



## **Draft National Electricity Amendment (Compensation for market participants affected by intervention events) Rule 2020**

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria;
- (g) the National Electricity (Northern Territory) (National Uniform Legislation) Act 2015 of the Northern Territory; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

Merryn York  
Acting Chairperson  
Australian Energy Market Commission

## **Draft National Electricity Amendment (Compensation for market participants affected by intervention events) Rule 2020**

### **1 Title of Rule**

This Rule is the *Draft National Electricity Amendment (Compensation for market participants affected by intervention events) Rule 2020*.

### **2 Commencement**

Schedule 1 of this Rule commences operation on [2021].

Schedule 2 of this Rule commences operation on 1 October 2021 immediately after commencement of Schedule 2 of the *National Electricity Amendment (Application of compensation in relation to AEMO interventions) Rule 2019 No. 13*.

### **3 Amendment to the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 1.

### **4 Amendment to the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 2.

## Schedule 1      Amendment to the National Electricity Rules

(Clause 3)

### [1] Clause 3.12.2      Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention

In clause 3.12.2(a)(1), omit "taking into account solely the items listed in paragraph (j);" and substitute "taking into account solely:".

### [2] Clause 3.12.2      Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention

After clause 3.12.2(a)(1), insert:

- (i) the amounts notified by *AEMO* under subparagraphs (c)(1) and (c)(2); and
- (ii) the items listed in paragraph (j); and

### [3] Clause 3.12.2      Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention

Omit clause 3.12.2(a)(2) and substitute:

- (2) a *Market Customer*, other than a *Market Customer* which was the subject of any *direction* that constituted the *AEMO intervention event*, is entitled to receive from *AEMO*, or must pay to *AEMO*, in respect of one or more of its *scheduled loads*, an amount as determined in accordance with this clause 3.12.2 that will put the *Market Customer* in the position that the *Market Customer* would have been in regarding the *scheduled load* had the *AEMO intervention event* not occurred, taking into account solely:
  - (i) the amounts notified by *AEMO* under subparagraph (c)(3); and
  - (ii) the items listed in paragraph (j).

### [4] Clause 3.12.2      Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention

After clause 3.12.2(b), insert:

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

**[5] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

Renumber clause 3.12.2(c)(1)(ii) by omitting (ii) and substituting (iii).

**[6] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

After clause 3.12.2(c)(1)(i), insert:

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

**[7] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(c)(1)(iii)(A), omit "subparagraph (i)" and substitute "subparagraphs (i) and (ii)".

**[8] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

Omit clause 3.12.2(c)(1)(iii)(B) and substitute:

- (B) the estimated *trading amount* for that *Affected Participant* (excluding from that *trading amount* the amount referred to in clause 3.15.10C(a)) as determined by *AEMO* based on the *dispatch* targets determined through the *central dispatch* process used to *dispatch Market Participants*;

**[9] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

Omit clause 3.12.2(c)(3) and substitute:

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

**[10] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

Omit clause 3.12.2(d) and substitute:

- (d) For the purpose of subparagraph (c)(3)(iii)(A), 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 in respect of that *scheduled load* for the relevant *intervention price trading interval*;

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

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

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

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

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

BidP<sub>b</sub> (in dollars per MWh) is the price offered by the *scheduled load* in the *price band* “b” in the relevant *intervention price trading interval*;

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

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

**Note**

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

**[11] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(f), after "its entitlement" insert "or liability".

**[12] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(g)(3), omit "paragraphs (c)(1) or (c)(2)" and substitute "subparagraphs (c)(1) or (c)(2)".

**[13] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(g)(3), after "entitled to receive" insert "or greater than the amount the *Affected Participant* is required to pay".

**[14] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(g)(3), omit "paragraph (a)(1)" and substitute "subparagraph (a)(1)".

**[15] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(g)(4), omit "paragraph (c)(3)" and substitute "subparagraph (c)(3)".

**[16] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(g)(4), after "entitled to receive" insert "or greater than the amount the *Market Customer* is required to pay".

**[17] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(g)(4), omit "paragraph (a)(2)" and substitute "subparagraph (a)(2)".

**[18] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(g)(4), omit "*additional claim*" and substitute "*adjustment claim*".

**[19] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(j), omit "paragraph (a)(1)" and substitute "subparagraphs (a)(1) and (a)(2)".

**[20] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(j)(1), after "*Affected Participant*" insert "or *Market Customer*".

**[21] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(j)(1) omit "*scheduled generating unit or scheduled network service*" and substitute "*scheduled generating unit, scheduled network service or scheduled load*".

**[22] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(j)(1)(ii), omit "*scheduled generating unit or scheduled network service*" and substitute "*scheduled generating unit, scheduled network service or scheduled load*".

**[23] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(j)(1)(iii), omit "*scheduled generating unit or scheduled network service*" and substitute "*scheduled generating unit, scheduled network service or scheduled load*".

**[24] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(j)(2), after "3.15.6A;" omit "and".

**[25] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(j)(3), after "3.13.4(m)" omit "." and substitute "; and".

**[26] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

After clause 3.12.2(j)(3), insert:

- (4) the *ancillary service prices published* pursuant to clause 3.13.4(l).

**[27] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(k)(1), omit "*additional claims*" and substitute "*adjustment claims*".

**[28] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(l)(1), omit "*additional claim*" and substitute "*adjustment claim*".

**[29] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(l)(2), omit "*additional claims*" and substitute "*adjustment claims*".

**[30] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2(m), omit "*additional claim*" and substitute "*adjustment claim*".

**[31] Clause 3.15.7B Claim for additional compensation by Directed Participants**

In clause 3.15.7B(a3)(5), after "*direction*;" insert "and".

**[32] Clause 3.15.7B Claim for additional compensation by Directed Participants**

In clause 3.15.7B(a3)(6), after "*direction*" omit "; and" and substitute ".".

**[33] Clause 3.15.7B Claim for additional compensation by Directed Participants**

Omit clause 3.15.7B(a3)(7).

**[34] Chapter 10 Substituted definition**

In chapter 10, omit the definition of "*market customer's additional claim*" and substitute:

***market customer's adjustment claim***

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

## **Schedule 2          Amendment to the National Electricity Rules**

(Clause 4)

### **[1] Clause 3.12.2          Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention**

In clause 3.12.2, omit "*intervention pricing 30-minute period*" wherever it occurs and substitute "*intervention price trading interval*".

### **[2] Clause 3.12.3          Role of the Independent Expert in calculating payments in relation to intervention by AEMO and market suspension pricing schedule periods**

In clause 3.12.3, omit "*intervention pricing 30-minute period*" wherever it occurs and substitute "*intervention price trading interval*".

### **[3] Clause 3.15.8          Funding of Compensation for directions**

In clause 3.15.8, omit "*intervention pricing 30-minute period*" wherever it occurs and substitute "*intervention price trading interval*".

### **[4] Chapter 10          Amended definition**

In chapter 10, in the definition of "*affected participant*", omit "*intervention pricing 30-minute period*" wherever it occurs and substitute "*intervention price trading interval*".