February 2013

Lynley

**Quarterly report October 2012 December 2012**

Below is a report for both:

Dispute Resolution Adviser National Electricity Market

Dispute Resolution Adviser National Gas Rules

**Summary**

**Scheduling Error determination finalised in Stage 2 ( electricity):** A scheduling error was declared by AEMO in relation to unconstrained intermittent generation forecasts (‘UIGF scheduling error”). A number of participants were entitled to compensation from a DRP as a result of this scheduling error. (A summary of the issue was included in my July- September quarterly report). The DRP determinations for each of the claim for compensation for spot market losses, and lost opportunity to create certificates pursuant to the *Renewable Energy (Electricity) Act 2000* (Cth) (“REC losses”) were finalised in December.

There were no claims in Gas.

**Change in Reporting:** After a successful period of reporting to Lynley Jorgensen of the AER, the Adviser role will now be reporting to Peter Adams, Wholesale markets, from the January quarter. Lynley has been active and supportive in her role with the Dispute Resolution function and it has been valuable to have the benefit of her input and insights.

**Strategic planning meetings:** Due to the demands of the DRP processes, and change of reporting structure, the 15C meeting scheduled for December (to set priorities for 2013) was postponed.

Don Vigilante, from TRUenergy retired at the end of 2012. Don was an active DMC contact (gas) and valued member of the 15C committee **and I take this opportunity to acknowledge his contribution and wish him every success in the next chapter.** We will soon be seeking new representatives for the committee.

**Training**: nil

1. **Outputs for the quarter**

**1.1 General:**

* Scoping of the compensation process for the claim for REC losses arising out of the UIGF scheduling error and the running of 2 DRP processes (see 1.2 below). This took all of my allocated time during the quarter (6 days). Some of this time has been reimbursed as a result of both claims moving to stage 2 and the determinations being finalised. I will be able to allocate additional days during the next quarters.
* Liaison with the AER, reporting to participants.

**1.2 Update on the UIGF Scheduling Error. (Electricity)**

On 7 June AEMO issued a summary of a scheduling error pertaining to a UIGF scheduling error. There were two claims for compensation arising out of this error. One was for compensation for spot market losses heard by Peter Gray QC. These losses were compensated and the determination and reasons has been posted on the AER website.

The second was a claim for REC losses made by Infigen Energy. This was a matter which involved important questions of principle to be considered for the first time. This was heard by a 3 member panel comprising of Michael Black AO, QC (chair) Peter Gray QC and Geoff Swier. In its determination dated 12 December, the DRP found that the REC losses were not able to be claimed for the UIGF scheduling error.

The submissions to the DRPs and the Determinations are posted on the AER website

I am looking forward to the next quarter. The priorities will be:

* To appoint a 15C committee and meet to set priorities
* Update the web-site
* Appointing a pool from which the DRP will be drawn in both electricity and gas.
* Review and learn the lessons from the UIGF scheduling error compensation hearings
* a briefing session for DMS/DMS contacts on the latest scheduling errors.

Any further ideas and inputs are invited and are welcome.

Yours sincerely

Shirli Kirschner