# APPENDIX I – COMPENSATION IN THE EVENT OF LOAD SHEDDING

## I.1 COMPENSATION AMOUNTS

I.1.1 For this section I.1 the following definitions apply:

$RMEP^m$ = revised *market energy price* (in $/MWh) at *MNN* m for the relevant *dispatch period*, from the revised *dispatch schedule* resulting from the *MCE* solve described in section 10.2.8 of this Chapter.

$OS^m$ = quantity scheduled for *GRF* m in the *dispatch schedule* described in section 9.2.1 of this Chapter.

$RS^m$ = quantity scheduled for *GRF* m in the revised *dispatch schedule* resulting from the *MCE* solve described in section 10.2.8 of this Chapter.

spq = index of a specific *price-quantity pair* in an *energy offer*.

pq = index of the *price-quantity pair*s in an *energy offer*, which are ordered by increasing price.

$Q^{m,pq}$ = quantity of the *price-quantity pair* pq for the *energy offer* from the *GRF* m for the relevant *dispatch period*.

$P^{m,pq}$ = price of the *price-quantity pair* pq for the *energy offer* from the *GRF* m for the relevant *dispatch period*.

$COMP^{m,pq}$ = compensation paid in relation to the *price-quantity pair* pq of the *energy offer* from the *GRF* m for the relevant *dispatch period*.

$COMP^m$ = compensation paid in relation to energy offer from the *GRF* m for the relevant *dispatch period*.

I.1.2 Subject to I.1.4, for each eligible *generation registered facility* compensation as described in section 10.2.9 of this Chapter shall be calculated as:

$$COMP^m = \sum_{pq=1}^{10} COMP^{m,pq}$$

I.1.3 Subject to I.1.4, the compensation due under each *price-quantity pair* spq of the energy offer shall be calculated as:

I.1.3.1 If $\sum_{pq=1}^{spq} Q^{m,pq} \leq OS^{m}$ , then:

$COMP^{m,spq} = 0$

I.1.3.2 If $\sum_{pq=1}^{spq-1} Q^{m,pq} \geq RS^{m}$ , then:

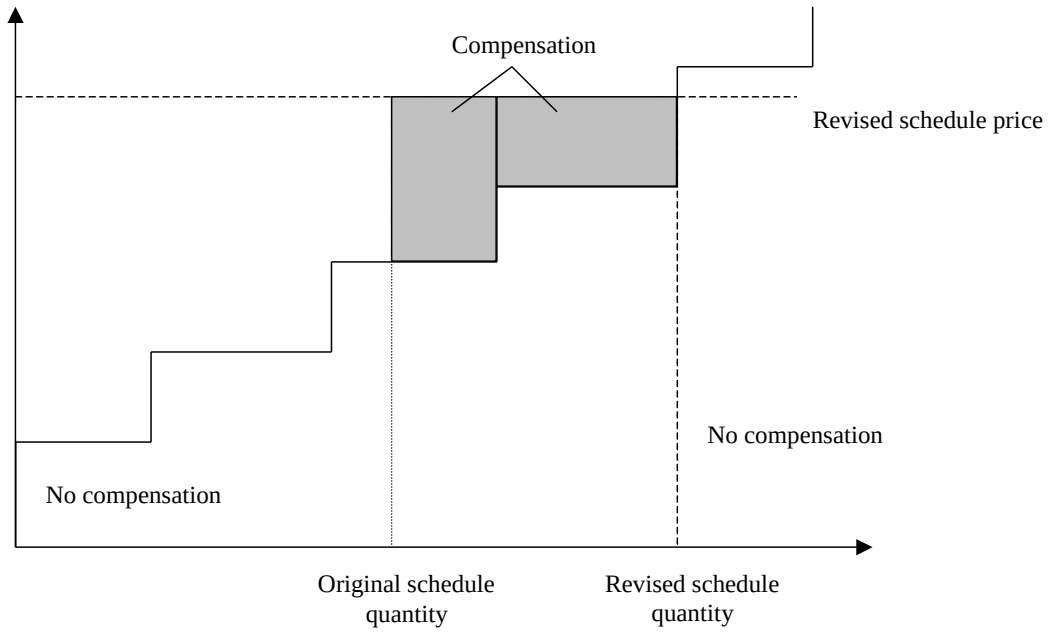
$COMP^{m,spq} = 0$

I.1.3.3 Otherwise, compensation paid for *price-quantity pair* spq is:

$COMP^{m,spq} =$

$$\left(RMEP^{m} - P^{m,pq}\right) \times \left( \min\left( \sum_{pq=1}^{spq} Q^{m,pq}, RS^{m} \right) - \max\left( \sum_{pq=1}^{spq-1} Q^{m,pq}, OS^{m} \right) \right)$$

**Explanatory Note – the following sketch illustrates the compensation calculation**



I.1.4 The *market surveillance and compliance panel* shall review the behaviour of *market participants* prior to and during the relevant *dispatch periods* and may revise the compensation amounts of any *market participant* downwards if it finds that the *market participant* deliberately manipulated its *offer variations* in order to receive compensation payments or increase its compensation payments.

## I.2 COMPENSATION PAYMENT AND COST RECOVERY

I.2.1 The compensation payments referred to in section 10.2.9 of this Chapter and calculated in accordance with section I.1, shall appear as an additional item on the *settlements statements* of the *relevant market participants* for the relevant *dispatch day*, and shall be paid by the *EMC* in accordance with the settlement timetable set out in section 5.2 of Chapter 7.

I.2.2 The total cost of the compensation payments in each relevant *dispatch period*, referred to in section 10.2.9 of this Chapter and calculated in accordance with section I.1, shall be recovered by the *EMC* from *market participants* by allocating the total cost across *market participants* in proportion to the sum of the *WEQ*s associated with the *settlement accounts* of that *market participant* in the relevant *dispatch period*, and shall appear as an additional item on the *settlements statements* of *market participants* for the relevant *dispatch day*, and shall accordingly be paid by *market participants* in accordance with the settlement timetable set out in section 5.2 of Chapter 7.