

IN THE DISPUTE RESOLUTION PANEL AT MELBOURNE
(Constituted for a determination under rule 226 of the National Gas Rules)

Application for compensation in relation to the unintended scheduling result on 17 June 2025 and declared by AEMO on 21 August 2025

Origin Energy (VIC) Pty Ltd (ABN 11 086 013 283) (**Origin**)

ENGIE (ABN 67 269 241 237)

Shell Energy Australia Pty Ltd (ABN 18 085 757 446) (**Shell**)

Claimants

CORRECTED DETERMINATION: 22 MAY 2026

In lieu of the determination previously issued on 15 May 2026, the Dispute Resolution Panel now determines that:

1. Pursuant to rule 226(1) of the National Gas Rules, the claimants are entitled to compensation in the total sum of \$87,925.49 is payable out of the Participant compensation fund (the **Fund**) in the following amounts (inclusive of GST), net of their respective shares of the WEMDRA and DRP costs of this application:
 - a. Origin: [REDACTED]
 - b. ENGIE: [REDACTED]
 - c. Shell: [REDACTED]
2. The WEMDRA costs of this application are \$5,940 (inclusive of GST).
3. The DRP costs of this application are \$6,000 (inclusive of GST).
4. The claimants are therefore entitled to be paid the following amounts out of the Participant Compensation Fund:
 - a. Origin: [REDACTED]
 - b. ENGIE: [REDACTED]
 - c. Shell: [REDACTED]

5. AEMO shall pay out of the Participant Compensation Fund:
- a. to each claimant, the amount determined in paragraph 4, which may be included in the final statements of Market Participants for May 2026 or for a subsequent month; and
 - b. to the WEMDRA, the sum of the costs set out in paragraphs 2 and 3, within 20 business days of this Determination.

22 May 2026

A handwritten signature in black ink, appearing to read 'Tom Clarke', with a stylized, cursive script.

Tom Clarke

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Claimants

REASONS FOR DETERMINATION

1. Each claimant is registered as Market Participant in the Declared Wholesale Gas Market (the **DWGM**).
2. On 21 August 2025, AEMO declared that an unintended scheduling result had occurred during the 10 PM scheduling horizon on 17 June 2025. Each claimant was affected by the *scheduling error*, as I will describe below.
3. An unintended scheduling result occurs if scheduling instructions issued as part of an operating schedule produce one or more of the following results (among others):
 - a. a quantity of gas under an injection bid below the market price is not scheduled for injection: **r 217(1)(c)**; or
 - b. a quantity of gas under a withdrawal bid above the market price is not scheduled for withdrawal: **r 217(1)(d)**,provided that the estimated effect of the result exceeds certain monetary thresholds (**r 217(4)**), and did not arise from any of the causes specified in **r 217(2)** or **(3)**.
4. On 1 July 2025, AEMO commenced an investigation on its own initiative to determine whether an unintended scheduling result occurred in the 10 PM schedule on 17 June 2025. On 21 August 2025, AEMO published its report *Investigation into an unintended scheduling result*

– 17 June 2025 (the **AEMO investigation report**). In that report, AEMO decided that an unintended scheduling result had occurred.¹

5. If AEMO decides that an unintended scheduling result has occurred, AEMO may initiate the dispute resolution processes to confirm its decision and determine any compensation payable: **r 218(5)**. (Separately, a Market Participant may initiate the dispute resolution processes for compensation in respect of an unintended scheduling result, whether AEMO has published a decision: **rule 218(4)**.)
6. On 15 January 2026, AEMO referred an application to the Wholesale Energy Market Dispute Resolution Adviser (the **WEMDRA**) for compensation under rule 218(5).
7. The application for compensation has been referred by the WEMDRA to the DRP constituted by me.
8. The claimants and AEMO have filed joint submissions, setting out the basis on which they agree that the claimants are entitled to compensation. Each claimant has separately filed a confidential submission quantifying the financial effect that the unintended scheduling result had on it.
9. The WEMDRA separately made a separate submission, contending that the DRP costs of this uncontested application for compensation should be reimbursed to the claimants out of the Participant Compensation Fund. I address the question of DRP costs from paragraph 53 below.

