APPENDIX N – TEMPORARY PRICE CAP

N.1 PURPOSE

N.1.1 This Appendix sets forth the rules relating to the application of the *temporary price cap* mechanism. This mechanism, when triggered, will result in the application of a *temporary price cap,* where prices will be modified as further described under section D.24.5A of Appendix 6D.

N.2 DETERMINATION OF THE MOVING AVERAGE PRICE AND MOVING AVERAGE PRICE THRESHOLD

N.2.1 The *moving average price* or *MAP* for each *dispatch period* τ shall be the average of the *RUSEP* as referred to in section D.24.6A of Appendix 6D over the *TPC Trigger Periods.* The *MAP* is calculated as follows:

$$\text{MAP}_\tau = \frac{\sum_{t=\tau-A+1}^{\tau} \text{RUSEP}_t}{A}$$

Where:

A = *TPC Trigger Period*

N.2.2 In the event the *market clearing engine* fails to produce any *real-time price schedule* used to determine the prices referred in N.2.1, the *EMC* shall not use the missing *real-time price schedule* for that *dispatch period*. Instead, the *EMC* shall decrease the number of *dispatch period*s in the denominator of the *MAP* by the number of missing *dispatch period*s.

N.2.3 The *moving average price threshold* or *MAPT* for each *dispatch period* τ applied under this Appendix 6N shall be determined in accordance with the methodology approved by the *Authority*.

> **Explanatory note:**
>
> **The methodology referred to in this section N.2.3 of Appendix 6N is as published in the Authority's final determination paper titled "Temporary Price Cap Mechanism" dated 16 June 2023.**

N.2.4 The *TPC Price Parameter* and any such relevant information to determine the *MAPT* shall be provided to the *EMC* by the *Authority*. The *Authority* may revise the *TPC Price Parameter* and such relevant information from time to time, and such revision shall take effect 5 *business days* after the

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date of the *EMC*'s receipt of such revision from the *Authority* (or such longer period as may be prescribed by the *Authority*).

Explanatory note:

Further details on the relevant information to determine the MAPT as referred to in this section N.2.4 of Appendix 6N are published in the Authority's final determination paper titled "Temporary Price Cap Mechanism" dated 16 June 2023.

N.3 APPLICATION OF THE TEMPORARY PRICE CAP MECHANISM

N.3.1 In the event the *moving average price* for a *dispatch period* determined in section N.2.1 exceeds the *moving average price threshold* referred to under section N.2.3 for any *dispatch period*, a *temporary price cap* will apply from the next *dispatch period* for at least the *Minimum Trigger Period,* where revised price limits as referred to under section D.24.5A of Appendix 6D will apply.

N.3.2 Upon the occurrence of the event described in section N.3.1, the *EMC* shall, as soon as practicable, issue a notice by means of electronic communications indicating the *dispatch period* from which the *temporary price cap* will take effect.

Explanatory note:

For a given dispatch period, if the temporary price cap is in effect and the MCE fails to produce a real-time pricing schedule that is reflective of this temporary price cap, the temporary price cap shall be applied for the relevant settlement interval that corresponds to this dispatch period.

N.3.3 The *temporary price cap* will cease to take effect for the *dispatch period* τ_{+1}, provided both the following conditions are met:

(i) The *MAP* for the *dispatch period* τ as referred to section N.2.1 is equal to or less than the *moving average price threshold*. This condition is calculated as follows,;

$$\frac{MAP_{\tau}}{MAPT_{\tau}} \leq 1$$

And

(ii) The *temporary price cap* has been in effect for at least the *Minimum Trigger Period*.

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N.3.4　If the conditions described in section N.3.3 are met, the *EMC* shall issue a notice, by means of electronic communications stating the *dispatch period* from which the *temporary price cap* will cease to take effect.

N.3.5　Where the *temporary price cap* referred to in section N.3.1 is in effect, a *market participant* of a *generation registered facility* or an *import registered facility* that:

(a)　was issued *dispatch instructions* for *dispatch periods* during which the *temporary price cap* referred to in section N.3.1 was in effect; and

(b)　failed to recover its actual costs of supply from payments received from the *real-time markets* in respect of those *dispatch periods*,

may make a request for compensation in accordance with section 3.11B.1 of Chapter 3.