

# WEM Procedure: Settlements

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## Version Release History

Version	Effective Date	Summary of Changes
1.0	21 September 2006	Market Procedure for Settlements
2.0	19 July 2011	Amendments to Market Procedure resulting from PA redevelopment
3.0	1 January 2014	Amendments to Market Procedure resulting from PC_2013_07
4.0	30 November 2015	Changes resulting from the transfer of functions from the IMO to AEMO
5.0	18 April 2017	Changes resulting from the transfer of System Management functions to AEMO
6.0	1 July 2019	Amendments to Market Procedure resulting from AEPC_2019_06 relating to: <ul style="list-style-type: none"> <li>the Rule Change Proposal RC_2014_06: Removal of Resource Plans and Dispatchable Loads; and</li> <li>the transfer of the Procedure to the new AEMO Procedure template, formatting amendments and minor administrative improvements to align with WEM Rules</li> </ul>
7.0	19 March 2021	Amendments to Market Procedure resulting from AEPC_2020_07 relating to Rule Change Proposal RC_2019_04: Administrative Improvements to Settlements
8.0	16 September 2021	Changes resulting from transfer to new WEM Procedure template and the Wholesale Electricity Market Amendment (Reserve Capacity Pricing Reforms) Rules 2019 related to calculation of Capacity Credits in section 3.8.
9.0	1 October 2023	Replacement Procedure. Changes resulting from WEM Reform.

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# 1. Introduction

## 1.1. Purpose and scope

- 1.1.1. This WEM Procedure: Settlements (Procedure) is made in accordance with AEMO's functions under clause 2.1A.2(h) of the Wholesale Electricity Market Rules (WEM Rules).
- 1.1.2. The *Electricity Industry Act 2004* (WA), the WEM Regulations and the WEM Rules prevail over this Procedure to the extent of any inconsistency.
- 1.1.3. In this Procedure, where obligations are conferred on a Rule Participant, that Rule Participant must comply with the relevant obligations in accordance with clause 2.9.7A, 2.9.7D or 2.9.8 of the WEM Rules, as applicable.
- 1.1.4. The purpose of this Procedure is to describe the following:
- (a) the settlement processes for:
    - (i) publishing the Settlement Timeline;
    - (ii) calculating the Metered Schedule and settlement amounts;
    - (iii) performing the Adjustment Process;
    - (iv) providing Settlement Statements and Invoices;
    - (v) payment of Invoices;
    - (vi) settlement in Payment Default situation, including Default Levies;
    - (vii) settlement in Repaid Amount situation, including Repaid Amount Levies;
  - (b) the application of taxes and interest to settlement transactions;
  - (c) the collection and distribution of Financial Penalties; and
  - (d) the processes to be followed in relation to Notices of Disagreement and Notices of Dispute.
- 1.1.5. Appendix A of this Procedure outlines the head of power clauses that this Procedure is made under, as well as other obligations in the WEM Rules covered by this Procedure.

## 1.2. Definitions

- 1.2.1. Terms defined in the *Electricity Industry Act 2004* (WA), the WEM Regulations and the WEM Rules have the same meanings in this Procedure unless the context requires otherwise.
- 1.2.2. The following definitions apply in this Procedure unless the context requires otherwise.

**Table 1** Definitions

Term	Definition
Commencement Date	The date specified in the Settlement Timeline after which AEMO must commence the Adjustment Process for the relevant Trading Weeks.
Initial Settlement	Refers to the original settlement process for a Trading Week before the commencement of any Adjustment Processes for that Trading Week.
Market Accounting Report	Report containing summary information pertaining to the account maintained by AEMO for market settlement [clause 9.18.13].

Term	Definition
Settlement Timeline	The document published in accordance with clause 9.3.
Settlement Statement Summary	Contains the high-level summary of a Settlement Statement for a Trading Week associated with a Rule Participant, the Economic Regulation Authority, or the Coordinator. Data is provided in daily granularity and scope participant.
Settlement Statement Detail	Contains the low-level details of a Settlement Statement for a Trading Week associated with a Rule Participant, the Economic Regulation Authority, or the Coordinator. Data is provided in various granularities and scopes.
Wholesale Electricity Market System (WEMS)	An interface software system that AEMO uses to administer and operate the Wholesale Electricity Market.