Scheduling of injections into, and withdrawals from, the DWGM

10. Each day, AEMO must publish operating schedules (**OS**) and pricing schedules (**PS**) by 6:00 am, 10:00 am, 2:00 pm, 6:00 pm and 10:00 pm. Each operating schedule specifies injections and withdrawals for each remaining hour of the gas day using demand forecasts, bids submitted by Market Participants and taking into account any transmission constraints: **rule 215(2)-(3)**. The objective of the operating schedule is to minimise the cost of satisfying expected demand for that gas day, consistent with the pipeline system security limits.
11. By the same times each day, AEMO must issue scheduling instructions to each Market Participant, specifying the quantities of gas which each Market Participant is scheduled to inject or withdraw for each hour of the gas day at each system point: **rule 215(11)**.
12. A Market Participant must ordinarily comply with a scheduling instruction in all material respects: **rule 216(1)**.

¹ AEMO, *Investigation into an unintended scheduling result – 17 June 2025*, published on 21 August 2025, section 4.1.

13. Further detail about the gas scheduling procedures that AEMO applies in the DWGM is set out in section 7 of the Wholesale Market Operation Procedures (Victoria) (the **DWGM Procedures**), which AEMO publishes under s 91BL of the National Gas Law and rule 205 of the NGR.
14. AEMO may apply various constraints to system injection points and system withdrawal points, to reflect physical or contractual limitations. Particular kinds of constraints that may be applied include:
 - a. a Supply and Demand Point Constraint (**SDPC**), which applies minimum or maximum (hourly or daily) values to an individual injection or withdrawal meter to reflect the limitations of the physical connection point;
 - b. a Directional Flow Point Constraint (**DFPC**) which applies to limit the maximum net injections or withdrawals for a pair of one injection and one withdrawal meter for the same external facility, reflecting the net physical flow capacity of that facility;
 - c. a Net Flow Transportation Constraint (**NFTC**) which is similar to a DFPC but may be applied to one or more pair of bi-directional meters to reflect the physical flow limitation within the pipeline network itself; and
 - d. a Zonal Flow Transportation Constraint (**ZFTC**) which is similar to a NFTC but may be applied to two or more pipeline systems to reflect the physical flow limitation within those pipeline systems.

The 17 June 2025 unintended scheduling result declared by AEMO

15. On gas day 17 June, there were 3 standing constraints: namely, DFPCs at VicHub, TasHub and SEA Gas, which constrained the net withdrawals at each system point to 0 GJ/h, to reflect physical limitations.
16. From the 6 AM schedule, AEMO applied a NFTC at the Iona close proximity point, to limit net injections in line with transmission system capacity.
17. At 8:35 pm, AEMO applied a DFPC for Culcairn to limit withdrawals from 10 PM, after having been requested by the facility operator.
18. At 9:00 pm, the market cut-off for demand forecasts and bids for the 10PM schedule was applied.
19. Thereafter, Inconsistent Schedule Bid Alarms were triggered for quantities associated with Culcairn (PS and OS), VicHub (PS and OS), TasHub (PS only) and Iona (OS only), which indicated that out-of-merit-order (**OOMO**) gas bids had been incorrectly scheduled at those locations. The OOMO bids at these four different meter locations then needed to be

resolved manually within the 60-minute scheduling window, using SDPCs to correct the outcomes determined by the constraints.

