

National Electricity Market: Compensation payments

October 2022



EnergyAustralia
LIGHT THE WAY

Market Interventions

Type of compensation

Administered price caps

Participants can apply to the AEMC for direct and opportunity costs

Market suspension

Participants can apply for compensation for direct costs

Directions

What If pricing, plus additional direct costs compensation through AEMO

RERT

RERT as normal

Timing and amounts

1. RERT payments (for activated demand response under Reliability and Emergency Reserve Trader contracts)

July 2022		Nov 2022 – Jan 2023	
Final statements - RERT payments (NEM total \$80m)		Revision statements – (potential additional \$1.4m subject to metering and performance adjustments)	
Week 25: 13 July <ul style="list-style-type: none"> Qld - \$3.7m NSW - \$76.2m 	Week 26: No RERT	Week 25 R1: 1 November <ul style="list-style-type: none"> adjustments to be confirmed 	Week 25 R2: 12 January <ul style="list-style-type: none"> adjustments to be confirmed

2. Directions compensation (directed participants for energy, ancillary services or other compensable services)

July 2022		Nov 2022 – Jan 2023	
Final statements – Provisional amounts ² (NEM total \$2.1m)		Revision statements – Additional compensation (Claims total: ~\$16m ³ - all pending AEMO/independent expert determination).	
Week 25: 13 July <ul style="list-style-type: none"> Qld - \$930k NSW - \$550k Vic - \$360k SA - \$100k Tas - \$0 	Week 26: 20 July <ul style="list-style-type: none"> Qld - \$40k NSW - \$70k Vic - \$40k SA - \$10k Tas - \$0 	Week 25 R1: 1 November <ul style="list-style-type: none"> Amounts subject to determination 	Week 25 R2: 12 January <ul style="list-style-type: none"> Amounts subject to determination
		Week 26 R1: 8 November <ul style="list-style-type: none"> Amounts subject to determination 	Week 26 R2: 19 January <ul style="list-style-type: none"> Amounts subject to determination

Timing and amounts

3. **Suspension pricing compensation** (for eligible costs not covered by spot prices when set/affected by market suspension pricing schedule prices)

July 2022		Nov 2022 – Jan 2023	
Final statements – Provisional amounts (NEM total \$7.2m)		Revision statements – Additional compensation (Claims total: \$98.4m - all pending AEMO/independent expert determination)	
Week 25: 13 July <ul style="list-style-type: none"> • Qld - \$1.1m • NSW - \$1.6m • Vic - \$1.1m • SA - \$280k • Tas - \$0 	Week 26: 20 July <ul style="list-style-type: none"> • Qld - \$860k • NSW - \$1.3m • Vic - \$830k • SA - \$220k • Tas - \$0 	Week 25 R1: 1 November <ul style="list-style-type: none"> • Amounts subject to determination 	Week 25 R2: 12 January <ul style="list-style-type: none"> • Amounts subject to determination
		Week 26 R1: 8 November <ul style="list-style-type: none"> • Amounts subject to determination 	Week 26 R2: 19 January <ul style="list-style-type: none"> • Amounts subject to determination

4. **Administered pricing compensation** (for eligible costs when spot market prices were set/affected by the administered price cap)

July 2022 onwards
Claims assessed and progressively determined by the Australian Energy Market Commission (AEMC), with the aim for direct cost claims to be determined first. Claim amounts are not yet known. When determined, the final compensation amounts will be published on the AEMC website and notified to AEMO, with payment and recovery amounts included in next practicable final statements.

Not an acceptable outcome for anyone...

Rule Changes

New AEMO
gas powers

Heads of
agreement

Change NEM
Administered
Price Cap

Review price
settings of
both gas and
elec