## 1.3. Interpretation

1.3.1. The following principles of interpretation apply in this Procedure unless the context requires otherwise.

- (a) Clauses 1.3 to 1.5 of the WEM Rules apply in this Procedure.
- (b) References to time are references to Australian Western Standard Time.
- (c) Terms that are capitalised, but not defined in this Procedure, have the meaning given in the WEM Rules.
- (d) A reference to the WEM Rules or WEM Procedures includes any associated forms required or contemplated by the WEM Rules or WEM Procedures.
- (e) Words expressed in the singular include the plural and vice versa.
- (f) A reference to a paragraph refers to a paragraph of this Procedure.
- (g) A reference to an appendix refers to an appendix of this Procedure.
- (h) A reference to a clause refers to a clause or section of the WEM Rules.
- (i) References to WEM Rules in this Procedure in bold and square brackets **[Clause XXX]** are included for convenience only, and do not form part of this Procedure.
- (j) If a WEM Rule is repeated in a paragraph in this Procedure (usually indicated by the inclusion of **[Clause XXX]**), the paragraph in this Procedure is not intended to create an obligation or right in addition to the WEM Rule to the extent that the WEM Rule already provides that obligation or right.
- (k) Text located in boxes and headed as **E[X]** in this Procedure is included by way of explanation only and does not form part of this Procedure. The Procedure prevails to the extent of any inconsistency with the explanatory notes contained within it.
- (l) The body of this Procedure prevails to the extent of any inconsistency with the figures, diagrams, appendices, schedules, annexures or attachments contained within this document.

## 1.4. Related documents

1.4.1. The documents in Table 2 are associated with this Procedure.

**Table 2** Related documents

Reference	Title	Location
Bank Bill Rate	Investment policy and bank bill rate webpage	<a href="#">WEM Website</a>
Clearing payments webpage	EFT facility	<a href="#">WEM Website</a>
Market accounting reports webpage	Market Accounting Report	<a href="#">WEM Website</a>
Clearing payments webpage	Minimum Transaction Amount	<a href="#">WEM Website</a>
Clearing payments webpage	Settlement Timeline	<a href="#">WEM Website</a>
WEM Procedure	WEM Procedure: Capacity Credit Allocation	<a href="#">WEM Website</a>
WEM Procedure	WEM Procedure: Individual Reserve Capacity Requirement	<a href="#">WEM Website</a>
WEM Procedure	WEM Procedure: Meter Data Submissions	<a href="#">WEM Website</a>
WEM Procedure	WEM Procedure: Prudential Requirements	<a href="#">WEM Website</a>
Settlement Technical Guides webpage	WEM Metering, Settlement and Prudential Calculations Formulation	<a href="#">WEM Website</a>

## 2. Conventions

- 2.1.1. In this Procedure, apart from paragraph 5.1 (where a Rule Participant has its ordinary meaning), a reference to “Rule Participant” is a reference to the relevant Market Participant or the relevant Network Operator as the case may be (and is not a reference to any other Rule Participant) **[clause 9.1.1]**.
- 2.1.2. Settlement is based on whole Trading Days **[clause 9.1.2]**.

## 3. Transitional provisions

- 3.1.1. Clause 1.55 applies to this Procedure in regards to the general transitional provisions imposed on Rule Participants to facilitate a transition from the Pre-Amended Rules to the Post-Amended Rules.