20. From 9:01 pm, AEMO Gas Operations Engineers initiated multiple unapproved 10 PM schedules in unsuccessful attempts to remove the Inconsistent Schedule Bid Alarms.
21. At 9:46 pm, AEMO approved paired schedules 270665 (OS) and 270664 (PS) that did not include the OOMO gas bids (rather than reapproving the 6PM schedule and administering the market). However, this led to incorrect quantities being scheduled at VicHub, Culcairn and TasHub.
22. In particular, the approved 10 PM schedules resulted in:
 - a. less gas being injected and withdrawn (but no net change), at each of Culcairn and VicHub;
 - b. less gas being injected and more gas being withdrawn (so reduced net injection) at TasHub; and
 - c. more gas being withdrawn (so reduced net injection) at Iona,
 than would have occurred if the correct quantities had been scheduled.²
23. I am therefore satisfied that the scheduling instructions issued as part of the 10 PM operating schedule on 17 June 2025 produced results of the kind specified in **r 217(c)** and **(d)**.³
24. As to causes that are excluded by **r 217(2)**, I have considered whether the unintended scheduling result can be said to have arisen from the application of:
 - a. constraints applicable to controllable quantities accredited by AEMO at a relevant system point: **r 217(2)(a)(vii)**;
 - b. SDPCs in respect of the declared transmission system as defined in the DWGM Procedures: **r 217(2)(a)(ix)**; or
 - c. DFPCs in respect of the declared transmission system as defined in the DWGM Procedures: **r 217(2)(a)(x)**.
25. However, I consider that those exceptions relate to results arising from the correct application of those constraints, rather than to an incorrect scheduling outcome that occurs because of the Market Clearing Engine's incorrect resolution of those constraints.

² See the comparison between published (actual) and expected ("what-if") schedule outcomes set out in Table 1 in section 3 of the AEMO investigation report.

³ See paragraph 3 above.

26. Similarly, I do not consider that these events occurred solely as an error made in determining a market price or a pricing schedule, and so are not excluded by **r 217(3)**.
27. I therefore agree with AEMO's conclusion that an unintended scheduling error occurred in the 10 PM operating schedule on 17 June 2025, subject to considering the monetary threshold under **rule 218(4)**.

Is the monetary threshold satisfied?

28. In order to qualify as an unintended scheduling result, the estimated financial effect on Market Participants must exceed either:
 - a. \$20,000; or
 - b. \$50,000 for all affected Market Participants,
 with those monetary thresholds being escalated by CPI from 30 June 2008 to date: **rule 217(4)**.
29. After adjustment for CPI in accordance with rule 217(5), the escalated equivalents of the monetary thresholds above are:
 - a. \$30,720.52 for an individual Market Participant; and
 - b. \$76,801.31 for all affected Market Participants.
30. The aggregate financial impact claimed by the 3 claimants in this application is \$79,932.26 (exclusive of GST). This narrowly exceeds the \$76,801.31 threshold, and therefore satisfies the monetary threshold to qualify as an unintended scheduling error.
31. I have been informed by the parties that one other affected Market Participant has elected not to make a claim for compensation. However, because the aggregate financial impact claimed by the 3 claimants exceeds the threshold, it is unnecessary for me to consider whether the "all affected Market Participants" threshold in **rule 217(4)(b)** applies with respect to all Market Participants affected by an unintended scheduled result, or only with respect to those Market Participants who apply for compensation. (That said, it would be an odd result if claiming Market Participants' entitlement to compensation might be extinguished because one or more other Market Participants elect not to claim compensation for themselves.)

The Participant compensation fund

32. AEMO maintains the Fund for the purpose of paying compensation, as determined by the DRP, to Market Participants for unintended scheduling results: **r 225**.

33. Each financial year, AEMO is required to top up the Fund in the amount of \$500,000, or the difference between \$1,000,000 and the amount which AEMO reasonably estimates will be the balance of the Fund at the end of the financial year, whichever is the lesser.
34. As at 13 January 2026, the balance of the Fund was \$4,436,441.23.

