



A series of conditions affecting in the National Electricity Market (NEM) between 12 and 23 June 2022 triggered administered pricing, spot market suspension and around 500 separate market interventions under the National Electricity Rules. The nature and scale of these events was unprecedented in the NEM. They have associated compensation and contract payments that, under the rules, must be recovered from Market Customers (mainly electricity retailers).

This is the fourth in a series of updates from AEMO with the latest available information and estimates of cost recovery amounts and dates. This update reflects finalisation of RERT payments and minor amendment to provisional compensation amounts which were included as part of the Revision statements issued during November. AEMO's previous updates, along with FAQs, fact sheets and other material on the market suspension and compensation are available on the [June 2022 market events](#) page.

Cost recovery through NEM settlements occurs in relation to weekly market billing periods. The June 2022 events spanned weeks 25 and 26. Four categories of compensation and contract payments have to be recovered for those two weeks, over a period extending to least January 2023. The compensation categories are listed below with the expected dates for payment and recovery through NEM settlements¹, and approximate amounts if known. These costs are allocated to NEM regions in accordance with the rules, and then recovered from market customers in proportion to energy purchased in each relevant region.

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

July 2022		November 2022
Final statements - RERT payments (NEM total \$80m)		Revision statements – RERT payment adjustments of \$2.3m)
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"> Qld - \$0.1m NSW - \$2.2m

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

July 2022		November 2022 – January 2023	
Final statements – Provisional amounts² (NEM total \$2.1m)		Revision statements – Additional compensation (Claims total: ~\$16m (generation) & \$9.6m (pumps) ³ - all pending final 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"> \$0m (no claims included) 	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"> \$0m (no claims included) 	Week 26 R2: 19 January <ul style="list-style-type: none"> Amounts subject to determination

¹ Dates are based on regulated or published timeframes, where applicable. Some compensation claims could take longer to determine.

² For directions, provisional compensation is paid instead of the spot price trading amount. Only the net amount is shown.

³ Draft independent expert reports have been issued, with total additional compensation amounts of \$6.9m (generation) and \$9.6m (pumps). Draft awards can change materially in the final determination.

June 2022 NEM Events: Compensation Update (1 December 2022)



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

July 2022		November 2022 – January 2023	
Final statements – Provisional amounts (NEM total \$7.2m)		Revision statements – Additional compensation (Claims total: \$98.4m ⁴ - all pending final 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"> \$0m (no claims included) 	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"> \$0m (no claims included) 	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)

January 2023 onwards
Claims assessed and progressively determined by the Australian Energy Market Commission (AEMC), with the aim for direct cost claims to be determined first. The total of claim amounts is 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.

No claims were received for '[affected participant](#)' compensation for changes in dispatch due to interventions.

Where can I find more information?

See AEMO's website for:

- [June 2022 market events](#) - presentations, FAQs and reports
- [Guide to Market Suspension in the NEM](#)
- [RERT reports](#)
- [Intervention settlement timetable](#)

See the AEMC's website www.aemc.gov.au for the National Electricity Rules and more information on administered price compensation.

If you cannot find what you need on our website, please contact AEMO's Information and Support Hub:

- supporthub@aemo.com.au or
- call 1300 236 600

Please note AEMO is not able to provide specific advice on your particular circumstances.

⁴ Draft independent expert reports have been issued, with total additional compensation amounts of \$62.9m. Draft awards can change materially in the final determination.