20 October 2012

Lynley

**Quarterly report July 2012- September 2012**

Below is a report for both:

Dispute Resolution Adviser National Electricity Market

Dispute Resolution Adviser National Gas Rules

**Summary**

Scheduling Error **in Stage 1:** a scheduling error was declared by AEMO in relation to unconstrained intermittent generation forecasts. A number of participants are entitled to compensation from a DRP as a result of this scheduling error. A summary and an update of the matter are included in 1.2 below. The AEMO report declaring a scheduling error can be downloaded from:

<http://www.aemo.com.au/en/Electricity/Market-and-Power-Systems/NEM-Reports/Scheduling-Error-Report_Incorrect-UIGFs-for-Semi-Scheduled-Generators>.

(Please note you need to paste this into your search engine clicking on it as a link my just get you to the general AEMO site).

**Other Scheduling Errors**: A scheduling error has been notified by AEMO. The report is on the website at: <http://www.aemo.com.au/Electricity/Resources/Reports-and-Documents/Market-Event-Reports/Scheduling-Error_Incorrect-132-kV-Constraint-Formulation>

**Training**: Allen’s hosted a “Dispute *Resolution Master class*” on the evening of Thursday 13 September, focusing on dispute resolution in the broadest sense. The speakers included Peter Gray (a member of the pool from which a DRP is drawn), Don Farrands Barrister and Grant Anderson a partner at Allens Linklaters. It provided an overview of the dispute resolution provisions and high level analysis of running disputes and strategic input. It was well attended by over 30 people: consultants, members of the AER, and participants.

The feedback was excellent.

**Meetings:**

* We are due to have a 15C meeting for the next 6 month plan. I will arrange this to take place in Melbourne once I have a date confirmed for the DRP hearing for the current UIGF scheduling error.

1. **Outputs**

**1.1 General:**

* Our first Masterclass has been successfully finalised. I am beginning discussions with potential hosts for further such forums.
* Scoping of the Scheduling error compensation process. This has taken all of my allocated time during the quarter (6 days). I expect that this time will be reimbursed by the participants when the claim moves to stage 2. I will be able to allocate additional days during the next quarters.
* Liaison with the AER.

**1.2 Update on the UIGF Scheduling Error.**

On 7 June AEMO issued a summary of a scheduling error:

**1.2.1 Summary of UIGF error**

*In some circumstances, the Australian Wind Energy Forecasting System (AWEFS) has produced unconstrained intermittent generation forecasts (UIGFs) that are significantly less than that suggested by prevailing wind conditions1 for some wind farms in some circumstances. This issue has resulted in the overly restrictive capping of the output from these semi-scheduled generating units by the central dispatch process, typically during periods of network congestion.*

*AEMO has consequently determined that under these circumstances it has failed to follow the central dispatch process set out in rule 3.8 of the National Electricity Rules (NER) and declares that a scheduling error has occurred.*

This is the first time that there has been a scheduling error pertaining to wind generation. To refer the matter appropriately it is important to understand the proposed principles for compensation and the extent to which they are agreed by all the parties. This will shape the DRP process. I have been working with the participants and AEMO to finalise the principles.

The next steps are for a timetable to be put into place for the filing of material and for a DRP to be constituted. I expect to have the process finalised in November. I will send out a further update once a DRP has been constituted.

It has been a busy and productive quarter

Yours sincerely

Shirli Kirschner