Matters to be determined by the DRP

35. In an application for compensation under **rule 218(4) or (5)**, the function of the DRP is to determine:
 - a. which Market Participants are to receive compensation for the unintended scheduling result;
 - b. if so, the amount of compensation each Market Participant is to receive; and
 - c. the manner and timing of any payments from the Fund: **r 226(1)**.
36. The occurrence of an unintended scheduling result must be confirmed by agreement or by determination in accordance with the dispute resolution processes: **r 226(2)**.

Whether compensation is payable

37. The claimants' entitlement to compensation is established if the unintended scheduling result resulted in it having one or more quantities of gas:
 - a. under an injection bid below the market price not scheduled for injection; or
 - b. under a withdrawal bid above the market price not scheduled for withdrawal,
 if none of the rule 217(2) or (3) exceptions applies, and if the monetary threshold is satisfied.
38. Each claimant has filed a confidential submission, with which AEMO has separately agreed, confirming that the claimant lost market revenue by reason of the affected withdrawals and injections of gas under the 10 PM schedule, and the consequential effect on the 10 PM market price.
39. I am satisfied of those matters on the basis of the joint submissions, for the reasons I have outlined in paragraphs 23 to 30 above, and on the basis of the claimants' respective confidential submissions.

The amount of spot market losses incurred as a result of the scheduling error

40. The amount of compensation to which each claimant is entitled is determined by subtracting the:
 - a. market revenue that each claimant received for gas injected and withdrawn under the 10 PM schedule on 17 June 2025;
 from the:
 - b. “what-if” market revenue that each claimant would have received under the 10 PM schedule if the unintended scheduled result had not occurred.
41. AEMO has set out the methodology by which it has calculated the “what-if” market revenue for each claimant, in Schedule 2 to the joint submissions. In broad terms, AEMO calculated the “what if” market outcomes as follows:
 - a. AEMO used the data from Production, and ran the initial schedule to identify OOMO gas and to confirm that this was the same OOMO gas identified in the 10 PM production schedule.
 - b. AEMO then applied corrected SDPCs for the 10 PM schedule at the Culcairn injection and withdrawal points, the VicHub injection and withdrawal points and the Iona withdrawal point.
 - c. The 10 PM schedule was then re-run with the correct SDPCs, which identified the differences between “what-if” and actual injections and withdrawals summarised in paragraph 22 above.
 - d. The “what if” 10 PM schedule results were then passed through AEMO’s settlement systems to calculate how imbalance charges, deviation charges, linepack account, ancillary payments and uplift charges were affected.
42. AEMO’s calculation of the “what if” market outcomes also resulted in a “what if” 10 PM market price of \$11.7149, which was higher than the actual 10 PM market price of \$11.50.
43. Each claimant has then submitted a confidential separate submission and spreadsheet quantifying its claim for compensation by performing the subtraction described above. AEMO has confirmed that it agrees with each claimant’s calculations.
44. I am therefore satisfied that each claimant suffered market losses in the amount for which it has claimed compensation.
45. However, the claimants are not automatically entitled to compensation for the full amount of the market losses they respectively suffered as a result of the unintended scheduling result.

46. AEMO has submitted that, even when a claimant has suffered market losses, I should nonetheless consider the purpose of the compensation for unintended scheduling results under the Rules, and whether the claimant has actually suffered a financial loss or lost opportunity. However, AEMO does not submit that the claimants have not suffered actual financial losses as a result of this unintended scheduling result. In this case, I am satisfied that each claimant has actually suffered a financial loss in the amount claimed.
47. In addition, I am expressly required under the NGR to have regard to any limitation on the moneys available in the Fund, in the manner required by **rule 227**.

