

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 pairs* 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:

$$COMP^{m,spq} = 0$$

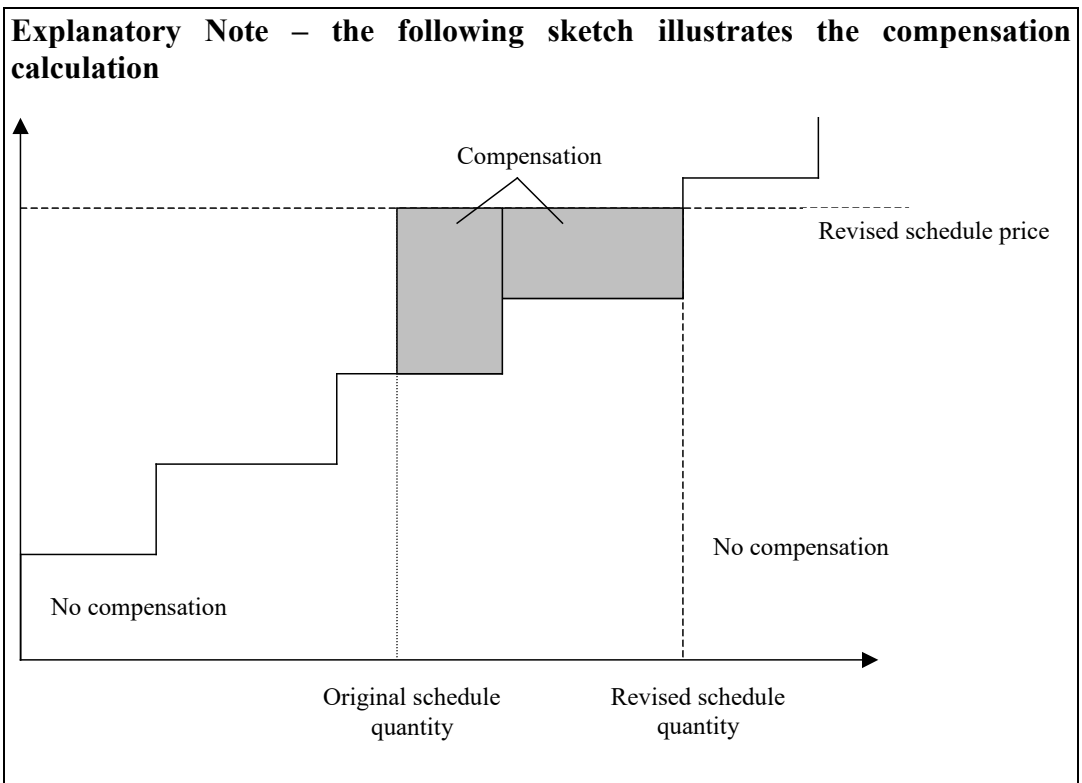
I.1.3.2 If $\sum_{pq=1}^{spq-1} Q^{m,pq} \geq RS^m$, then:

$$COMP^{m,spq} = 0$$

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

$$COMP^{m,spq} =$$

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



- 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 *WEQs* 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.