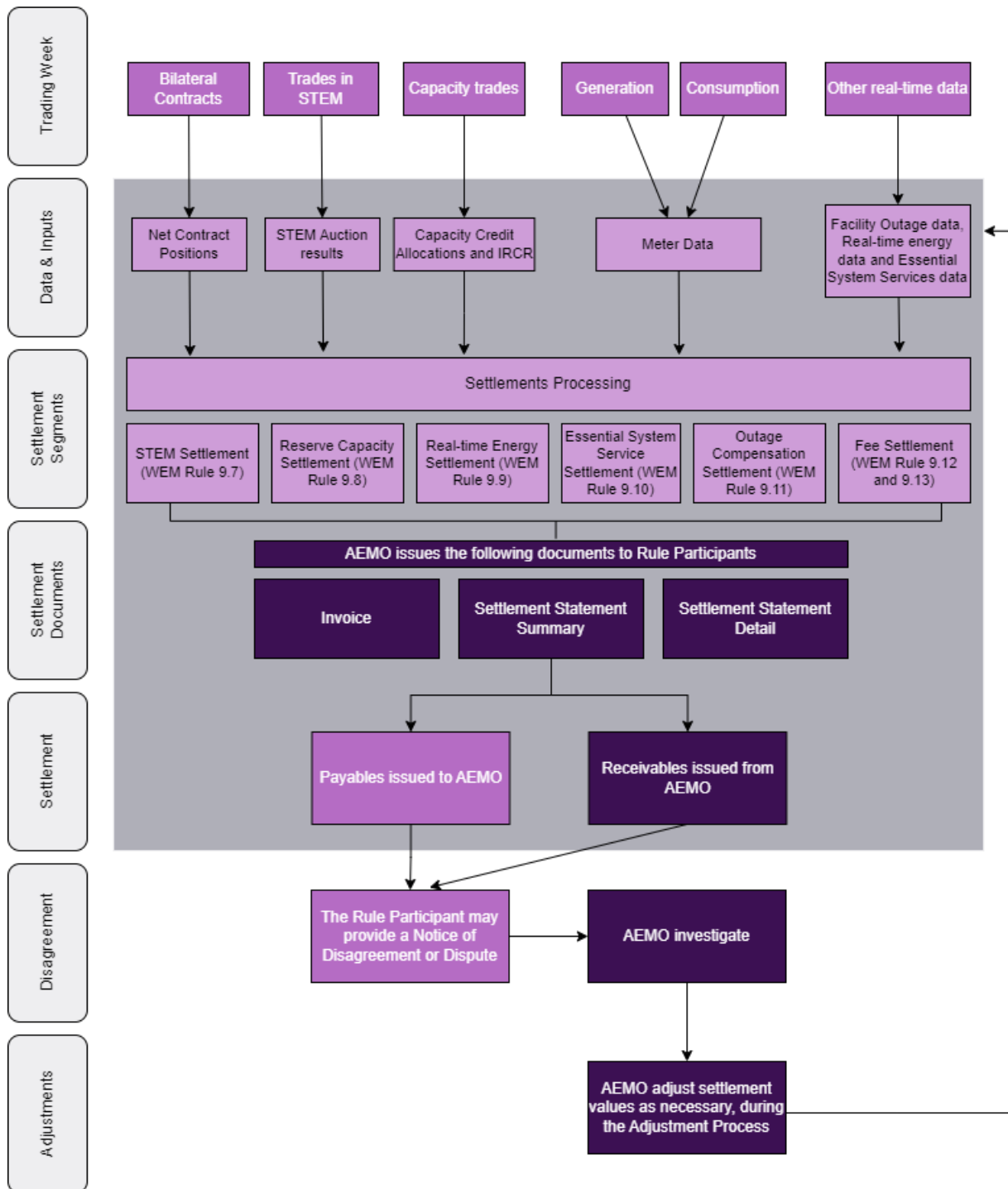


## 4. Settlement process

### 4.1. Overview

4.1.1. An overview of the settlement process is depicted in Figure 1.

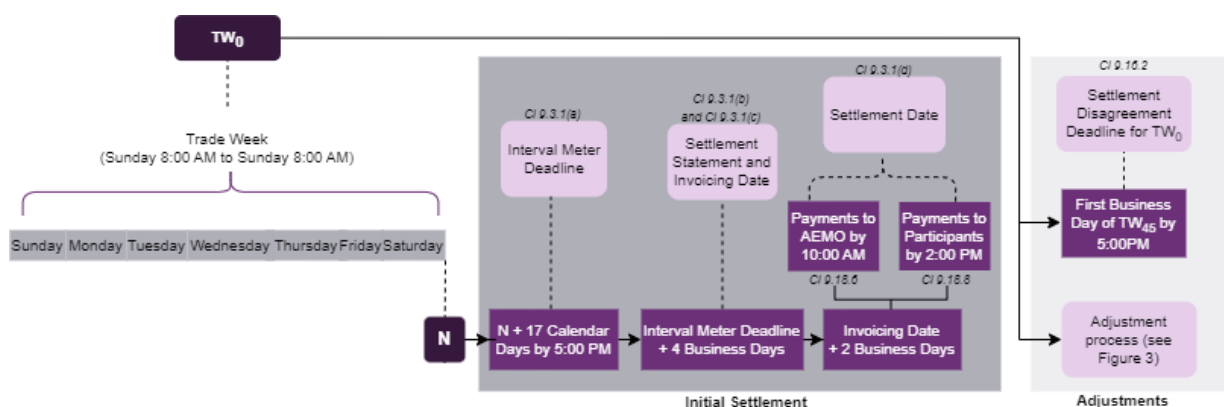
Figure 1 Settlement process



## 4.2. Settlement Timeline

- 4.2.1. AEMO must perform all settlement processes and Adjustment Processes for each Trading Week in accordance with the dates specified in the Settlement Timeline.
- 4.2.2. An overview of the Settlement Timeline is depicted in Figure 2.

