



Draft National Electricity Amendment (Improving compensation frameworks) Rule 2026

The Australian Energy Market Commission makes the following Rule 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 *National Electricity (New South Wales) Act 1997* of New South Wales;
- (e) the *Electricity - National Scheme (Tasmania) Act 1999* of Tasmania;
- (f) the *National Electricity (Victoria) Act 2005* of Victoria; and
- (g) the *Australian Energy Market Act 2004* of the Commonwealth.

Anna Collyer
Chairperson
Australian Energy Market Commission

Draft National Electricity Amendment (Improving compensation frameworks) Rule 2026

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Improving compensation frameworks) Rule 2026*.

2 Commencement

Schedule 1 of this Rule commences operation on 15 July 2027.

Schedule 2 of this Rule commences operation on 15 October 2027.

Schedule 3 of this Rule commences operation on 15 October 2028.

Schedule 4 of this Rule commences operation on 29 October 2026.

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.

5 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

6 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 4.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.13.6A Reporting by AEMO on directions

In clause 3.13.6A(b)(3), omit "by each category of *Registered Participant*" and substitute "for each *Cost Recovery Market Participant*".

[2] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d)(1), at the start of the text, omit "fuel costs" and substitute "*energy input costs*".

[3] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d)(2), at the start of the text, omit "incremental maintenance costs" and substitute "operating and maintenance costs".

[4] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d)(2), after "relevant resource", insert "that are directly attributable to the pattern of operation to provide *energy* or *market ancillary services*, including acceleration or delay costs of maintenance work".

[5] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d)(3), at the start of the text, omit "incremental manning costs" and substitute "wear and tear".

[6] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d)(3), after "relevant resource", insert "that is directly attributable to the pattern of operation to provide *energy* or *market ancillary services*".

[7] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d1)(1), at the start of the text, omit "fuel costs" and substitute "*energy input costs*".

[8] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d1)(2), at the start of the text, omit "incremental maintenance costs" and substitute "operating and maintenance costs".

[9] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d1)(2), after "relevant *wholesale demand response unit*", insert "that are directly attributable to the pattern of operation to provide *wholesale demand response*, including acceleration or delay costs of maintenance work;".

[10] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d1)(3), at the start of the text, omit "incremental manning costs" and substitute "wear and tear".

[11] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(d1)(3), after "relevant *wholesale demand response unit*", insert "that is directly attributable to the pattern of operation to provide *wholesale demand response*".

[12] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(a), insert the following definition in alphabetical order:

affected unit means a *generating unit, scheduled bidirectional unit, wholesale demand response unit, scheduled load, scheduled network service or ancillary service unit*.

[13] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(a), omit the definition of "direct costs", and substitute:

direct costs means the costs incurred by the claimant as a direct result of a price limit event, including without limitation:

- (1) *energy* input costs;
- (2) operating and maintenance costs directly attributable to the pattern of operation to provide services, including acceleration or delay costs of maintenance work;
- (3) wear and tear directly attributable to the pattern of operation to provide services; and
- (4) other costs incurred by the claimant directly in connection with operating during the relevant price limit event.

[14] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(a), after the definition of "price limit event", insert:

price limit interval means a *trading interval* in which the *spot price* or *ancillary service price* (as relevant) is set by a price limit event.

[15] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(b), after "following are eligible to claim", omit "*Registered Participants* compensation for the eligibility period" and substitute "compensation for the price limit event".

[16] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(b)(1), after "*Demand Response Service Provider*", insert "who supplied *energy* or *wholesale demand response*".

[17] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(b)(1), after "in the relevant *region*", insert "during a price limit interval".

[18] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(b)(2), after "in the relevant *region*", omit "in that eligibility period" and substitute "during a price limit interval".

[19] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(b)(3), after "the relevant *region*", insert "during a price limit interval".

[20] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(b)(4), after "in the relevant *region*", omit "in the eligibility period," and substitute "during a price limit interval".

[21] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(b), after "has incurred total costs", omit "during the eligibility period that exceed the total revenue it received from the *spot market* during that period" and substitute "in respect of an affected unit during the relevant price limit interval that exceed the total revenue it received from the *spot market* in respect of that affected unit during that price limit interval"

[22] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(d), after "amount of compensation payable", omit "in respect of a claim under this clause 3.14.6 must be based on direct costs and opportunity costs." and substitute "to a claimant under paragraph (b) is calculated as the aggregate of the following for each of the claimant's affected units:".

[23] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(d), insert:

- (1) the total costs incurred by the claimant in respect of the affected unit as a result of that affected unit:

- (i) supplying *energy* in the relevant region during a price limit interval;
- (ii) supplying *wholesale demand response* in the relevant region during a price limit interval;
- (iii) being *scheduled load* that was *dispatched* in the relevant region during a price limit interval;
- (iv) transporting power towards the relevant region during a price limit interval;
- (v) supplying *ancillary services* in the relevant region during a price limit interval,

(as applicable); less

(2) the sum of the following (if any):

- (i) amounts the claimant is entitled to receive in accordance with clauses 3.15.6 and 3.15.6A for the provision of the relevant service by the affected unit during price limit intervals for the relevant price limit event; and
- (ii) costs for which the claimant has already received compensation under this clause 3.14.6, or which are the subject of another claim under this clause 3.14.6.

[24] Clause 3.15.7 Payment to Directed Participants

Before clause 3.15.7(a), insert:

- (a0) The objective of the payment of compensation under this clause 3.15.7, clause 3.15.7A and clause 3.15.7B is to enable *Directed Participants* to be compensated for the costs associated with complying with a *direction*.

[25] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(g)(3)(i), at the start of the text, omit "fuel costs" and substitute "*energy input costs*".

[26] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(g)(3)(ii), at the start of the text, omit "incremental maintenance costs" and substitute "*operating and maintenance costs*".

[27] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(g)(3)(ii), after "with the relevant *directed resource*", insert "that are directly attributable to the pattern of operation to provide the *other compensable service*, including acceleration or delay costs of maintenance work".

[28] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(g)(3)(iii), at the start of the text, omit "incremental manning costs" and substitute "wear and tear".

[29] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(g)(3)(iii), after "with the relevant *directed resource*", insert "that is directly attributable to the pattern of operation to provide the *other compensable service*".

[30] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

Omit the text of clause 3.15.7A(g)(3)(iv) and substitute "[Deleted]".

[31] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

Omit the text of clause 3.15.7A(g)(3)(v) and substitute "[Deleted]".

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

In clause 3.15.7B(a)(1), after "loss of revenue and additional", omit "net".

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

In clause 3.15.7B(a3), after "of the calculation of additional", omit "net".

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

In clause 3.15.7B(a3), after "to paragraph (a)(1), the additional", omit "net".

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

In clause 3.15.7B(a3)(1), at the start of the text, omit "fuel costs" and substitute "*energy* input costs".

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

In clause 3.15.7B(a3)(2), at the start of the text, omit "incremental maintenance costs" and substitute "operating and maintenance costs".

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

In clause 3.15.7B(a3)(2), after "with the relevant *directed resource*", insert "that are directly attributable to the pattern of operation to provide services, including acceleration or delay costs of maintenance work".

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

In clause 3.15.7B(a3)(3), at the start of the text, omit "incremental manning costs" and substitute "wear and tear".

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

In clause 3.15.7B(a3)(3), after "with the relevant *directed resource*", insert "that is directly attributable to the pattern of operation to provide services".

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

Omit the text of clause 3.15.7B(a3)(4) and substitute "[Deleted]".

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

Omit the text of clause 3.15.7B(a3)(5) and substitute "[Deleted]".

[42] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8, omit "*intervention price trading intervals*" and substitute "*intervention trading intervals*" wherever occurring.

[43] Clause 3.20.6 Reporting on RERT by AEMO

In clause 3.20.6(f)(2), omit "*Market Customer* or *Integrated Resource Provider*" and substitute "*Cost Recovery Market Participant*".

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(a), after "3.14.5B,", insert " 3.14.6,".

[2] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(a), after "3.15.9", insert ", 3.15.10".

[3] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(a), omit " and 3.15.9", and substitute ", 3.15.9 and 3.15.10".

[4] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(a), after "*AEMO intervention event*", omit " and/or", and substitute ",".

[5] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(a), after "*market suspension pricing schedule period*", insert " and/or *price limit event*".

[6] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(b), after "3.14.5B(g)," insert " 3.14.6,".

[7] Clause 3.12.2 Affected Participants, Affected Load Participants and Ancillary Service Providers entitlements to compensation in relation to AEMO intervention

In clause 3.12.2(b), omit "\$5,000", and substitute "\$10,000".

[8] Clause 3.12.2 Affected Participants, Affected Load Participants and Ancillary Service Providers entitlements to compensation in relation to AEMO intervention

In clause 3.12.2(i), omit "\$5,000", and substitute "\$10,000".

[9] Clause 3.12.2 Affected Participants, Affected Load Participants and Ancillary Service Providers entitlements to compensation in relation to AEMO intervention

In clause 3.12.2(l), omit "\$20,000", and substitute "\$50,000".

**[10] Clause 3.12.2 Affected Participants, Affected Load
Participants and Ancillary Service
Providers entitlements to compensation
in relation to AEMO intervention**

In clause 3.12.2(l), after "greater than \$100,000", insert ", and *AEMO* reasonably considers the claimant is likely to be entitled, in respect of the relevant claim(s), to compensation of at least those amounts"

**[11] Clause 3.12.2 Affected Participants, Affected Load
Participants and Ancillary Service
Providers entitlements to compensation
in relation to AEMO intervention**

In clause 3.12.2(m), after "adjustment claim in respect of", omit "a" and substitute "an".

**[12] 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, in the heading, omit "and market suspension pricing schedule periods" and substitute ", market suspension pricing schedule periods and price limit events".

**[13] Clause 3.12.3 Role of the Independent Expert in
calculating payments in relation to
intervention by AEMO, market
suspension pricing schedule periods and
price limit events**

Before clause 3.12.3(a), insert:

(a00) In this clause 3.12.3:

referred compensation claimant means a *Referred Participant, Referred Market Suspension Compensation Claimant, Referred Directed Participant or Referred Price Limit Compensation Claimant*.

