Participant compensation following market suspension: stakeholder feedback template

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

Organisation:

Contact name:

Contact details (email / phone):

| Questions | | Feedback |
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| **Chapter 4 – Assessment Framework** | | |
|  | Is the assessment framework appropriate for considering the proposed rule changes? |  |
|  | Are there other relevant considerations that should be included in assessing the proposed rule changes? |  |
| **Chapter 5 – Section 5.1 – Is a compensation framework required?** | | |
|  | Is a compensation framework required for MSPS periods? |  |
|  | If not, what other options (if any) should be considered? |  |
| **Chapter 5 – Section 5.2.3 – Objective of compensation** | | |
|  | What should be the objective of the proposed MSPS compensation framework? |  |
| 6. | How should a MSPS compensation framework effectively incentivise voluntary participation during MSPS periods without also incentivising inefficient bidding behaviour and dispatch outcomes? |  |
| **Chapter 5 – Section 5.3.1 – How should compensation be calculated?** | | |
| 7. | How should compensation be calculated? |  |
|  | (a) Is the APP compensation model the appropriate approach? |  |
|  | (b) What are the advantages and disadvantages of alternative approaches to the APP compensation model – for example, a “cost plus” approach or the use of a pre-determined percentile price? |  |
|  | (c) Does a hybrid approach warrant consideration, for example combining elements of different frameworks? |  |
|  | (d) Should there be an element of automation in the calculation of compensation? |  |
|  | (e) What is an appropriate balance between predictability and accuracy of compensation? |  |
| **Chapter 5 – Section 5.3.2 – Who should be eligible to claim compensation?** | | |
| 8. | Who should be entitled to or able to claim compensation? |  |
|  | (a) Should parties in neighbouring regions be entitled to, or eligible to claim, compensation if they incur a loss due to scaling? |  |
|  | (b) To what degree should non-scheduled generators be entitled to, or eligible to claim, compensation? |  |
|  | (c) Should market participants be entitled to, or eligible to claim, compensation with respect to scheduled loads? |  |
| **Chapter 5 – Section 5.3.3 – What costs should be claimable?** | | |
| 9. | What costs should be claimable? Direct costs, loss of revenue, opportunity costs? |  |
| **Chapter 5 – Section 5.3.4 – Should any thresholds apply?** | | |
| 10. | Should any minimum thresholds apply below which compensation is not payable? |  |
| **Chapter 5 – Section 5.3.5 – How should compensation payment costs be recovered?** | | |
| 11. | How should compensation payment costs be recovered? |  |
| **Chapter 5 – Section 5.3.6 – Claiming compensation under more than one framework** | | |
| 12. | Should the framework include a provision to manage situations where compensation claims could be made under more than one framework with respect to the same event? If so, what approach should be adopted? |  |
| **Chapter 5 – Section 5.4 – Risk management** | | |
| 13. | What risks are critical to manage in designing a MSPS compensation framework? |  |
| 14. | How can they best be managed? |  |
| **Chapter 5 – Section 5.5 – Regulatory and administrative burden** | | |
| 15. | How could the design of the MSPS compensation framework minimise regulatory and administrative burdens on market participants, market bodies and consumers? |  |
| 16. | Which organisation should administer the compensation framework? |  |
| 17. | What timeframes should govern the compensation framework? |  |
| 18. | How should administrative costs be recovered? |  |