



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 fifth in a series of updates from AEMO with the latest available information and estimates of cost recovery amounts and dates. This update reflects the final independent expert determination of compensation payments for directions and market suspension pricing, included in NEM revision statements issued during January 2023. This update also includes the administered pricing compensation amounts determined by the AEMC up to 6 January 2023. 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 scheduled NEM settlement statement dates and approximate amounts where 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.

## Compensation amounts and timing

### 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	Week 26: No RERT	Week 25 R1: 1 November
<ul style="list-style-type: none"> <li>Qld - \$3.7m</li> <li>NSW - \$76.2m</li> </ul>		<ul style="list-style-type: none"> <li>Qld - \$0.1m</li> <li>NSW - \$2.2m</li> </ul>

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

July 2022		January 2023	
Final statements – Provisional amounts <sup>2</sup> (NEM total \$2.1m)		Revision statements:	
		<ul style="list-style-type: none"> <li>Additional compensation (NEM total \$6.6m)</li> <li>Fair payment for other services (NEM total \$9.6m)<sup>3</sup></li> </ul>	
Week 25: 13 July	Week 26: 20 July	Week 25 R2: 12 January	Week 26 R2: 19 January
<ul style="list-style-type: none"> <li>Qld - \$930k</li> <li>NSW - \$550k</li> <li>Vic - \$360k</li> <li>SA - \$100k</li> <li>Tas - \$0</li> </ul>	<ul style="list-style-type: none"> <li>Qld - \$40k</li> <li>NSW - \$70k</li> <li>Vic - \$40k</li> <li>SA - \$10k</li> <li>Tas - \$0</li> </ul>	<ul style="list-style-type: none"> <li>Qld - \$6.9m</li> <li>NSW - \$2.7m</li> <li>Vic - \$1.8m</li> <li>SA - \$0.5m</li> <li>Tas - \$0</li> </ul>	<ul style="list-style-type: none"> <li>Qld - \$1.2m</li> <li>NSW - \$1.7m</li> <li>Vic - \$1.1m</li> <li>SA - \$0.3m</li> <li>Tas - \$0</li> </ul>

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

<sup>3</sup> Recovery of fair payment for other services is shared between Market Customers, Market Generators and Small Generation Aggregators

# June 2022 NEM Events: Compensation Update (6 January 2023)

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

July 2022		January 2023	
<b>Final statements – Provisional amounts (NEM total \$7.2m)</b>		<b>Revision statements – Additional compensation (NEM total \$87.6m)</b>	
Week 25: 13 July <ul style="list-style-type: none"> <li>Qld - \$1.1m</li> <li>NSW - \$1.6m</li> <li>Vic - \$1.1m</li> <li>SA - \$280k</li> <li>Tas - \$0</li> </ul>	Week 26: 20 July <ul style="list-style-type: none"> <li>Qld - \$860k</li> <li>NSW - \$1.3m</li> <li>Vic - \$830k</li> <li>SA - \$220k</li> <li>Tas - \$0</li> </ul>	Week 25 R2: 12 January <ul style="list-style-type: none"> <li>Qld - \$14.9m</li> <li>NSW - \$22.1m</li> <li>Vic - \$14.4m</li> <li>SA - \$3.9m</li> <li>Tas - \$0</li> </ul>	Week 26 R2: 19 January <ul style="list-style-type: none"> <li>Qld - \$8.7m</li> <li>NSW - \$12.9m</li> <li>Vic - \$8.4m</li> <li>SA - \$2.3m</li> <li>Tas - \$0</li> </ul>

### 4. Administered pricing compensation (for eligible costs when spot market prices were set/affected by the administered price cap)

January 2023 onwards
<p>Claims assessed and progressively determined by the Australian Energy Market Commission (AEMC), with the aim for direct cost claims to be determined first. The first AEMC determinations were finalised in December 2022 and will be included in final statements from 9 January 2023.</p> <p>The total administered pricing compensation payable is not yet known. As of 6 January 2023, the amounts determined and recoverable from each region are (NEM total \$17.1m):</p> <ul style="list-style-type: none"> <li>Qld - \$6.3m</li> <li>NSW - \$10.7m</li> <li>Vic - \$0</li> <li>SA - \$27k</li> <li>Tas - \$0</li> </ul> <p>Further compensation amounts will be published on the AEMC website as each claim is determined, with payment and recovery amounts included in the next practicable final statements.</p>

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

#### Regional summary

NEM region	Total compensation amount (up to 6 January 2023) <sup>6</sup>	Equivalent recovery rate (\$/MWh) <sup>7</sup>
Qld	\$45 million	\$27
NSW	\$132 million	\$54
Vic	\$28 million	\$19
SA	\$7.5 million	\$17
Tas	\$0	\$0

<sup>6</sup> Compensation amount does not include Independent Expert costs, which are estimated to be approx. \$260k

<sup>7</sup> Equivalent recovery rate is indicative only and actual recovery is specific to each compensation mechanism and period involved. Recovery rate is based on regional energy over the period of the event, 12 to 23 June 2022.



## 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](http://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](mailto:supporthub@aemo.com.au) or
- call 1300 236 600

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