(a0) AEMO must maintain a panel of at least 3 independent experts who are qualified and available to be nominated as the independent expert pursuant to this clause 3.12.3.

[14] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(a), after "3.14.5B(g)", insert "3.14.6,".

[15] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(a), after "of its proposed nominee", insert "from the panel referred to in paragraph (a0)".

[16] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

Omit the text of clause 3.12.3(a1) and substitute:

- (a1) If within 3 *business days of publication of AEMO's* nominee pursuant to paragraph (a) more than 25% of the referred compensation claimants in relation to the relevant *AEMO intervention event, market suspension pricing schedule period or price limit event* (as the case may be) object in writing to *AEMO's* nominee (**Objection Threshold**), *AEMO* must notify the *AEMC* that the Objection Threshold has been satisfied.

[17] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

Omit the text of clause 3.12.3(a2) and substitute:

- (a2) If *AEMO* notifies the *AEMC* under paragraph (a1), the *AEMC* must, within 3 *business days* after receiving the notice from *AEMO*, either:
 - (1) if it considers the Objection Threshold has been satisfied, notify *AEMO* that the Objection Threshold has been satisfied and that *AEMO* must publish a notice of a new proposed nominee and

appoint such nominee within 3 *business days* after the date of the *AEMC's* notice; or

- (2) if it considers that the Objection Threshold has not been satisfied, notify *AEMO* that the appointment of the nominee proposed by *AEMO* under paragraph (a) will stand.

For the avoidance of doubt, paragraph (a1) does not apply to a nominee that is nominated by *AEMO* under paragraph (a2)(1).

[18] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(b), omit "*Referred Participants, Referred Market Suspension Compensation Claimants or Referred Directed Participants*", and substitute "referred compensation claimants".

[19] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(b), after "3.14.5B(a),", insert "3.14.6(h),".

[20] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(b1), after "a single *AEMO intervention event*", omit " or" and substitute ", ".

[21] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(b1), after "*suspension pricing schedule period*", insert "or *price limit event*".

[22] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(b1), after "of related *AEMO intervention events*", omit " or" and substitute ",".

[23] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(b1), before "(as the case may be)", insert "or *price limit events* ".

[24] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(i)(B), at the end of the text, omit "and".

[25] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

After clause 3.12.3(c)(1)(i)(B), insert:

(B1) the total amount of compensation payable to
Referred Price Limit Compensation Claimants
pursuant to clause 3.14.6;

[26] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(i)(C), after "(c)(1)(iii)", omit " and (c)(1)(iv)" and substitute ", (c)(1)(iv) and (c)(1)(iv)".

[27] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(ii), at the end of the text, omit "and".

[28] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(iii), at the end of the text, omit "and".

[29] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(iv), after "clause 3.14.5B", omit "." and substitute "; and".

[30] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

After clause 3.12.3(c)(1)(iv), insert:

- (v) deliver to each *Referred Price Limit Compensation Claimant* and to *AEMO* a draft assessment detailing the calculation of the amount of compensation receivable by that party pursuant to clause 3.14.6.

[31] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(2), omit "*Referred Participant, Referred Market Suspension Compensation Claimants and Referred Directed Participants*", and substitute "referred compensation claimants".

[32] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(3), omit "*Referred Participant, Referred Market Suspension Compensation Claimant or Referred Directed Participant*" and substitute "referred compensation claimant", wherever occurring.

[33] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(4)(ii), omit "his or her" and substitute "its".

[34] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(4)(ii), after "3.14.5B,", insert " 3.14.6,".

[35] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(6), after "*Referred Market Suspension Compensation Claimant*", omit " or" and substitute ",".

[36] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(6), after "*Referred Directed Participant*", insert "or *Referred Price Limit Compensation Claimant*".

[37] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(6), after "3.14.5B(a)", insert " 3.14.6(h)".

[38] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(7), omit "he or she", and substitute "it".

[39] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(8), after "*Referred Market Suspension Compensation Claimant*", omit " and" and substitute ",".

[40] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(8), after "*Referred Directed Participant*", insert "and *Referred Price Limit Compensation Claimant*".

[41] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(a), after "paragraphs (b)", insert ", (b1)".

[42] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(a), after "by which its direct costs", insert " and opportunity costs".

[43] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

After clause 3.14.5B(b), insert:

- (b1) A *Market Suspension Compensation Claimant* may only make a claim pursuant to paragraph (a) if the amount of the claim is greater than \$10,000.

[44] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

Before clause 3.14.5B(c)(1), insert:

- (1A) specify the basis for the claim, the services subject to the claim, the *trading intervals* in which the services were provided and the *generating unit, bidirectional unit, voluntarily scheduled resource* or *wholesale demand response unit* that provided the services;

[45] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

In clause 3.14.5B(c)(2), after "each component of the claim", insert "(including each component of opportunity costs and direct costs incurred, as the case may be)"

[46] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

After clause 3.14.5(d1), insert:

- (d2) For the purposes of paragraph (a), opportunity costs incurred by the *Market Suspension Compensation Claimant* means the value of opportunities forgone by the *Market Suspension Compensation Claimant* due to the *market suspension pricing schedule period* as defined in the compensation guidelines made under clause 3.14.6(e).

[47] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

Omit clauses 3.14.5B(f) and (g), and substitute:

- (f) *AEMO*, in accordance with the *intervention settlement timetable*:

- (1) must refer a claim by a *Market Suspension Compensation Claimant* under paragraph (a) to an independent expert to determine such claim in accordance with clause 3.12.3 where:
 - (i) the claim is equal to or greater than \$50,000, and *AEMO* reasonably considers the *Market Suspension Compensation Claimant* is likely to be entitled, under this clause, to compensation of at least that amount; or
 - (ii) the claim includes a claim for opportunity costs;
 - (1A) may (but is not required to) refer a claim by a *Market Suspension Compensation Claimant* under paragraph (a) to an independent expert to determine such claim in accordance with clause 3.12.3 where *AEMO* considers that the assessment of the claim involves issues of complexity or difficulty; and
 - (2) must determine in its sole discretion if any claims by a *Market Suspension Compensation Claimant* made under paragraph (a) and not referred to an independent expert under subparagraph (f)(1) or (f)(1A) are reasonable, and if so, pay the amount claimed in accordance with clause 3.15.10C.
- (f1) If *AEMO* elects to refer a claim to an independent expert pursuant to paragraph (f)(1)(C), *AEMO* must, in accordance with the *intervention settlement timetable* advise the *Market Suspension Compensation Claimant* in writing of its decision, setting out its reasons.
- (f2) If *AEMO* refers a claim to an independent expert pursuant to paragraph (f)(1) or (f)(1A), *AEMO* must include as part of the terms of appointment of an independent expert all the requirements set out in clause 3.12.3(c), and the additional following requirements:
- (1) that the independent expert must, in determining the compensation payable to the *Market Suspension Compensation Claimant* pursuant to paragraph (a), take into account any other information that *AEMO* or the independent expert considers relevant to the independent expert's assessment of the claim;
 - (2) that the independent expert must follow the compensation guidelines made under clause 3.14.6(e) to the extent applicable;
 - (3) that the independent expert's draft report must set out a description of the services provided during the relevant *market suspension pricing schedule period*; and
 - (4) that the independent expert's final report must set out the description of the services provided during the relevant *market suspension pricing schedule period*.

[48] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(a), omit the following definitions, "direct cost only claim", "draft opportunity cost methodology", "price limit event" and "submission closing date".

[49] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(e), omit " are consistent with paragraphs (c) and (d) and that".

[50] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

Before clause 3.14.6(e)(1), insert:

- (1A) insofar as they relate to claims under this clause 3.14.6, are consistent with paragraphs (c) and (d);

[51] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(e)(1), after "claim under ", insert "clause 3.14.5B, 3.15.7A, 3.15.7B or ".

[52] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

In clause 3.14.6(e)(2), omit "this clause", and substitute "clause 3.14.5B, 3.15.7A, 3.15.7B or this clause 3.14.6".

[53] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

Omit clause 3.14.6(h), and substitute:

- (h) Subject to paragraph (h1), a person who is eligible under paragraph (b) may make a written submission to *AEMO* requesting compensation.
- (h1) A person may only make a claim pursuant to paragraph (h) if the amount of the claim is greater than \$10,000.

[54] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

Omit clauses 3.14.6(j) to (m), including the subheadings and substitute:

- (j) A submission pursuant to paragraph (h) must:
 - (1) specify the basis for the claim, the services the subject of the claim, the *trading intervals* in which the services were provided and the affected units that provided the services;
 - (2) itemise each component of a claim;
 - (3) contain sufficient data and information to substantiate each component of the claim (including each component of opportunity costs and direct costs incurred, as the case may be); and
 - (4) be signed by an authorised officer of the claimant certifying that the written submission is true and correct.
- (k) *AEMO*, in accordance with the *intervention settlement timetable*:
 - (1) must refer a claim by a person under paragraph (h) to an independent expert to determine such claim in accordance with clause 3.12.3 where:
 - (A) the claim is equal to or greater than \$50,000, and *AEMO* reasonably considers the person is likely to be entitled, under this clause, to compensation of at least that amount; or
 - (B) the claim includes a claim for opportunity costs;
 - (1A) may (but is not required to) refer a claim by a person under paragraph (h) to an independent expert to determine such claim in accordance with clause 3.12.3 where *AEMO* considers that the assessment of the claim involves issues of complexity or difficulty; and
 - (2) determine in its sole discretion if any claims by a person made under paragraph (h) and not referred to an independent expert under subparagraph (k)(1) or (k)(1A) are reasonable, and if so, pay the amount claimed in accordance with clause 3.15.10C.
- (l) If *AEMO* elects to refer a claim to an independent expert pursuant to paragraph (k)(1A), *AEMO* must, in accordance with the *intervention settlement timetable* advise the claimant in writing of its decision, setting out its reasons.
- (m) If *AEMO* refers a claim to an independent expert pursuant to paragraph (k)(1) or (k)(1A), *AEMO* must include as part of the terms

of appointment of an independent expert all the requirements set out in clause 3.12.3(c), and the additional following requirements:

- (1) that the independent expert must, in determining the compensation payable to the claimant pursuant to paragraph (b), take into account any other information that *AEMO* or the independent expert considers relevant to the independent expert's assessment of the claim;
- (2) that the independent expert must follow the compensation guidelines;
- (3) that the independent expert's draft report must set out a description of the services provided during the relevant *price limit event*; and
- (4) that the independent expert's final report must set out the description of the services provided during the relevant *price limit event*.