Balance and potential further liabilities of the Fund

48. **Rule 227(1)** requires that the aggregate amount of compensation paid each year from the Fund must not exceed the balance of the Fund that would have been available at the end of that year had no compensation payments been made that year.
49. Therefore, in determining the level of compensation to which the claimants are entitled, I am required to take into account that:
 - a. the aggregate amount of compensation determined under rule 226 must not exceed the balance of the Fund at the time the determination is made (less any amounts not yet paid from the Fund in respect of any previous determination): **rule 227(1)(a)**; and
 - b. the aggregate amount of compensation payable from the Fund at any time is limited to the balance of the Fund: **rule 227(1)(b)**.
50. Since the commencement of the DWGM, there have only been 4 successful claims paid from the Fund, resulting in total payments of only \$214,875.74. I am also informed that there are presently no other claims made or anticipated to be made against the Fund. There is therefore no basis to refuse or reduce the payment of compensation to any of the claimants, on account of the balance of the Fund.
51. I am therefore satisfied that each claimant is entitled to compensation from the Fund in the full amount of the market losses for which it has claimed compensation.
52. As the amount claimed by each claimant is confidential, as between that claimant and AEMO, I will therefore issue separate redacted versions of this Determination to each claimant, and an unredacted version of the Determination to each of AEMO and to the WEMDRA.

Costs of the DRP and the WEMDRA

53. **Rule 135JA(1)** provides that the costs of any Stage 1 and Stage 2 dispute resolution process, including the costs incurred by the WEMDRA, a member of the pool or a DRP, are to be borne equally by the parties to the dispute.
54. Subject to determination of the DRP, the costs are to be borne equally by the parties, or otherwise as agreed by the parties: **rule 135JA(2)**.
55. In this application, the WEMDRA's has advised me that its costs are \$5,940 (incl GST). My costs as the DRP are \$6,000 (incl GST).
56. The parties have jointly submitted, subject to the further submission by the WEMDRA that I address next below, that:
 - a. the costs of this dispute resolution process (other than the parties' respective legal costs) should be borne by the claimants in proportion to the amount of compensation to be paid to each of them;
 - b. I should not exercise any discretion under rule 135 to allocate costs on a different basis as between the claimants and AEMO; and
 - c. compensation should be paid out of the Fund net of the costs to be borne by the claimants.
57. I have no difficulty in accepting the parties' submissions (a) and (b) above: that is, that the parties should bear the costs of this process rateably in proportion with the amount of compensation awarded to each of them. I will address submission (c) further below, after I have addressed the WEMDRA's separate submission on costs.
58. The WEMDRA advanced a separate submission that, in claims for compensation for unintended scheduling results such as this application, where there is no contest about either the occurrence of the unintended scheduling results or the quantum of compensation payable out of the Fund, the DRP should order that the parties should be reimbursed out of the Fund for their respective shares of the DRP and WEMDRA costs.
59. The WEMDRA referred to orders for reimbursement of the DRP and WEMDRA costs out of a participant compensation fund⁴ made in previous decisions of the DRP in relation to

⁴ Noting that AEMO maintains a separate participation compensation fund for compensation claims for electricity scheduling errors under the NER, as distinct from the Fund maintained under NGR r 225, from which compensation will be paid in this application.

scheduling errors under the National Electricity Rules (**NER**): in particular *Dundonnell Wind Farm Pty Ltd* (21 December 2021).⁵

