TO: DMS & DMC Contracts

FROM: Wholesale Energy Market Dispute Resolution Adviser

DATE: 1 August 2014

**RE: End of Quarter Report – April-June 2014**

**Summary**

* **Disputes**

Notified: 1 (*This line item has been added to record matters which may not be formally within the scope of the wholesale energy marked dispute resolution adviser***)**

Stage 1: Nil

DRP Stage 2: Nil

**Summary of Outputs**

* DMS/DMC training webinar
* Catch up meetings with AEMO and AGL
* This quarter represents the completion of a three year cycle. Accordingly it is appropriate to report on the output of the 3 year period.

**Update and Outputs for the 3 Year period (July 2011-2014)**

This period represents the end of a three year contract. The overall strategic plan for the three years was to integrate the dispute resolution adviser role for electricity and gas into a single role with a more streamlined resource base. This has now been achieved. The outputs include:

* A new title Wholesale Energy Market Dispute Resolution Adviser (WEMDRA). This replaces the two previous titles
* A committee was established to assist the WEMDRA comprising of both gas and electricity representatives.
* The wholesale dispute resolution portion of the AER website was reviewed, to streamline and standardise the electricity and gas dispute resolution information.
* All forms and user notes have been reviewed and where required, updated.
* There has been an annual updating of the DMS and DMC contact information.
* A secure members’ section has been developed for the Resolve site to post DMS and DMC contact information in a password controlled facility.
  + - A review of the pool of experts was completed to extend the contracts of those who are still relevant and retire anyone who was ready to do so. At this time due to the relatively quiet state of disputes in the market there has been no extension of the pool.
* A review and recommendations were made in relation to appeals from the Wholesale Energy Market. (No further action has been taken on this item)
* Input was given into the AEMC rule change on connecting embedded generators to the distribution network. Specifically suggestions were made about the proposed introduction of expert appraisal process for technical disputes around connection and how this could be streamlined with existing provisions.
* DMS and DMC contact training was undertaken, the final instalment of that being done by national webinar for the first time.

**Disputes during the period July 2011 -2014**

Gas- Nil

Electricity 2 (see extracts below)

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| **Determination** | **Multi-party UIGF - participant compensation fund declared scheduling error - spot market claim (panel 1 of 2) (**published on the AER website) |
| **Overview** | On 7 June 2012 AEMO declared a scheduling Error pursuant to clause 3.8.24(2). The declaration was contained in a report entitled “Incorrect Unconstrained Intermittent Generation Forecasts for Semi-Scheduled Generators” the (UIGF scheduling error) . The Adviser met with AGL, AEMO and other effected participants to assist them to agree on principles for compensation and the exchange of information in preparation for a Dispute Resolution Panel (DRP) process.  The matter was referred to a DRP determination of spot market losses, by way of a notice from AGL Hydro dated 23 July 2012. On 30 October 2012, the Adviser established a panel comprising of Peter Gray SC to hear the matter. Five other participants applied and were joined to the DRP process seeking compensation for spot market losses. |

December 2012 - Infigen UIGF scheduling error - REC claim (panel 2 of 2) (published)

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| **Determination** | **Infigen UIGF scheduling error - REC claim (panel 2 of 2)** |
| **Overview** | In addition to seeking compensation in the nature of lost spot market revenue, Infigen also lodged a claim for compensation for [renewable energy certificates[http://cdncache-a.akamaihd.net/items/it/img/arrow-10x10.png](http://www.aer.gov.au/node/22511)](http://www.aer.gov.au/node/22511) that it would, but for the UIGF scheduling error have been entitled to create. The Adviser established a panel comprising of Michael Black AO QC, Peter Gray SC and Geoff Swier to determine this claim for compensation. |

The AER has renewed Resolve’s contract for providing my services as the dispute adviser for another two years. I am very much looking forward to this next period.

Please let me know if you have any requests or ideas.to input into my next strategic plan.

Kind regards



Shirli Kirschner

Wholesale Energy Market Dispute  Resolution Adviser

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web site: <http://www.aer.gov.au/about-us/dispute-resolution>