[55] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

Omit clause 3.14.6(n), and substitute "[Deleted]".

[56] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

Omit clause 3.14.6(o), including the subheading, and substitute "[Deleted]".

[57] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

Omit clause 3.14.6(p), and substitute "[Deleted]".

[58] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

Omit clause 3.14.6(q), and substitute "[Deleted]".

[59] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

Omit clause 3.14.6(r), and substitute "[Deleted]".

**[60] Clause 3.14.6 Compensation due to the application of
an administered price cap or
administered floor price**

Omit clause 3.14.6(s), and substitute "[Deleted]".

**[61] Clause 3.14.6 Compensation due to the application of
an administered price cap or
administered floor price**

Omit clause 3.14.6(t), including the subheading, and substitute "[Deleted]".

**[62] Clause 3.14.6 Compensation due to the application of
an administered price cap or
administered floor price**

Omit clause 3.14.6(u), and substitute "[Deleted]".

**[63] Clause 3.14.6 Compensation due to the application of
an administered price cap or
administered floor price**

Omit clause 3.14.6(v), including the subheading, and substitute "[Deleted]".

**[64] Clause 3.15.7A Payment to Directed Participants for
services other than energy and market
ancillary services**

Omit clause 3.15.7A(a), including the subheading, and substitute "[Deleted]".

**[65] Clause 3.15.7A Payment to Directed Participants for
services other than energy and market
ancillary services**

Omit clause 3.15.7A(b), and substitute "[Deleted]".

**[66] Clause 3.15.7A Payment to Directed Participants for
services other than energy and market
ancillary services**

Omit clause 3.15.7A(c), and substitute "[Deleted]".

**[67] Clause 3.15.7A Payment to Directed Participants for
services other than energy and market
ancillary services**

Omit clause 3.15.7A(d), and substitute "[Deleted]".

[68] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(f), omit "If *AEMO* determines pursuant to paragraph (a) that the", and substitute "Subject to paragraph (f1), if a".

[69] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(f), omit "within 15", and substitute "within 25".

[70] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

After clause 3.15.7A(f), insert:

- (f1) A *Directed Participant* may only make a claim pursuant to paragraph (f) if the amount of the claim is greater than \$10,000.
- (f2) A written submission pursuant to paragraph (f) must:
 - (1) specify the basis for the claim, the *other compensable services* the subject to the claim, the *trading intervals* in which the *other compensable services* were provided and the *directed resource* that provided the *other compensable services*;
 - (2) itemise each component of a claim;
 - (3) contain sufficient data and information to substantiate each component of the claim (including each component of opportunity costs and direct costs incurred, as the case may be); and
 - (4) be signed by an authorised officer of the claimant certifying that the written submission is true and correct.

[71] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

Omit clause 3.15.7A(g)(2), and substitute:

- (2) the opportunity costs incurred by the *Directed Participant* in respect of its *directed resource* as a result of the provision of the *other compensable service* under *direction*;

[72] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

After clause 3.15.7A(g), insert:

- (g1) For the purposes of paragraph (g), opportunity costs incurred by the *Directed Participant* means the value of opportunities forgone by the *Directed Participant* due to the direction as defined in the compensation guidelines made under clause 3.14.6(e).

[73] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

Omit clause 3.15.7A(h), and substitute:

- (h) *AEMO*, in accordance with the *intervention settlement timetable*:
- (1) must refer a claim by a *Directed Participant* pursuant to paragraph (f) to an independent expert to determine such claim in accordance with clause 3.12.3 where:
 - (i) the claim is equal to or greater than \$50,000, and *AEMO* reasonably considers the person is likely to be entitled, under this clause, to compensation of at least that amount; or
 - (ii) the claim includes a claim for opportunity costs; and
 - (2) may (but is not required to) refer a claim by a *Directed Participant* pursuant to paragraph (f) to an independent expert to determine such claim in accordance with clause 3.12.3 where *AEMO* considers that the assessment of the claim involves issues of complexity or difficulty.

[74] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(i), omit "If *AEMO* considers that either of paragraphs (h)(2) or (h)(3) apply", and substitute "If *AEMO* elects to refer a claim to an independent expert pursuant to paragraph (h)(2)".

[75] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(j), before "*AEMO* must include", insert "If *AEMO* refers a claim to an independent expert pursuant to paragraph (h), "

[76] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(j)(1), after "clause 3.15.7A,", omit "only ".

[77] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(j)(1)(i), omit "and".

[78] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

In clause 3.15.7A(j)(1)(ii)(B), after "disregarded;". insert " and".

[79] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

After clause 3.15.7A(j)(1)(ii), insert:

- (iii) any other information that *AEMO* or the independent expert considers relevant to the independent expert's assessment of the claim;

[80] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

After clause 3.15.7A(j)(1), insert:

- (1A) that the independent expert must follow the compensation guidelines made under clause 3.14.6(e) to the extent applicable;

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

In clause 3.15.7B(a)(1), omit "loss of revenue and additional net" and substitute "opportunity costs and additional".

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

In clause 3.15.7B(a4), omit "\$5,000", and substitute "\$10,000".

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

After clause 3.15.7B(a4), insert:

- (a5) For the purposes of paragraph (a)(1), opportunity costs incurred by the *Directed Participant* means the value of opportunities forgone by the *Directed Participant* due to the *direction* as defined in the compensation guidelines made under clause 3.14.6(e).

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

Before clause 3.15.7B(b)(1), insert:

- (1A) specify the basis for the claim, the services subject to the claim, the *trading intervals* in which the services were provided and the *directed resource* that provided the services;

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

In clause 3.15.7B(b)(2), omit "for loss of revenue and additional direct costs incurred, as the case may be", and substitute "(including each component of opportunity costs and additional direct costs incurred, as the case may be)"

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

In clause 3.15.7B(b)(3), omit "applicant", and substitute "claimant".

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

In clause 3.15.7B(c), after "*AEMO*", omit "must".

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

Omit clause 3.15.7B(c)(1), and substitute:

- (1) must 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 where:
 - (A) the claim is equal to or greater than \$50,000 and the additional intervention claim that includes that claim is equal to or greater than \$100,000, and *AEMO* reasonably considers the *Directed Participant* is likely to be entitled,

in respect of the relevant claim(s), to compensation of at least those amounts;

(B) the claim includes a claim for opportunity costs; or

(1A) may (but is not required to) 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 where *AEMO* considers that the assessment of the claim involves issues of complexity or difficulty; and

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

in clause 3.15.7B(c)(2), after "3.15.7B(a2)", insert "and not referred to an independent expert under subparagraph (c)(1) or (c)(1A) ".

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

After clause 3.15.7B(c), insert:

- (c1) If *AEMO* elects to refer a claim to an independent expert pursuant to paragraph (c)(1A), *AEMO* must, in accordance with the *intervention settlement timetable* advise the *Directed Participant* in writing of its decision, setting out its reasons.
- (c2) If *AEMO* refers a claim to an independent expert pursuant to paragraph (c)(1) or (c)(1A), *AEMO* must include as part of the terms of appointment of an independent expert all the requirements set out in clause 3.12.3(c), and the additional following requirements:
 - (1) that the independent expert must, in determining the compensation payable to the *Directed Participant* pursuant to clauses 3.15.7B(a) and 3.15.7B(a2), take into account:
 - (i) the following principles:
 - (A) the disinclination of *Directed Participants* to provide a service under *direction* must be disregarded; and
 - (B) the urgency of the need for the provision of a service under *direction* must be disregarded; and
 - (ii) any other information that *AEMO* or the independent expert considers relevant to the independent expert's assessment of the claim;
 - (1A) that the independent expert must follow the compensation guidelines made under clause 3.14.6(e) to the extent applicable;

- (2) that the independent expert's draft report must set out a description of the services provided in response to the *direction*; and
- (3) that the independent expert's final report must set out the description of the services provided in response to the *direction*.

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

Omit clause 3.15.7B(d), and substitute "[Deleted]".

[92] Clause 3.15.10 Administered price cap or administered floor price compensation payments

In clause 3.15.10, in the heading, at the start of the text, omit "Administered" and substitute "Funding of administered".

[93] Clause 3.15.10 Funding of administered price cap or administered floor price compensation payments

In clause 3.15.10(a), at the start of the text, after "If", omit "the *AEMC* awards".

[94] Clause 3.15.10 Funding of administered price cap or administered floor price compensation payments

In clause 3.15.10(a), after "compensation", insert "is payable by *AEMO*".

[95] Clause 3.15.10 Funding of administered price cap or administered floor price compensation payments

Omit the text of clause 3.15.10(c) and substitute "[Deleted]".

[96] Clause 3.15.10C Intervention and Market Suspension Pricing Schedule Period Settlements

Omit the heading and substitute:

Intervention, Market Suspension Pricing Schedule Period and price limit event settlements

[97] Clause 3.15.10C Intervention, Market Suspension Pricing Schedule Period and price limit event settlements

In clause 3.15.10C(b), after "3.14.5B,", insert "3.14.6,".

**[98] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(b), after "3.15.8A", omit " and" and substitute ",".

**[99] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(b), after "3.15.9", insert "and 3.15.10".

**[100] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

After clause 3.15.10C(b)(1A), insert:

(1B) receivable by each *Market Participant* pursuant to clause 3.14.6
in respect of a *price limit event*;

**[101] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(b)(7)(ii), at the end of the text, omit "and".

**[102] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(b)(8), after "pursuant to clause 3.15.8(g)", omit "." and substitute ";
and".

**[103] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

After clause 3.15.10C(b)(8), insert:

(9) payable by *Cost Recovery Market Participants* pursuant to
clause 3.15.10.