60. The WEMDRA submitted that:
 - a. In an uncontested claim for compensation for an unintended scheduling result, there is not a “dispute” per se. The DRP’s involvement in such cases is solely to authorise payment of compensation out of the Fund, in compliance with the NGR.
 - b. The objective of the unintended scheduling result compensation framework is to compensate affected participants for their losses caused by the scheduling error. Ordinarily, that is to place affected participants in the position that they had been in had the error not occurred, so far as money can do so.
 - c. In such cases, where the WEMDRA and DRP costs will be relatively small, and given that there is no suggestion that reimbursement of the WEMDRA and DRP costs out of the Fund would imperil the balance of the Fund, it is appropriate that the DRP should order reimbursement of those costs, in order to more fully and effectively compensate the claimants for the full measure of their costs.
61. I accepted submissions to the same effect which were made by the WEMDRA in *Dundonnell Wind Farm* and the two further electricity scheduling error compensation claims I have footnoted above.
62. I agree with the WEMDRA that the same arguments apply equally to compensation claims for unintended scheduling errors under the NGR, such as this one.
63. However, I consider that there is a critical difference between the wording of the relevant NER and NGR provisions that prevents me from making an order for reimbursement of WEMDRA and DRP costs out of the Fund.
 - a. Clause 8.2.8 of the NER, which governed the allocation of WEMDRA and DRP costs in the electricity scheduling error cases I have referred to above, provided that the WEMDRA and DRP costs were to be borne equally by the parties “unless otherwise agreed by the parties”.
 - b. By contrast, **rule 135JA(1)** of the NGR requires that the WEMDRA and DRP costs “are to be borne by the parties to the relevant dispute”, without any qualification. **Rule 135JA(2)** then separately provides that those costs are to be borne by the parties equally, or as otherwise agreed by the parties.

⁵ See also *Scheduling error on 10 August 2022* (16 May 2023) and *Scheduling error on 1 May 2023* (20 June 2024), where similar reimbursement orders were made for scheduling error compensation claims under the NER.

- c. In each of the electricity scheduling error claims I have referred to above, the parties (including AEMO) agreed with the WEMDRA's submission in favour of reimbursement of WEMDRA and DRP costs out of the participant compensation fund. On the basis of the parties' agreement, I considered that the NER provisions allowed a discretion to make a direction for reimbursement out of the Fund, consistent with the parties' agreement.
 - d. But **rule 135JA(1)** of the NGR affords no such discretion. It requires that the WEMDRA and DRP costs must be borne by the parties to the dispute, with only the proportional allocation between them being a matter that may be varied by agreement of the parties.
64. In short, I consider that I do not have the power to make an order to reimburse the parties out of the Fund for the WEMDRA and DRP costs of this application, under the NGR.
65. Returning then to the submission (c) made jointly by the parties (see para 56.c above), there remains the question whether I should order:
- a. that the parties be paid their respective compensation amounts out of the Fund, net of their respective shares of the WEMDRA and DRP costs – as the parties have jointly submitted; or
 - b. that the parties be paid their compensation amounts in full out of the Fund, and that they each pay their respective shares of the WEMDRA and DRP costs directly to the WEMDRA and DRP.
66. There is an obvious administrative efficiency in adopting the net reimbursement approach, for which the parties jointly contend. However, that approach is premised on the WEMDRA and DRP costs being paid directly out of the Fund to the WEMDRA and the DRP.
67. It is therefore necessary to consider whether payment of WEMDRA and DRP costs out of the Fund, pursuant to an order by a DRP, is permissible under NGR **rule 225**, under which the Fund is maintained by AEMO.
68. **Rule 225(8)** authorises AEMO to pay from the Fund:
- a. all income tax on interest earned by the Fund;
 - b. any other tax, fee or charge in relation to the Fund; and
 - c. compensation to Market Participants under rule 236.

69. I consider that payment by AEMO of WEMDRA and DRP costs of this compensation claim out of the Fund, pursuant to an order of the DRP, and in reduction of the compensation amounts paid out of the Fund to the claimants:
- a. is a payment of “fees or charges” in relation to the Fund, and so is authorised by NGR **r 225(8)(b)**; and
 - b. complies with the **r 135JA(1)** requirement that the WEMDRA and DRP costs of the compensation claim must be “borne by” the claimants, as the claimants will bear the economic effect of the netting-off of the WEMDRA and DRP costs.
70. I will therefore make orders for each applicant to be paid its compensation, net of the WEMDRA and DRP costs, out of the Fund in the terms proposed by the parties’ joint submission summarised in paragraph 56.c above, and for AEMO to pay the WEMDRA and DRP costs directly out of the Fund.

22 May 2026



Tom Clarke