

AEMO is unable to identify ‘Affected Participant’ compensation entitlements for changes in dispatch during the reliability intervention events in the NEM between 13 and 23 June 2022. This fact sheet explains why, and what to do if you want to make a claim.

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## Intervention summary

Between 13 and 23 June 2022, AEMO directed up to 10,300 MW of generation to either be made available or generate electricity in 500 separate directions, to maintain sufficient supply. At any one time, there were up to 40 directions in effect and up to 5,400 MW of directed capacity. During this period the average amount of generation under direction was over 6,700 MW, with over 1,000 MW in over 97% of intervals. In addition, AEMO activated an estimated total of over 4,000 MWh of demand response on three separate occasions through reliability and emergency reserve trader (RERT) contracts.

## Use of counter-factual dispatch

AEMO reliability directions and RERT activations (interventions) are implemented using a special form of constraint that triggers two runs of the dispatch engine – one with the intervention constraint (the physical run) and one without (the pricing run, also called the ‘what-if’ run). The pricing run has two purposes – to determine the intervention price and to calculate a counter-factual dispatch case.

The counter-factual dispatch is used to determine the effect of the intervention on other market participants and forms the basis for calculating ‘affected participant’ compensation under clause 3.12.2(c) of the National Electricity Rules. The purpose of this compensation is to put relevant market participants in the position they would have been in relative to the dispatch outcomes that would have eventuated without the intervention. These provisions apply to scheduled generation and network services, scheduled load, and settlement residue auction right holders.



Due to the very large number of intervention constraints over this extended period, however, the counter-factual dispatch results were unusable. AEMO has not been able to identify a feasible option to either replicate or produce a reasonable approximation of counter-factual dispatch.

## Impact assessment

Based on first principles, the reliability interventions are unlikely to have resulted in material reductions in the dispatched capacity of other market participants, given the nature of the interventions and the conditions that led to them:

- Many directions were issued to make generation available for dispatch. These directions had no impact on dispatch.
- Directions and RERT activation to avoid load shedding (LOR3) would not have altered dispatch, as the counter-factual would have been load shedding.
- Activation of RERT for LOR2 conditions occurred after reliability directions had already been issued, and the counter-factual for these cases was also involuntary load shedding.

Some directions resulted in increased generation dispatch, including directions associated with hydro pump operation to facilitate generation availability for subsequent peak demand periods. Additional generation will be paid for at the spot prices, with potential for other compensation mechanisms to respond (for administered or market suspension pricing) to respond where spot prices were insufficient to cover costs.

## Settlement and claims

AEMO is unable to determine whether any market participants may have been affected by the dispatch outcomes resulting from the reliability interventions between 13 and 23 June, and if they were, by how much. This means no provisional compensation amounts for these interventions will be notified in final

settlement statements for week 25 (on 13 July 2022) or week 26 (on 20 July 2022).

It is still possible for a participant to make an additional claim under clause 3.12.2(f) and (g) of the National Electricity Rules. This requires the participant to provide sufficient data and information to substantiate that it is entitled to an amount of compensation under clause 3.12.2(a). In this case, any claim must also propose an objective basis on which AEMO could determine counter-factual dispatch outcomes.

Claims may only be made:

- within 15 business days after final statements (please refer to the [intervention settlement timetable](#) for dates); and
- if the claim amount exceeds \$5,000.

## Where can I find more information?

For general enquiries, if you are unable to find what you are looking for on [AEMO's website](#) please contact:

support.hub@aemo.com.au

1300 236 600

If you wish to make a claim for affected participant compensation, please check the 2022 [intervention settlement timetable](#) for the billing week, and contact [NEMintervention@aemo.com.au](mailto:NEMintervention@aemo.com.au)