[104] Chapter 10 Glossary

In Chapter 10, insert the following definition in alphabetical order:

price limit event

- (a) For *Scheduled Generators, Scheduled Integrated Resource Providers, Voluntarily Scheduled Resource Providers, Non-Scheduled Generators, Non-Scheduled Integrated Resource Providers* and *Demand Response Service Providers*:
 - (1) the *spot price* for a *trading interval* is set by the *administered price cap* during an *administered price period*; or
 - (2) the *spot price* for a *trading interval* is set as a result of the application of clause 3.14.2(e)(2);
- (b) for *Market Participants* in respect of *scheduled load*:
 - (1) the *spot price* for a *trading interval* is set by the *administered floor price* during an *administered price period*; or
 - (2) the *spot price* for a *trading interval* is set as a result of the application of clause 3.14.2(e)(4);
- (c) for *Scheduled Network Service Providers*:
 - (1) the *spot price* for a *trading interval* for a *region* towards which the *Scheduled Network Service Provider* is transporting power is set by the *administered price cap* during an *administered price period*; or
 - (2) the *spot price* for a *trading interval* for a *region* towards which the *Scheduled Network Service Provider* is transporting power is set as a result of the application of clause 3.14.2(e)(2); or
- (d) for *Ancillary Service Providers*, in respect of an ancillary service unit, the *ancillary service price* for a *trading interval* is set by the *administered price cap* during an *administered price period*.

[105] Chapter 10 Glossary

In Chapter 10, insert the following definition in alphabetical order:

Referred Price Limit Compensation Claimant

A *Market Participant* who has a claim under clause 3.14.6(h) referred to an independent expert pursuant to clause 3.14.6(k).

Schedule 3 Amendment to the National Electricity Rules

(Clause 5)

[1] Rule 3.12 Market Intervention by AEMO

In the heading, at the start of the text, insert "Compensation for".

[2] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(a), after "obligations set out in", omit "clauses 3.12.2, 3.12.3, 3.14.5A, 3.14.5B, 3.15.6B, 3.15.7, 3.15.7A, 3.15.7B, 3.15.8, 3.15.8A, 3.15.9 and 3.15.10C" and substitute "this rule 3.12 and rule 3.15".

[3] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(a), after "receivable by AEMO under", omit "clauses 3.12.2, 3.15.7(a), 3.15.8, 3.15.8A and 3.15.9" and substitute "this rule 3.12 and rule 3.15".

[4] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(a), after "for each AEMO intervention event", omit "and/or" and substitute ",".

[5] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(a)(1), at the end of the text, omit "and".

[6] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(b), after "pursuant to clauses 3.12.2,", insert "3.12.2A, 3.12.2B,".

[7] Clause 3.12.1 Intervention settlement timetable

In clause 3.12.1(b), after "3.12.2, 3.12.2A, 3.12.2B, 3.12.3,", omit "3.14.5B(f), 3.14.5B(g), 3.14.6, 3.15.7, 3.15.7A, 3.15.7B,".

[8] Clause 3.12.2 Affected Participants, Affected Load Participants and Ancillary Service Providers entitlements to compensation in relation to AEMO intervention

Omit the heading, and substitute:

Compensation for Market Participants affected by AEMO intervention events

[9] Clause 3.12.2 Compensation for Market Participants affected by AEMO intervention events

In clause 3.12.2(a0), after "Providers entitled to compensation", insert "under this clause".

[10] Clause 3.12.2 Compensation for Market Participants affected by AEMO intervention events

In clause 3.12.2(b1), after "to pay compensation under clauses", omit "3.15.7, 3.15.7A or 3.15.7B" and substitute "3.12.2A or 3.12.2B".

[11] Clause 3.12.2 Compensation for Market Participants affected by AEMO intervention events

In clause 3.12.2(d), omit the equation and substitute:
$$DC = \sum_{b \in B} \max(0, [(RRP \times LF) - BidP_b] \times QD_b)$$

[12] Clause 3.12.2 Compensation for Market Participants affected by AEMO intervention events

In clause 3.12.2(d), in the definition of $\max(0, x)$, omit "maximum of the two values 0 and" and substitute "greater of 0 and the value of".

[13] Clause 3.12.2 Compensation for Market Participants affected by AEMO intervention events

In clause 3.12.2(k)(2), omit "clauses 3.15.7B(a) and 3.15.7B(a2)" and substitute "clause 3.12.2B".

[14] Clause 3.12.2 Compensation for Market Participants affected by AEMO intervention events

In clause 3.12.2(m), after "claim in respect of", omit "a" and substitute "an".

[15] Clause 3.12.2 Compensation for Market Participants affected by AEMO intervention events

In clause 3.12.2(p), omit the text and substitute "[Deleted]".

[16] Clause 3.12.2 Compensation for Market Participants affected by AEMO intervention events

In clause 3.12.2(r)(3), omit "following receipt of" and substitute "after it receives".

[17] Clause 3.12.2 Compensation for Market Participants affected by AEMO intervention events

In clause 3.12.2(s), after "AEMO must," omit "following receipt of" and substitute "after receiving".

[18] Clause 3.12.2A Preliminary compensation for directions and market suspension

After clause 3.12.2, insert:

3.12.2A Preliminary compensation for directions and market suspension

Compensation - objective

- (a) The objective of the payment of compensation under this clause 3.12.2A and clause 3.12.2B is to:
 - (1) maintain the incentive for *Market Participants* to supply *energy*, *ancillary services* and *wholesale demand response* during *price limit events* and *market suspension pricing schedule periods*;
 - (2) maintain the incentive for *Market Participants* with *scheduled load* or *scheduled bidirectional units* to consume *energy* during *price limit events*; and
 - (3) enable *Directed Participants* to be compensated for the costs associated with complying with a *direction*.

Entitlement to preliminary compensation

- (b) AEMO must pay preliminary compensation to:
 - (1) *Market Suspension Compensation Claimants*; and
 - (2) *Directed Participants* that provided *energy* or *market ancillary services*, or consumed *energy*, pursuant to a *direction*,where such preliminary compensation is calculated in accordance with paragraphs (e), (f) or (g).
- (c) For the purposes of this clause 3.12.2A, a *Directed Participant* provides *energy* or *market ancillary services* if it provided one or more of the following services pursuant to a *direction*:
 - (1) *energy*;
 - (2) *market ancillary services*;
 - (3) a service that is a direct substitute for *energy* or a *market ancillary service*; or

- (4) a service where *energy* or *market ancillary services* are provided incidental to the provision of that service, including without limitation:
 - (i) *inertia*;
 - (ii) voltage control; and
 - (iii) system strength.
- (d) For the purposes of clauses 3.15.8, 3.15.8A and 3.15.10C the amount of compensation due to a *Market Suspension Compensation Claimant* or *Directed Participant* pursuant to paragraph (a) must include interest on that amount computed at the average bank bill rate for the period:
 - (1) 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 or in which the *direction* was issued; and
 - (2) ending on the day on which payment is required to be made pursuant to clause 3.15.10C.

Calculation of preliminary compensation

- (e) Subject to paragraphs (f) and (g), the compensation payable to each *Market Suspension Compensation Claimant* or *Directed Participant* under paragraph (b) is to be determined in accordance with the formula set out below:

$$CP = (VWAP \times DQ) - RE$$

where:

CP = the amount of compensation the *Market Suspension Compensation Claimant* or *Directed Participant* is entitled to receive;

VWAP = the lesser of:

- (1) the *administered price cap*; and
- (2) the applicable volume weighted average price determined in accordance with paragraph (i) for the relevant service provided by the *Directed Participant* or *Market Suspension Compensation Claimant*;

DQ = either:

- (1) for a *Market Suspension Compensation Claimant* in respect of a *market suspension pricing schedule period*, the aggregate of:

- (i) the sum of the *Market Suspension Compensation Claimant's sent out generation* (in MWh) during the *market suspension pricing schedule period*;
- (ii) the sum of the relevant *market ancillary services* (in MW) which the *Market Suspension Compensation Claimant's ancillary service unit* has been *enabled* to provide during the *market suspension pricing schedule period*, divided by 12; and
- (iii) the sum of the *wholesale demand response settlement quantities* of the *Market Suspension Compensation Claimant* (in MWh) during the *market suspension pricing schedule period*,

provided that where a quantity of *energy* is both *sent out generation* and *wholesale demand response*, it will be included in subparagraph (iii) and not subparagraph (i);

- (2) for a *Directed Participant* in respect of a *direction* for the provision or consumption of *energy* issued in relation to a *trading interval* outside of a *market suspension pricing schedule period*, the difference between:
 - (i) the total *adjusted gross energy* delivered or consumed by the *Directed Participant*; and
 - (ii) the total *adjusted gross energy* that would have been delivered or consumed by the *Directed Participant* had the *direction* not been issued; or
- (3) for a *Directed Participant* in respect of a *direction* for the provision of *market ancillary services* issued in relation to a *trading interval* outside of a *market suspension pricing schedule period*, the amount of the relevant *market ancillary service* which the *Directed Participant* has been *enabled* to provide in response to the *direction*, divided by 12.

For the avoidance of doubt, where a *Directed Participant* is also a *Market Suspension Compensation Claimant* with respect to any *trading interval* in relation to which AEMO has issued a *direction*, "DQ" for that *Directed Participant* and that *trading interval* will be determined in accordance with sub-paragraph (1).

RE = in respect of a *Market Suspension Compensation Claimant* only, the sum of the *trading amounts* determined pursuant to clauses 3.15.6 and 3.15.6A payable to the *Market Suspension Compensation Claimant* during the *market suspension pricing schedule period*.

- (f) Where prices determined using the *market suspension pricing schedule* are higher than the relevant 'VWAP' as determined under

paragraph (e), compensation must be determined using the *market suspension pricing schedule*.

