methodology

(h) AEMO must develop a methodology (*market suspension compensation methodology*) that specifies:

(1) the classes of *Scheduled Generator* and *Ancillary Service Provider* to be used for the purpose of calculating benchmark values;

(2) the approach to be adopted by AEMO in calculating the benchmark values for each class of *Scheduled Generator* and *Ancillary Service Provider* in each *region*, including determining the equivalent *NTNDP inputs* for the purpose of the calculation in paragraph (e); and

- (3) *AEMO's administrative fees associated with a claim for compensation under clause 3.14.5B.*
- (i) *AEMO must, on or before 14 December 2018, publish and make available on its website:*

 - (1) *the first market suspension compensation methodology; and*
 - (2) *a schedule of benchmark values (**schedule of benchmark values**) for each class of *Scheduled Generator* and *Ancillary Service Provider* in each region, calculated in accordance with the formula set out in paragraphs (e) and (f), and using (where appropriate) the equivalent NTNDP inputs.*
- (j) *AEMO must publish and make available on its website an updated schedule of benchmark values no later than one month after each publication of the NTNDP.*
- (k) *AEMO must, on or before the date that is 6 months after publication of the first market suspension compensation methodology, develop, publish and make available on its website an updated market suspension compensation methodology in accordance with the Rules consultation procedures.*
- (l) *AEMO may amend the market suspension compensation methodology from time to time in accordance with the Rules consultation procedures.*
- (m) *Notwithstanding paragraph (l), AEMO may make minor and administrative amendments to the market suspension compensation methodology without complying with the Rules consultation procedures.*

3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

- (a) *Subject to paragraphs (b) and (c), Eligible Claimants may, within 15 business days of receipt of the notice referred to in clause 3.14.5A(g), make a written submission to AEMO claiming an amount equal to the amount by which its direct costs of supplying energy or market ancillary services during the market suspension pricing schedule period exceed the sum of:*

 - (1) *any compensation payable to the Eligible Claimant under clause 3.14.5A with respect to that market suspension pricing schedule period;*
 - (2) *the Eligible Claimant's "RE" as calculated under clause 3.14.5A(d); and*
 - (3) *any other compensation which the Eligible Claimant has received or is entitled to receive in connection with the relevant generating unit supplying energy or market ancillary services during that market suspension pricing schedule period.*
- (b) *Where an Eligible Claimant is a Directed Participant with respect to any dispatch interval during a market suspension pricing schedule period, such Eligible Claimant shall be entitled to make a claim under clause 3.15.7B rather than under this clause 3.14.5B with respect to that dispatch interval.*
- (c) *A written submission made by an Eligible Claimant pursuant to paragraph (a) must:*

- (1) itemise each component of the claim;
 - (2) contain sufficient data and information to substantiate each component of the claim; and
 - (3) be signed by an authorised officer of the *Eligible Claimant* certifying that the written submission is true and correct.
- (d) For the purposes of paragraph (a), the direct costs incurred by the *Eligible Claimant* means:
 - (1) fuel costs in connection with the relevant *generating unit*;
 - (2) incremental maintenance costs in connection with the relevant *generating unit*;
 - (3) incremental manning costs in connection with the relevant *generating unit*; and
 - (4) other direct costs reasonably incurred in connection with the relevant *generating unit*, where such costs are incurred to enable the *generating unit* to supply energy or market ancillary services during the *market suspension pricing schedule period*.
- (e) AEMO may recover from an *Eligible Claimant* an administrative fee to assist in recouping the costs incurred in carrying out its functions under paragraph (a). The administrative fee will be determined in accordance with the *market suspension compensation methodology* developed pursuant to clause 3.14.5A(h).
- (f) AEMO must, in accordance with the *intervention settlement timetable*, refer a claim by an *Eligible Claimant* under paragraph (a) to an independent expert to determine such claim in accordance with clause 3.12.3 where:
 - (1) the claim is equal to or greater than \$50,000; or
 - (2) with respect to a claim less than \$50,000, AEMO considers such claim to be unreasonable.
- (g) Where AEMO considers a claim to be unreasonable under subparagraph (f)(2), it must advise the *Eligible Claimant* of its determination in writing, setting out its reasons prior to referring the claim to an independent expert.