- (g) If at the time *AEMO* issues a *direction*:
- (1) the *Directed Participant* has submitted a *dispatch bid* 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* or *rebid* due to a failure of the *central dispatch process*,

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

Calculation of volume weighted average price

- (h) *AEMO* must develop and publish, and may amend from time to time, procedures (**VWAP procedures**) setting out the relevant classes of technology for the purposes of the calculation of the volume weighted average price in accordance with paragraph (i). *AEMO* must comply with the *Rules consultation procedures* when making or amending the VWAP procedures.
- (i) The volume weighted average price for the purposes of paragraph (e) is determined as follows:
- (1) subject to subparagraph (i)(4), in respect of the provision of *energy* by a class of technology 't' (as set out in the VWAP procedures) within a *region* 'r', as calculated in accordance with the following formula:

$$VWAP_{t,r} = \frac{\sum_{TI=ST}^T (RRP_{TI} \times \sum ASOE_{TI,t,r})}{\sum_{TI=ST}^T (\sum ASOE_{TI,t,r})}$$

where:

TI = a *trading interval*, excluding:

- (i) any *trading interval* during a *market suspension pricing schedule period* or *price limit event*; and
- (ii) any *trading interval* in which any *plant* in the class of technology 't' within *region* 'r' is the subject of a *direction*;

RRP_{TI} = the *regional reference price* for *region* 'r' (from the pricing run) for the relevant **TI**;

$\sum ASOE_{\pi,t,r}$ = the total *adjusted sent out energy* in the relevant TI for the class of technology 't' within region 'r';

T = the last *trading interval* in the *trading day* immediately prior to the *trading day* on which the suspension of the *spot market* commenced or the *direction* was issued (as applicable);

ST = the *trading interval* starting 12 months prior to the start of **T**;

- (2) subject to subparagraph (i)(5), in respect of the consumption of *energy* by a class of technology 't' (as set out in the VWAP procedures) within a *region* 'r', as calculated in accordance with the following formula:

$$VWAP_{t,r} = \frac{\sum_{\pi=ST}^T (RRP_{\pi} \times \sum ACE_{\pi,t,r})}{\sum_{\pi=ST}^T (\sum ACE_{\pi,t,r})}$$

where:

TI = a *trading interval*, excluding:

- (i) any *trading interval* during a *market suspension pricing schedule period* or *price limit event*; and
- (ii) any *trading interval* in which any *plant* in the class of technology 't' within *region* 'r' is the subject of a *direction*;

RRP_{TI} = the *regional reference price* for *region* 'r' (from the pricing run) for the relevant TI;

$\sum ACE_{\pi,t,r}$ = the total *adjusted consumed energy* in the relevant TI for the class of technology 't' within region 'r';

T = the last *trading interval* in the *trading day* immediately prior to the *trading day* on which *AEMO* issued the *direction*;

ST = the *trading interval* starting 12 months prior to the start of **T**;

- (3) in respect of the provision of *market ancillary services* by a class of technology 't' (as set out in the VWAP procedures) within a *region* 'r', as calculated in accordance with the following formula:

$$VWAP_{t,r} = \frac{\sum_{\pi=ST}^T (ASP_{\pi} \times \sum MW_{\pi,t,r})}{\sum_{\pi=ST}^T (\sum MW_{\pi,t,r})}$$

where:

TI = a *trading interval*, excluding:

- (i) any *trading interval* during a *market suspension pricing schedule period* or *price limit event*; and
- (ii) any *trading interval* in which any *plant* in the class of technology ‘t’ within *region ‘r’* is the subject of a *direction*;

ASP_{TI} = the *ancillary service price* for the relevant *market ancillary service* for *region ‘r’* (from the pricing run) for the relevant TI;

ΣMW_{TI,t,r} = the total MW of the relevant *market ancillary service enabled* in the relevant TI for the class of technology ‘t’ within *region ‘r’*;

T = the last *trading interval* in the *trading day* immediately prior to the *trading day* on which the suspension of the *spot market* commenced or the *direction* was issued (as applicable);

ST = the *trading interval* starting 12 months prior to the start of T;

- (4) where the aggregate *adjusted sent out energy* for all *production units* in a class of technology ‘t’ in a *region ‘r’* in the 12-month period up to ‘T’ (as defined in subparagraph (i)(1)) is less than 100 GWh, the volume weighted average price for that class of technology ‘t’ in that *region ‘r’* will be calculated as follows:

$$VWAP_r = \frac{\sum_{TI=ST}^T (RRP_{TI} \times \sum ASOE_{TI,r})}{\sum_{TI=ST}^T (\sum ASOE_{TI,r})}$$

where:

TI = a *trading interval*, excluding:

- (i) any *trading interval* during a *market suspension pricing schedule period* or *price limit event*; and
- (ii) any *trading interval* in which any *plant* within *region ‘r’* is the subject of a *direction* requiring it to provide *energy*;

RRP_{TI} = the *regional reference price* for *region ‘r’* (from the pricing run) for the relevant TI;

ΣASOE_{TI,r} = the total *adjusted sent out energy* in the relevant TI within *region ‘r’*;

T = the last *trading interval* in the *trading day* immediately prior to the *trading day* on which the suspension of the *spot market* commenced or the *direction* was issued (as applicable);

ST = the trading interval starting 12 months prior to the start of T;

- (5) where the aggregate *adjusted consumed energy* for all *loads* in a class of technology 't' in a *region* 'r' in the 12-month period up to 'T' (as defined in subparagraph (i)(2)) is less than 100 GWh, the volume weighted average price for that class of technology 't' in that *region* 'r' will be calculated as follows:

$$WVAP_r = \frac{\sum_{TI=ST}^T (RRP_{TI} \times \sum ACE_{TI,r})}{\sum_{TI=ST}^T (\sum ACE_{TI,r})}$$

where:

TI = a *trading interval*, excluding:

- (i) any *trading interval* during a *market suspension pricing schedule period* or *price limit event*; and
- (ii) any *trading interval* in which any *plant* within *region* 'r' is the subject of a *direction* requiring it to consume *energy*;

RRP_{TI} = the *regional reference price* for *region* 'r' (from the pricing run) for the relevant TI;

∑ACE_{TI,r} = the total *adjusted consumed energy* in the relevant TI within *region* 'r';

T = the last *trading interval* in the *trading day* immediately prior to the *trading day* on which AEMO issued the *direction*;

ST = the *trading interval* starting 12 months prior to the start of T.

Notification of amount of preliminary compensation payable

- (k) AEMO must, in accordance with the *intervention settlement timetable*, advise each *Market Suspension Compensation Claimant* and *Directed Participant* in writing of the amount the *Market Suspension Compensation Claimant* or *Directed Participant* is entitled to receive under this clause.

Determination that preliminary compensation is not payable

- (l) If AEMO determines that a *Directed Participant* is not entitled to preliminary compensation in relation to a *direction* under paragraph (b), AEMO must within 10 business days of making the determination, notify the relevant *Directed Participant* of:
- (1) the date and time of the relevant *direction*;
 - (2) the *directed resource* the subject of the relevant *direction*;

- (3) the circumstances of the relevant *direction*;
 - (4) *AEMO's* position as to whether the *direction* required the provision of services, other than *energy* or *market ancillary services*, under paragraph (c); and
 - (5) *AEMO's* reasons for its determination.
- (m) If *AEMO* determines pursuant to paragraph (l) that a *Directed Participant* is not entitled to preliminary compensation in relation to a *direction* under paragraph (a), the *Directed Participant* may, within 10 *business days* of receipt of the notice referred to in paragraph (l), make a written submission to *AEMO* setting out its reasons for why it considers it is entitled to preliminary compensation in relation to the relevant *direction*.
- (n) *AEMO* must take into account any submissions referred to in paragraph (m). Within 10 *business days* of receiving such submissions *AEMO* must notify the *Directed Participant* of its final determination as to whether the *Directed Participant* is entitled to preliminary compensation in relation to the relevant *direction*, including *AEMO's* reasons for its decision.

3.12.2B Claims for compensation in respect of administered pricing and additional compensation in respect of directions and market suspension

Definitions

- (a) For the purpose of this clause 3.12.2B:

affected unit means a *generating unit, scheduled bidirectional unit, wholesale demand response unit, scheduled load, scheduled network service or ancillary service unit*.

Claimant means a *Market Participant* that submits a claim for compensation to *AEMO* under paragraph (g).

compensation event means a *direction, price limit event or market suspension pricing schedule period*.

direct costs means the costs incurred by the relevant *Market Participant* as a direct result of the relevant compensation event, including without limitation:

- (1) *energy* input costs;
- (2) operating and maintenance costs directly attributable to the pattern of operation to provide services, including the costs of accelerating or delaying maintenance work;

- (3) wear and tear directly attributable to the pattern of operation to provide services; and
- (4) other costs incurred by the *Market Participant* directly in connection with operating to provide services.

opportunity costs means the value of opportunities forgone by the relevant *Market Participant* as a result of the relevant compensation event, as defined in the *Compensation Guidelines*.

preliminary compensation means compensation paid in accordance with clause 3.12.2A.

price limit interval means a *trading interval* in which the *spot price* or *ancillary service price* (as relevant) is set by a *price limit event*.

relevant region means a *region* in which the *spot price* or *ancillary service price* (as relevant) is set by a *price limit event*.

total costs means, for a *Market Participant* in respect of a compensation event, the direct costs and opportunity costs the *Market Participant* incurred as a result of the event. If the *Market Participant* is a *Market Network Service Provider*, the total costs are the costs incurred due to transporting power towards the relevant region and exclude costs incurred, or revenues earned, due to transporting power away from the relevant region.

Entitlement to compensation

- (b) If a compensation event occurs, the following *Market Participants* are entitled to compensation (as determined in accordance paragraph (c), (d) or (e), as applicable) in respect of the relevant compensation event:
 - (1) in respect of a *direction*, *Directed Participants* who:
 - (i) provided *energy* or *market ancillary services* (as described in clause 3.12.2A(c)), or consumed *energy*, pursuant to the *direction*;
 - (ii) supplied services, other than those referred to in subparagraph (i), pursuant to the *direction*;
 - (2) in respect of a *price limit event*:
 - (i) *Scheduled Generators*, *Scheduled Integrated Resource Providers*, *Voluntarily Scheduled Resource Providers*, *Non-Scheduled Generators* and *Non-Scheduled Integrated Resource Providers* who supplied *energy* in the relevant region during a price limit interval (but excluding *Non Market Generators* and *Non Market Integrated Resource Providers*);

- (ii) *Demand Response Service Providers* who supplied *wholesale demand response* in the relevant region during a price limit interval;
 - (iii) *Market Participants* with *scheduled load* that was *dispatched*, and *Scheduled Integrated Resource Providers* who consumed *energy*, in the relevant region during a price limit interval;
 - (iv) *Scheduled Network Service Providers* who transported power towards the relevant region during a price limit interval; and
 - (v) *Ancillary Service Providers* who supplied *ancillary services* in the relevant region during a price limit interval;
or
- (3) in respect of a *market suspension pricing schedule period*, *Market Suspension Compensation Claimants*,

provided that, for the avoidance of doubt, a *Market Participant* is not entitled to compensation under subparagraph (b)(2) for any period which is a *market suspension pricing schedule period*.

Calculation of compensation

- (c) Compensation to which a *Directed Participant* is entitled under paragraph (b)(1) is calculated as follows:
- (1) the total costs incurred by the *Directed Participant* in respect of its *directed resource* as a result of providing the service under *direction*; less
 - (2) the sum of the following (if any):
 - (i) preliminary compensation in respect of the relevant *direction*;
 - (ii) costs for which the *Directed Participant* has already received compensation under this clause 3.12.2B, or which are the subject of another claim under this clause 3.12.2B; and
 - (iii) amounts the *Directed Participant* is entitled to receive in accordance with clauses 3.15.6 and 3.15.6A for the provision of the service rendered as a result of the *direction*.
- (d) Compensation to which a *Market Participant* is entitled under paragraph (b)(2) is calculated as the aggregate of the following for each of the *Market Participant's* affected units:

- (1) the total costs incurred by the *Market Participant* in respect of the affected unit as a result of that affected unit:
 - (i) supplying *energy* in the relevant region during a price limit interval;
 - (ii) supplying *wholesale demand response* in the relevant region during a price limit interval;
 - (iii) being *scheduled load* that was *dispatched* in the relevant region during a price limit interval;
 - (iv) being a *scheduled bidirectional unit* that consumed *energy* in the relevant region during a price limit interval;
 - (v) transporting power towards the relevant region during a price limit interval;
 - (v) supplying *ancillary services* in the relevant region during a price limit interval,(as applicable); less
 - (2) the sum of the following (if any):
 - (i) amounts the *Market Participant* is entitled to receive in accordance with clauses 3.15.6 and 3.15.6A for the provision of the relevant service by the affected unit during price limit intervals for the relevant *price limit event*; and
 - (ii) costs for which the *Market Participant* has already received compensation under this clause 3.12.2B, or which are the subject of another claim under this clause 3.12.2B.
- (e) Compensation to which a *Market Suspension Compensation Claimant* is entitled under paragraph (b)(3) is calculated as follows:
 - (1) the total costs incurred by the *Market Suspension Compensation Claimant* in supplying *energy*, *market ancillary services* or *wholesale demand response* during the *market suspension pricing schedule period*; less
 - (2) the sum of the following (if any):
 - (i) preliminary compensation paid under clause 3.12.2A in respect of the relevant *market suspension pricing schedule period*;
 - (ii) costs for which the *Market Suspension Compensation Claimant* has already received compensation under this clause 3.12.2B, or which are the subject of another claim under this clause 3.12.2B; and

- (iii) amounts the *Market Suspension Compensation Claimant* is entitled to receive in accordance with clauses 3.15.6 and 3.15.6A for the provision of the relevant service during the relevant *market suspension pricing schedule period*.
- (f) For the purposes of clauses 3.15.8, 3.15.8A, 3.15.10 and 3.15.10C, compensation due to a *Market Participant* pursuant to paragraph (c), (d) or (e) must include interest on that amount. Interest is computed at the average bank bill rate for the period:
 - (1) 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, the *market suspension pricing schedule period* occurred or the *price limit event* occurred; and
 - (2) ending on the day on which payment is required to be made pursuant to clause 3.15.10C.

Compensation claims

- (g) Subject to paragraph (h), *Market Participants* who are entitled to compensation under paragraph (c) may submit a claim for compensation by making a written submission to *AEMO* no later than:
 - (1) in the case of a claim under paragraph (b)(1)(ii) or (c)(2), 60 *business days* after the last *billing week* to which the claim relates; or
 - (2) in the case of a claim under paragraph (b)(1)(i) or (c)(3), 42 *business days* after receipt of the notice referred to in clause 3.12.2A(k),and in accordance with the *intervention settlement timetable*.
- (h) A *Market Participant* may only make a claim pursuant to paragraph (g) if the amount of the claim is greater than \$10,000.
- (i) The claims pursuant to paragraph (g) must:
 - (1) specify the basis for the claim, the services subject to the claim, the *trading intervals* in which the services were provided and the affected units that provided the services;
 - (2) itemise each component of a claim;
 - (3) contain sufficient data and information to substantiate each component of the claim (including each component of opportunity costs and direct costs incurred, as the case may be); and

- (4) be signed by an authorised officer of the Claimant certifying that the written submission is true and correct.

Referral to independent expert

- (j) *AEMO*, in accordance with the *intervention settlement timetable*:
 - (1) must refer a claim to an independent expert to determine in accordance with clause 3.12.3 if:
 - (i) the claim is equal to or greater than \$50,000 and, in the case of a claim under paragraph (b)(1) only, the *additional intervention claim* that includes that claim is equal to or greater than \$100,000, and *AEMO* reasonably considers the *Market Participant* is likely to be entitled, in respect of the relevant claim(s), to compensation of at least those amounts; or
 - (ii) the claim includes a claim for opportunity costs;
 - (2) may (but is not required to) refer a claim to an independent expert to determine in accordance with clause 3.12.3 if *AEMO* considers that the assessment of the claim involves issues of complexity or difficulty.
- (k) If *AEMO* elects to refer a claim to an independent expert pursuant to paragraph (j)(2), *AEMO* must, in accordance with the *intervention settlement timetable* advise the Claimant in writing of its decision, setting out its reasons.
- (l) If *AEMO* refers a claim to an independent expert pursuant paragraph (j), *AEMO* must include as part of the terms of appointment of an independent expert all the requirements set out in clause 3.12.3(c), and the additional following requirements:
 - (1) that the independent expert must, in determining compensation for the purposes of this clause 3.12.2B:
 - (i) if the claim is made under paragraph (b)(1), disregard:
 - (A) the disinclination of *Directed Participants* to provide a service under *direction*; and
 - (B) the urgency of the need for the provision of a service under *direction*;
 - (ii) take into account any other information that *AEMO* or the independent expert considers relevant to the independent expert's assessment of the claim;
 - (2) that the independent expert must follow the *Compensation Guidelines*; and

- (3) that the independent expert's draft and final reports must set out a description of the services provided.

Determination by AEMO

- (m) If none of the factors set out in paragraph (j) apply, then *AEMO* must, after taking into account any information received in accordance with paragraph (g), determine in its sole discretion the amount of compensation payable to a Claimant in relation to a claim pursuant to paragraph (g).
- (n) Subject to paragraph (j), if a *Market Participant* who is entitled to make a claim under paragraph (g) lodges such a claim with *AEMO* after the time specified in paragraph (g), then *AEMO* may at its sole discretion either:
 - (1) consider the claim, in which case *AEMO* must:
 - (i) determine the amount of compensation payable to that *Market Participant*; or
 - (ii) if paragraph (j) applies, refer the claim to an independent expert; or
 - (2) refuse to consider the claim.
- (o) If *AEMO* decides in accordance with either of paragraphs (m) or (n) to determine compensation payable to a Claimant under this clause 3.12.2B in relation to that Claimant's claim pursuant to paragraph (g), *AEMO* must in accordance with the *intervention settlement timetable*:
 - (1) publish and deliver in writing to the relevant Claimant a draft determination detailing *AEMO's* calculation of the amount of compensation receivable by that party pursuant to paragraph (c), (d) or (e) (as applicable), and request submissions from the Claimant on that draft determination;
 - (2) take into consideration any written submission made by the relevant Claimant in relation to the draft determination, if *AEMO* receives a submission within 15 *business days* of delivering the draft assessment to that Claimant; and
 - (3) prepare, publish and deliver in writing to the relevant Claimant its final determination of the amount of compensation receivable by that Claimant.
- (p) The final determination by AEMO under paragraph (o) is final and binding.

[19] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

Before clause 3.12.3(a00), insert a subheading:

Definition

[20] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

Before clause 3.12.3(a0), insert a subheading:

Appointment of independent expert

[21] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(a), omit ", 3.14.5B(f), 3.14.5B(g), 3.14.6, 3.15.7A or 3.15.7B" and substitute " or 3.12.2B(k)".

[22] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(b), omit ", 3.14.5B(a), 3.14.6(h), 3.15.7A(f) or 3.15.7B(a)", and substitute "or 3.12.2B".

[23] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

Before clause 3.12.3(c), insert a subheading:

Terms of independent expert's appointment

[24] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(i)(A1), omit "3.14.5B", and substitute "3.12.2B".

[25] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(i)(B), omit "either clause 3.15.7A or clause 3.15.7B, as the case may be", and substitute "clause 3.12.2B".

[26] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(i)(B1), omit "3.14.6", and substitute "3.12.2B".

[27] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(ii), after "clause 3.12.2(a);", insert " and".

[28] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(iii), after "Referred Directed Participant", insert ", *Referred Market Suspension Compensation Claimant* or *Referred Price Limit Compensation Claimant* (as applicable)".

[29] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(1)(iii), omit "3.15.7A or 3.15.7B as the case may be; and", and substitute "3.12.2B".

[30] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

Omit clauses 3.12.3(c)(1)(iv) and (v).

[31] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(4)(ii), omit ", 3.14.5B, 3.14.6, 3.15.7A or 3.15.7B" and substitute " or 3.12.2B".

[32] Clause 3.12.3 Role of the Independent Expert in calculating payments in relation to intervention by AEMO, market suspension pricing schedule periods and price limit events

In clause 3.12.3(c)(6), omit ", 3.14.5B(a), 3.14.6(h), 3.15.7A(f) or 3.15.7B(a)", and substitute " or 3.12.2B(h)".