3.15 Settlements

3.15.6 Spot market transactions

- (a) In each *trading interval*, in relation to each *connection point* and to each *virtual transmission node* for which a *Market Participant* is financially responsible, a *spot market transaction* occurs, which results in a *trading amount* for that *Market Participant* determined in accordance with the formula:

$$TA = AGE \times TLF \times RRP$$

where

TA is the *trading amount* to be determined (which will be a positive or negative dollar amount for each *trading interval*);

AGE is the *adjusted gross energy* for that *connection point* or *virtual transmission node* for that *trading interval*, expressed in MWh;

TLF for a *transmission network connection point* or *virtual transmission node*, is the relevant *intra-regional loss factor* at that *connection point* or *virtual transmission node* respectively, and for any other *connection point*, is the relevant *intra-regional loss factor* at the *transmission network connection point* or *virtual transmission node* to which it is assigned in accordance with clause 3.6.2(b)(2); and

RRP is the *regional reference price* for the *regional reference node* to which the *connection point* or *virtual transmission node* is assigned, expressed in dollars per MWh.

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) Except with respect to any dispatch interval in a market suspension pricing schedule period in relation to which AEMO has issued a direction to an Eligible Claimant, AEMO is entitled to the *trading amount* resulting from a *AEMO intervention event* and, for the purposes of determining *settlement amounts*, any such *trading amount* is not a *trading amount* for the relevant *Market Participant*.
- (c) A *Directed Participant* is entitled to the *trading amount* resulting from any service, other than the service the subject of the *AEMO intervention event*, rendered as a consequence of that event.

3.15.7 Payment to Directed Participants

- (a) Subject to paragraphs (b) and (d1)~~clause 3.15.7(b)~~, AEMO must pay compensation to *Directed Participants* calculated in accordance with clauses 3.15.7, 3.15.7A and 3.15.7B, as the case may be, for any service which the *Directed Participant* was required to provide in order to comply with the *direction*.
- (b) For the purpose of clause 3.15.8 and 3.15.10C the amount of compensation due to a *Directed Participant* pursuant to clause 3.15.7(a) must include interest on the sum of that amount less any payment made in accordance with clause 3.15.10C(a), computed at the average *bank bill rate* for the period beginning on the day 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 *direction* was issued and ending on the day on which payment is required to be made pursuant to clause 3.15.10C.
- (c) Subject to paragraph (d), paragraph (d1)~~clause 3.15.7(d)~~ and clause 3.15.7B, the compensation payable to each *Directed Participant* for the provision of

energy or market ancillary services pursuant to a *direction* is to be determined in accordance with the formula set out below

$$\text{DCP} = \text{AMP} \times \text{DQ}$$

where:

- DCP = the amount of compensation the *Directed Participant* is entitled to receive;
- AMP = the price below which are 90% of the *spot prices* or *ancillary service prices* (as the case may be) for the relevant service provided by *Scheduled Generators*, *Semi-Scheduled Generators*, *Scheduled Network Service Providers* or *Market Customers* in the *region* to which the *direction* relates, for the 12 months immediately preceding the *trading day* in which the *direction* was issued; and
- DQ = is either:
- (A) the difference between the total *adjusted gross energy* delivered or consumed by the *Directed Participant* and the total *adjusted gross energy* that would have been delivered or consumed by the *Directed Participant* had the *direction* not been issued; or
 - (B) the amount of the relevant *market ancillary service* which the *Directed Participant* has been *enabled* to provide in response to the *direction*.

(d) If at the time *AEMO* issues a *direction*:

- (1) the *Directed Participant* had submitted a *dispatch bid*, *dispatch offer* or *rebid* acknowledged by *AEMO* in accordance with clause 3.8.8 for *dispatch* of the service that is to be *dispatched* in accordance with the *direction*; and
- (2) the *direction* was issued because *AEMO* was prevented from *dispatching* the *Directed Participant's plant* in accordance with that *dispatch bid*, *dispatch offer* or *rebid* due to a failure of the *central dispatch process*,

the *Directed Participant* is entitled to receive compensation for the provision of that service at a price equal to the price in that *dispatch bid*, *dispatch offer* or *rebid* acknowledged by *AEMO* in accordance with clause 3.8.8, as the case may be.

(d1) Where a *Directed Participant* is also an *Eligible Claimant* with respect to any *dispatch interval* in relation to which *AEMO* has issued a *direction*, such *Directed Participant*:

- (1) may be entitled to compensation calculated in accordance with clause 3.14.5A(d); and

(2) will not be entitled to compensation calculated in accordance with paragraph (c), for that *dispatch interval*.

- (e) *AEMO* must, in accordance with the *intervention settlement timetable*, advise each *Directed Participant* in writing of the amount the *Directed Participant* is entitled to receive pursuant to clause 3.15.7(c) or clause 3.15.7(d).

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, in accordance with the *intervention settlement timetable*, 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(c) 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*;
 - (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 *intervention price trading interval*, 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 in respect of that *intervention price trading interval* 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.