[33] New Clause 3.12.4 Compensation Guidelines

After clause 3.12.3, insert:

3.12.4 Compensation Guidelines

- (a) The *AEMC* must, in accordance with the *transmission consultation procedures*, develop and publish guidelines (***Compensation Guidelines***) that:

- (1) give effect to the compensation objective in clause 3.12.2A(a);

- (2) define the types of opportunity costs in relation to which a person can make a claim under clause 3.12.2B;
 - (3) outline the methodology to be used to calculate the amount of any compensation payable in respect of a claim under clause 3.12.2B, including categories of direct costs and all opportunity costs; and
 - (4) set out the information a Claimant must provide to enable *AEMO* or the independent expert to make a determination as to compensation under clause 3.12.2B.
- (b) The *AEMC* must ensure that there are *Compensation Guidelines* in place at all times.
 - (c) The *AEMC* may from time to time, in accordance with the *transmission consultation procedures*, amend or replace the *Compensation Guidelines*.

[34] Clause 3.13.6A Reporting by AEMO on directions

In clause 3.13.6A(c)(1), omit "3.15.7, 3.15.7A or 3.15.7B (as the case may be)", and substitute "3.12.2A and 3.12.2B".

[35] Clause 3.14.3 Conditions for suspension of the spot market

In clause 3.14.3(d)(1)(ii), after "Compensation Claimant under clauses", omit "3.14.5A, 3.14.5B and 3.15.7B" and substitute "3.12.2A and 3.12.2B".

[36] Clause 3.14.5A Payment of compensation due to market suspension pricing schedule periods

Omit clause 3.14.5A in its entirety, including the heading, and substitute "[DELETED]".

[37] Clause 3.14.5B Claims for additional compensation due to market suspension pricing schedule periods

Omit clause 3.14.5B in its entirety, including the heading, and substitute "[DELETED]".

[38] Clause 3.14.6 Compensation due to the application of an administered price cap or administered floor price

Omit clause 3.14.6 in its entirety, including the heading, and substitute "[DELETED]".

[39] Clause 3.15.7 Payment to Directed Participants

Omit clause 3.15.7 in its entirety, including the heading, and substitute "[DELETED]".

[40] Clause 3.15.7A Payment to Directed Participants for services other than energy and market ancillary services

Omit clause 3.15.7A in its entirety, including the heading, and substitute "[DELETED]".

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

Omit clause 3.15.7B in its entirety, including the heading, and substitute "[DELETED]".

[42] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(a0), in the definition of "ancillary service compensation recovery amount", omit "clause 3.15.8" and substitute "paragraph".

[43] Clause 3.15.8 Funding of Compensation for directions

Before clause 3.15.8(a), insert a subheading:

Calculation of compensation recovery amount for directions for energy

[44] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(a)(1), after "the sum of", insert "the following, in each case in respect of a *direction* for the provision or consumption of *energy*".

[45] Clause 3.15.8 Funding of Compensation for directions

In each of clauses 3.15.8(a)(1)(i) and (ii), omit "in respect of a *direction* for the provision of *energy*".

[46] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(a)(2), after "the sum of", insert "the following, in each case in respect of a *direction* for the provision or consumption of *energy*".

[47] Clause 3.15.8 Funding of Compensation for directions

In each of clauses 3.15.8(a)(2)(i) and (ii), omit "in respect of a *direction* for the provision of *energy*".

[48] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(a)(2)(ii), omit "clause 3.15.7(a)", and substitute "clauses 3.12.2A and 3.12.2B".

[49] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(a)(2)(iii), omit "3.12.3(c)." and substitute "3.12.3(c); plus".

[50] Clause 3.15.8 Funding of Compensation for directions

After clause 3.15.8(c)(iii), insert the following paragraph and subheading:

- (iv) the costs that *AEMO* incurs in carrying out its functions under clause 3.12.2B (other than the amounts referred to in paragraph (a)(2)(iii)).

Calculation of amounts payable or receivable by Cost Recovery Market Participants

[51] Clause 3.15.8 Funding of Compensation for directions

Before clause 3.15.8(e), insert a subheading:

Calculation of ancillary service compensation recovery amount

[52] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(e)(2)(ii), omit "clause 3.15.7(a)" and substitute "clauses 3.12.2A and 3.12.2B".

[53] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(e)(2)(iii), omit ", if the *direction* the subject of the independent expert's determination was with respect to that *ancillary service*." and substitute " in respect of claims relating to a *direction* for the provision of that *ancillary service*; plus".

[54] Clause 3.15.8 Funding of Compensation for directions

After clause 3.15.8(e)(2)(iii), insert the following paragraph and subheading:

- (iv) the costs that *AEMO* incurs in carrying out its functions under clause 3.12.2B in respect of claims relating to a *direction* for the provision of that *ancillary service* (other than the amounts referred to in paragraph (e)(2)(iii)).

Calculation of trading amount for recovery of ancillary service compensation recovery amounts

[55] Clause 3.15.8 Funding of Compensation for directions

Before clause 3.15.8(g), insert a subheading:

Recovery of compensation not otherwise recovered

[56] Clause 3.15.8 Funding of Compensation for directions

In clause 3.15.8(g), omit "and 3.15.7", and substitute ", 3.12.2A or 3.12.2B in respect of a *direction*".

[57] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

After the definition of "ancillary service compensation recovery amount", insert a subheading:

Calculation of market suspension compensation recovery amount

[58] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

In clause 3.15.8A(a)(1), after "calculated in accordance with clauses", omit "3.14.5A(d), 3.14.5B and 3.15.7B (as the case may be)" and substitute "3.12.2A and 3.12.2B".

[59] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

In clause 3.15.8A(a)(2), after "expert pursuant to clause 3.12.3(c)", omit "; less" and substitute " in respect of claims relating to the provision of *energy* during a *market suspension pricing schedule period*; plus".

[60] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

Omit the text of clause 3.15.8A(a)(3) and substitute "the costs that *AEMO* incurs in carrying out its functions under clause 3.12.2B in respect of claims relating to the provision of *energy* during a *market suspension pricing schedule period* (other than the amount referred to in paragraph (a)(2)).".

[61] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

After clause 3.15.8A(a)(3), insert a subheading:

Calculation of amounts payable by Cost Recovery Market Participants

[62] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

In clause 3.15.8A(e), omit "3.14.5A and 3.14.5B (as the case may be)", and substitute "3.12.2A and 3.12.2B".

[63] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

After clause 3.15.8A(e), insert a subheading:

Calculation of ancillary service compensation recovery amount

[64] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

In clause 3.15.8A(f), after "each *market ancillary service*", omit "the subject of a *direction*, the "*ancillary service compensation recovery amount*" and substitute ", the *ancillary service compensation recovery amount*".

[65] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

In clause 3.15.8A(f)(1), omit "3.14.5A(d), 3.14.5B and 3.15.7B (as the case may be)" and substitute "3.12.2A and 3.12.2B".

[66] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

In clause 3.15.8A(f)(2), omit "; less" and substitute "in respect of claims relating to the provision of *market ancillary services* during a *market suspension pricing schedule period*; plus".

[67] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

Omit clause 3.15.8A(f)(3), and substitute "the costs that *AEMO* incurs in carrying out its functions under clause 3.12.2B in respect of claims relating to the provision of *market ancillary services* during a *market suspension pricing schedule period* (other than the amounts referred to in paragraph (f)(2)).".

[68] Clause 3.15.8A Funding of compensation for market suspension pricing schedule periods

After clause 3.15.8A(f)(3), insert a subheading:

Calculation of trading amount for recovery of ancillary service compensation recovery amount

[69] Clause 3.15.10 Administered price cap or administered floor price compensation payments

In the heading, omit "Administered price cap" and substitute "Funding of administered price cap".

[70] Clause 3.15.10 Funding of administered price cap or administered floor price compensation payments

Omit clause 3.15.10, and substitute:

(a) In this clause 3.15.10:

affected unit has the same meaning as in clause 3.12.2B(a).

cost recovery region means, for a price limit interval and an affected unit in respect of which a *Market Participant* has claimed compensation under clause 3.12.2B(b)(2):

- (1) if the affected unit is located in a relevant region for the price limit interval, the relevant region in which the affected unit is located; or
- (2) if the affected unit is not located in the relevant region for the price limit interval, but the *region* in which the affected unit is located had an *energy* flow towards the relevant region(s) in the price limit interval, the relevant region(s).

price limit interval has the same meaning as in clause 3.12.2B(a).

relevant region has the same meaning as in clause 3.12.2B(a).

- (b) If *AEMO* pays compensation under clause 3.12.2B in respect of a *price limit event*, then *AEMO* must determine an amount for that *price limit event* which is payable by each *Cost Recovery Market Participant* who purchased electricity from the *spot market* in a cost recovery region during that *price limit event*.
- (c) *AEMO* must determine the amounts payable for each *price limit event* by each *Cost Recovery Market Participant* as follows:
 - (1) first, *AEMO* will determine the amount recoverable from each *region* (*region* 'r') for each price limit interval (price limit interval 'p') as follows:

$$RRA_{r,p} = \sum_{u=1}^y \left[APC_{u,p} \times \frac{TCE_{r,p}}{\sum TCE_{r,p}} \right]$$

where:

$RRA_{r,p}$ is the amount recoverable from *region* r;

u is an affected unit in price limit interval p;

y is the number of affected units in price limit interval p;

$APC_{u,p}$ is the total amount of compensation payments paid by *AEMO* in accordance with clause 3.12.2B(c)(2) in respect of

affected unit u for which *region* r is a cost recovery region in price limit interval p ;

$TCE_{r,p}$ is the sum of the *adjusted consumed energy* amounts in price limit interval p for all *connection points* located in *region* r ;

$\sum TCE_{r,p}$ is the sum of all amounts determined as " $TCE_{r,p}$ " in accordance with this clause 3.15.10 for all cost recovery regions in respect of affected unit u in price limit interval p ;

- (2) second, *AEMO* will determine the amount payable by each *Cost Recovery Market Participant* in respect of each *region* r for price limit interval p as follows:

$$AP_{r,p} = \frac{RRA_{r,p} \times E_{r,p}}{\sum E_{r,p}}$$

where:

$AP_{r,p}$ is the amount payable by the *Cost Recovery Market Participant* in respect of *region* r and price limit interval p ;

$RRA_{r,p}$ is the amount determined under paragraph (b)(1) for *region* r and price limit interval p ;

$E_{r,p}$ is the sum of all of the *Cost Recovery Market Participant's adjusted consumed energy* amounts in respect of price limit interval p and each *connection point* for which the *Cost Recovery Market Participant* is financially responsible in the *region* r ;

$\sum E_{r,p}$ is the sum of all amounts determined as " $E_{r,p}$ " in accordance with this clause 3.15.10 for all *Cost Recovery Market Participants* in *region* r ;

- (3) third, *AEMO* will determine the total amount payable by each *Cost Recovery Market Participant* for price limit interval p by summing all amounts determined as " $AP_{r,p}$ " in accordance with paragraph (b)(2) for all cost recovery regions in price limit interval p ;
- (4) fourth, *AEMO* will determine the total amount payable by each *Cost Recovery Market Participant* for the relevant *price limit event* by summing all amounts determined in accordance with paragraph (b)(3) for all price limit intervals in the price limit event;
- (5) fifth, *AEMO* will determine an amount payable by each *Cost Recovery Market Participant* in respect of amounts payable by *AEMO* to the independent expert pursuant to clause 3.12.3(c)

and other costs incurred by *AEMO* in carrying out its functions under clause 3.12.2B, calculated as follows:

$$\frac{AC_{PLE} \times E_{PLE}}{\Sigma E_{PLE}}$$

where:

AC_{PLE} is the aggregate of:

- (i) the total amount payable by *AEMO* to the independent expert pursuant to clause 3.12.3(c) in respect of claims relating to the relevant *price limit event*; plus
- (ii) the total costs that *AEMO* incurs in carrying out its functions under 3.12.2B in respect of claims relating to the relevant *price limit event* (other than the amounts referred to in paragraph (b)(5)(i));

E_{PLE} is the sum of all of the *Cost Recovery Market Participant's adjusted consumed energy* amounts in respect of each *connection point* for which the *Cost Recovery Market Participant* is financially responsible in a relevant region during a price limit interval in the relevant *price limit event*;

ΣE_{PLE} is the sum of all amounts determined as " E_{PLE} " in accordance with this clause 3.15.10 for all *Cost Recovery Market Participants*; and

- (6) sixth, *AEMO* will sum the amounts determined for a *Cost Recovery Market Participant* under paragraphs (b)(4) and (b)(5) to determine the total amount payable by that *Cost Recovery Market Participant* for the relevant *price limit event*.

[71] Clause 3.15.10C Intervention, Market Suspension Pricing Schedule Period and price limit event settlements

In clause 3.15.10C(a)(2), omit "3.15.7(c) or clause 3.15.7(a1)(2), as the case may be" and substitute "3.12.2A".

[72] Clause 3.15.10C Intervention, Market Suspension Pricing Schedule Period and price limit event settlements

In clause 3.15.10C(a)(3)(iv), omit "3.15.7(c) and 3.15.7(a1)(2)" and substitute "3.12.2A".

**[73] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(a)(4), omit "3.15.7(c) or clause 3.15.7(a1)(2), as the case may be" and substitute "3.12.2A".

**[74] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(a1)(1)(i), omit "clauses 3.14.5A(d), 3.14.5B and 3.15.7B (as the case may be)" and substitute "clause 3.12.2A".

**[75] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(b), omit "3.14.5A, 3.14.5B, 3.14.6, 3.15.7(a)" and substitute "3.12.2A, 3.12.2B".

**[76] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(b)(1), omit "3.15.7(a)" and substitute "3.12.2A and 3.12.2B".

**[77] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(b)(1A), omit "3.14.5A(b) and 3.14.5B (as the case may be)" and substitute "3.12.2A and 3.12.2B".

**[78] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(b)(1B), omit "3.14.6" and substitute "3.12.2B".

**[79] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(b)(7)(i), omit "3.15.7(a1)(2)" and substitute "3.12.2A".

**[80] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(c)(1), omit "3.15.7, 3.15.7A and 3.15.7B" and substitute "3.12.2A and 3.12.2B".

**[81] Clause 3.15.10C Intervention, Market Suspension Pricing
Schedule Period and price limit event
settlements**

In clause 3.15.10C(c)(3)(i), omit "3.15.7, 3.15.7A and 3.15.7B" and substitute "3.12.2A and 3.12.2B".

**[82] Clause 4.8.9 Power to issue directions and clause
4.8.9 instructions**

In clause 4.8.9(b)(1), after "*Directed Participants* pursuant to clauses", omit "3.15.7 and 3.15.7A" and substitute "3.12.2A and 3.12.2B".

**[83] Clause 4.8.9 Power to issue directions and clause
4.8.9 instructions**

In clause 4.8.9(k)(3), after "*direction* pursuant to clause", omit "3.15.7(a2)(4)" and substitute "3.12.2A(c)(4)".

[84] Chapter 10 Glossary

In Chapter 10, insert the following definition in alphabetical order:

Compensation Guidelines

The guidelines made by the *AEMC* under clause 3.12.4.

[85] Chapter 10 Glossary

Omit the definitions of "*eligibility period*", "*market suspension compensation methodology*" and "*other compensable services*".

[86] Chapter 10 Glossary

In the definition of "*price limit event*", in paragraph (b) after "*scheduled load*" insert "and *scheduled bidirectional units* that consumed *energy* in the relevant *trading interval*".

[87] Chapter 10 Glossary

In the definition of "*Referred Directed Participant*", omit "referred to an independent expert pursuant to clauses [3.15.7A](#), [3.15.7B\(c\)](#) or [3.15.7B\(d\)](#)", and substitute "under clause 3.12.2B(b)(1) referred to an independent expert pursuant to clause 3.12.2B(j)".

[88] Chapter 10 Glossary

In the definition of "*Referred Market Suspension Compensation Claimant*", after "who has a claim", insert "under clause 3.12.2B(b)(3)".

[89] Chapter 10 Glossary

In the definition of "*Referred Market Suspension Compensation Claimant*", after "independent expert pursuant to", omit "clauses 3.14.5B(f) or 3.14.5B(g)" and substitute "clause 3.12.2B(j)".

[90] Chapter 10 Glossary

In the definition of "*Referred Price Limit Compensation Claimant*", omit "3.14.6(h)" and substitute "3.12.2B(b)(2)".

[91] Chapter 10 Glossary

In the definition of "*Referred Price Limit Compensation Claimant*", omit "3.14.6(k)" and substitute "3.12.2B(j)".

Schedule 4 Amendment to the National Electricity Rules

(Clause 6)

[1] Rule 11.19X Rules consequential on making the National Electricity Amendment (Improving compensation frameworks) Rule 2026

At the end of Chapter 11, insert:

11.19X Rules consequential on making the National Electricity Amendment (Improving compensation frameworks) Rule 2026

11.19X.1 Definitions

(a) In this rule 11.19X:

Amending Rule means the *National Electricity Amendment (Improving compensation frameworks) Rule 2026*.

commencement date means the Schedule 1 commencement date, Schedule 2 commencement date or Schedule 3 commencement date.

new clause 3.12.4 means clause 3.12.4 of the *Rules* as in force on the Schedule 3 commencement date.

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

old clause 3.14.6 means clause 3.14.6 of the *Rules* as in force immediately prior to the Schedule 3 commencement date.

price limit event has the meaning given in the *Rules* as in force immediately prior to the relevant commencement date.

Schedule 1 commencement date means the date of commencement of Schedule 1 of the Amending Rule, being 15 July 2027.

Schedule 2 commencement date means the date of commencement of Schedule 2 of the Amending Rule, being 15 October 2027.

Schedule 3 commencement date means the date of commencement of Schedule 3 of the Amending Rule, being 15 October 2028.

(b) In this rule, an italicised term that is not defined in Chapter 10 of the *Rules* has the meaning given to that term in the Amending Rule.

11.19X.2 Amendments to compensation guidelines

(a) By the Schedule 1 commencement date, the *AEMC* must review, amend and publish the compensation guidelines made under clause 3.14.6 to take into account the Amending Rule. The amended

compensation guidelines made in accordance with this paragraph (a) may specify different commencement dates for different parts of the guideline.

- (b) On the Schedule 3 commencement date, the compensation guidelines made under old clause 3.14.6, as amended under paragraph (a), will be deemed to be the *Compensation Guidelines* under new clause 3.12.4.

11.19X.3 Amendments to AEMO instruments

- (a) By the Schedule 2 commencement date, *AEMO* must review, and where it considers it necessary or desirable, amend and *publish* any relevant procedure, guideline or document made by *AEMO* to take into account Schedule 2 of the Amending Rule.
- (b) By the Schedule 3 commencement date, *AEMO* must review, and where it considers it necessary or desirable, amend and *publish* any relevant procedure, guideline or document made by *AEMO* to take into account the Amending Rule.
- (c) In amending the documents referred to in paragraphs (a) and (b), *AEMO* must follow the process for amending those documents specified in the *Rules*, or, if no process is specified, the *Rules consultation procedures*.

11.19X.4 New procedures

By the Schedule 3 commencement date, *AEMO* must, in accordance with the *Rules consultation procedures*, develop and *publish* the VWAP procedures referred to in clause 3.12.2A(h) as in force immediately after the Schedule 3 commencement date.

11.19X.5 Compensation process or AEMO intervention event in effect on a commencement date

If, on a commencement date:

- (a) an *AEMO intervention event, market suspension pricing schedule period* or price limit event is in effect for which a *Market Participant* is entitled to compensation under old Chapter 3; or
- (b) the process for determining the amount of compensation payable in relation to an *AEMO intervention event, market suspension pricing schedule period* or price limit event under old Chapter 3 has commenced and not completed,

then the determination of compensation and recovery of associated costs, in relation to that *AEMO intervention event, market suspension pricing schedule period* or price limit event, as the case may be, must be conducted and completed under old Chapter 3.