3.15.10 Administered price cap, ~~or~~ administered floor price and market suspension pricing schedule period compensation payments

- (a1) In this clause 3.15.10:

cost recovery region means the *region* in which:

- (1) the *dispatch price* was set by the *administered price cap* or *administered floor price*; or
- (2) the *ancillary service price* was set by the *administered price cap*; ~~or~~ in the eligibility period; ~~or~~

(3) the *dispatch price* was set by AEMO in accordance with clause 3.14.5(b); or

(4) the *ancillary service price* was set by AEMO in accordance with clause 3.14.5(b),

during a *market suspension pricing schedule period*.

eligibility period:

- (1) with respect to compensation payable under clause 3.14.6, has the same meaning as in clause 3.14.6(a); ~~or~~
- (2) with respect to compensation payable under clause 3.14.5A or clause 3.14.5B, has the same meaning as the *market suspension pricing schedule period*.

- (a) If the AEMC or AEMO (as the case may be) awards compensation to a *Scheduled Generator*, *Non-Scheduled Generator*, *Market Participant*, *Scheduled Network Service Provider* or *Ancillary Service Provider* under clause 3.14.5A, 3.14.5B or 3.14.6 (as the case may be), then AEMO must determine an amount which shall be payable by each *Market Customer* who purchased electricity from the *spot market* in the cost recovery region.
- (b) AEMO shall determine the amounts payable for each eligibility period by each of the *Market Customers* referred to in clause 3.15.10(a) as follows:

$$\frac{APC \times E_i}{\sum E_i}$$

where

APC is the total amount of any compensation payments awarded by the *AEMC* or *AEMO* (as the case may be) to *Scheduled Generators*, *Non-Scheduled Generators*, *Market Participants*, *Scheduled Network Service Providers* or *Ancillary Service Providers* in respect of that eligibility period ~~in accordance with clause 3.14.6.~~

E_i is the sum of all of the *Market Customer's* adjusted gross energy amounts, determined in accordance with clauses 3.15.4 and 3.15.5, in respect of each *trading interval* in the eligibility period and each *connection point* for which the *Market Customer* is *financially responsible* in the cost recovery region *i*.

$\sum E_i$ is the sum of all amounts determined as “ E_i ” in accordance with this clause 3.15.10 for all *Market Customers* in the cost recovery region.

- (c) Within 25 *business days* of being notified by the *AEMC* or *AEMO* (as the case may be) that compensation is to be paid to a *Scheduled Generator*, *Non-Scheduled Generator*, *Market Participant*, *Scheduled Network Service Providers* or *Ancillary Service Provider* in accordance with clause 3.14.5A, 3.14.5B or 3.14.6 (as the case may be), *AEMO* shall include in statements provided under clauses 3.15.14 and 3.15.15 separate details of any amounts payable by or to *Market Participants* as determined in accordance with this clause 3.15.10.

3.15.10C Intervention and Market Suspension Pricing Schedule Period Settlements

- (a) *AEMO* must include in the final statement provided under clause 3.15.14 and 3.15.15 for a *billing period* in which a *direction* was issued:
- (1) for each *Affected Participant* and *Market Customer* in relation to that *direction* the amount calculated pursuant to clause 3.12.2(c);
 - (2) for each *Directed Participant* in relation to that *direction* the amount calculated pursuant to clause 3.15.7(c) or clause 3.15.7A(a) by application of clause 3.15.7A(e), as the case may be;
 - (3) for each *Market Customer* in relation to that *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* 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* 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 3.15.7A(a) by application of 3.15.7A(e); and

- (v) clause 3.15.8(a)(2)(iii) shall be zero; and
- (4) for each *Market Customer*, *Market Generator* and *Market Small Generation Aggregator* in relation to that *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 3.15.7A(a) by application of clause 3.15.7A(e), as the case may be.

(aa) AEMO must include in the final statement provided under clause 3.15.14 and clause 3.15.15 for a billing period in which a market suspension pricing schedule period occurred, for each Eligible Claimant in relation to that market suspension pricing schedule period the amount calculated in accordance with clause 3.14.5A(d).

- (b) AEMO must include in the first statement it provides under clauses 3.15.14 and 3.15.15 following a final determination of all total amounts payable or receivable by it pursuant to clause 3.12.2, clause 3.14.5A, clause 3.15.7(a) and clause 3.15.8, 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 Eligible Claimant pursuant to clause 3.14.5A(b);

- (2) receivable by each *Affected Participant* or *Market Customer* pursuant to clause 3.12.2:

- (i) less the amount paid to that *Affected Participant* or *Market Customer*, 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* 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* pursuant to clause 3.12.2:

- (i) less the amount paid by that *Affected Participant* or *Market Customer*, 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* in accordance with the statement issued to it pursuant to clause 3.15.10C(a)(1), if any;

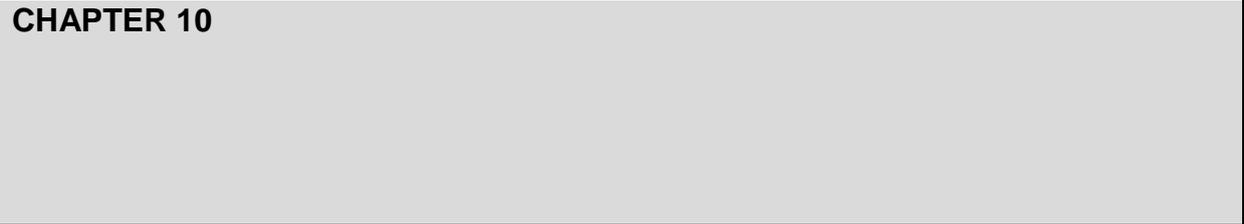
- (4) receivable by each *Market Customer* pursuant to clause 3.15.8(b):

- (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):
 - (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* 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, RTCRSP, RTCLSP and TSFCAS shall be the total compensation payable by *AEMO* for the relevant *ancillary service* calculated in accordance with clause 3.15.7A(a); 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 10



10. Glossary

Eligible Claimant

- (a) A Scheduled Generator in a suspended region who supplied energy during a market suspension pricing schedule period; or
- (b) an Ancillary Service Provider in a suspended region, in respect of an ancillary service generating unit which is also a scheduled generating unit, who provided market ancillary services during a market suspension pricing schedule period.

market suspension compensation methodology

Has the meaning given in clause 3.14.5A(h).

market suspension pricing schedule

Has the meaning given in clause 3.14.5(e)(1).

market suspension pricing schedule period

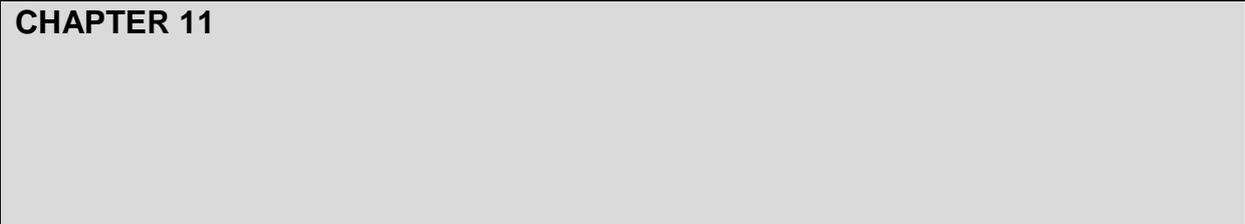
The period starting at the beginning of the first dispatch interval and ending at the end of the final dispatch interval in which:

- (a) for Scheduled Generators, the dispatch price for a dispatch interval is set by AEMO in accordance with the market suspension pricing schedule; or
- (b) for Ancillary Service Providers, in respect of an ancillary service generating unit, the ancillary service price for a dispatch interval is set by AEMO in accordance with the market suspension pricing schedule.

Referred Eligible Claimant

An Eligible Claimant who has a claim referred to an independent expert pursuant to clause 3.14.5B(f).

CHAPTER 11



11. Savings and Transitional Rules

Part ZZZE Five Minute Settlement

11.103 Rules consequential on the making of the National Electricity Amendment (Five Minute Settlement) Rule 2017

11.103.2 Amendments to procedures

- (a) By 1 December 2019, *AEMO* must review and where necessary amend and *publish* the following documents to apply from the commencement date to take into account the Amending Rule:
- (1) the credit limit procedures in accordance with clause 3.3.8;
 - (2) the *spot market* operations timetable in accordance with clause 3.4.3;
 - (3) the automated procedures relating to *dispatch intervals* subject to review in accordance with clause 3.9.2B;
 - (4) the methodology for determining *dispatch prices* and *ancillary services prices* in the event of intervention by *AEMO* in accordance with clause 3.9.3;
 - (5) the *reliability standards and settings guidelines*;
 - (6) the estimated price methodology and ~~*estimated price schedules*~~*market suspension pricing schedule* for periods of *market suspension* in accordance with clause 3.14.5;
 - (7) the *reallocation procedures*;
 - (8) the *settlement residue* auction rules in accordance with clause 3.18.3;
 - (9) the methodology relating to *dispatch* pricing for *unscheduled reserve contracts* in accordance with clause 3.20.4;
 - (10) the procedures relating to the exercise of the *RERT* in accordance with clause 3.20.7;
 - (11) the procedures maintained under clause 7.8.3(b) in respect of the *minimum services specification*;
 - (12) the *meter churn procedures* in accordance with clause 7.8.9;
 - (13) the *metering data provision procedures*;
 - (14) the *Market Settlement and Transfer Solution Procedures*;
 - (15) the *metrology procedure*; and
 - (16) the *service level procedures*.