Figure 2 Settlement Timeline overview



## 4.3. Input calculations

- 4.3.1. For the purposes of processing and calculating transactions under paragraph 4.4.1, AEMO must:
- for each Trading interval, determine the Metered Schedule in accordance with clause 9.5; and
  - for each Trading Month, determine the Individual Reserve Capacity Requirements in accordance with the WEM Procedure: Individual Reserve Capacity Requirement and WEM Procedure: Consumption Deviation Applications.
- 4.3.2. In determining the Metered Schedule for a Trading Interval, AEMO must use the Meter Data Submissions received up to the Interval Meter Deadline for the relevant Trading Week in which that Trading Interval falls **[clause 9.3.1(a)]** and may use Meter Data Submissions received after this date.

## 4.4. Settlement calculations

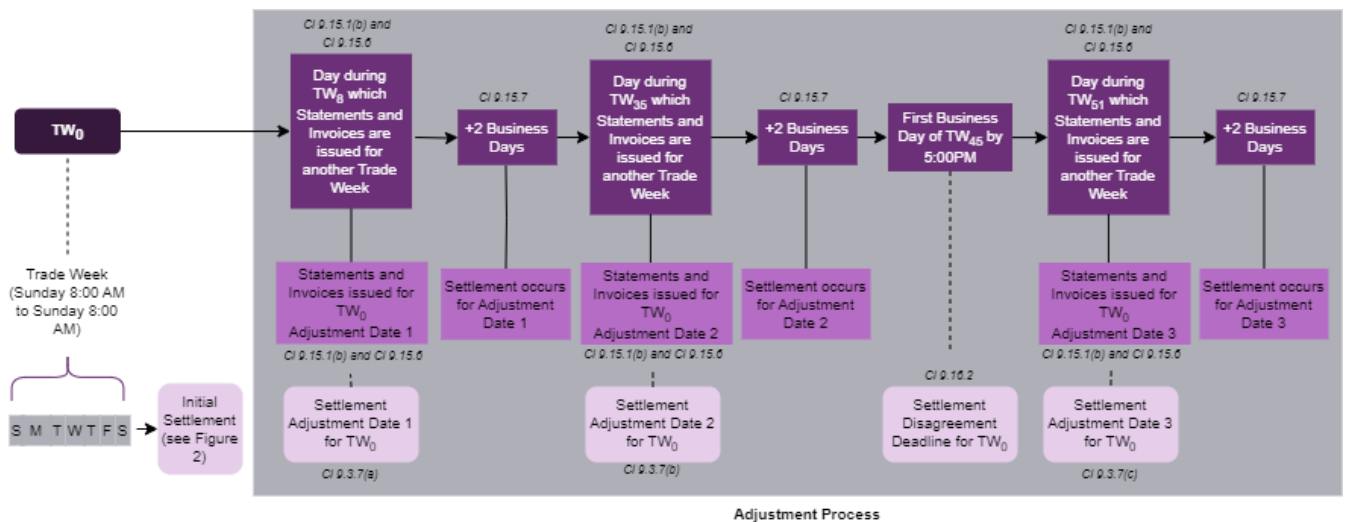
- 4.4.1. AEMO must process and calculate all transactions for the Trading Week and attribute them to each of the following settlement segments:
- STEM settlement amount (clause 9.7);
  - Reserve Capacity settlement amount (clause 9.8);
  - Real-Time Energy settlement amount including Energy Uplift (clause 9.9);
  - Essential System Service settlement amount including FCESS Uplift (clause 9.10);
  - Outage Compensation settlement amount (clause 9.11); and
  - Fees settlement amounts (clauses 9.12 and 9.13).

- 4.4.2. AEMO must use the calculations determined under paragraph 4.4.1 to calculate the Net Settlement Amount for each Rule Participant in accordance with clause 9.6.
- 4.4.3. Where AEMO uses reasonable estimates for the purposes of clauses 9.10.6(c)(ii), 9.10.10(c)(ii), 9.10.14(c)(ii), 9.10.22(c)(ii), 9.10.23(c)(ii) and clause 2.4(a)(ii) of Appendix 2C of the Rules, the methodology for these estimates is documented in Appendix B of this Procedure [clause 9.2.2].

## 4.5. Adjustment Process

- 4.5.1. AEMO must undertake an Adjustment Process in accordance with the dates specified in the Settlement Timeline.
- 4.5.2. An overview of the Adjustment Process timeline is depicted in Figure 3.
- 4.5.3. When undertaking an Adjustment Process, AEMO must:
  - (a) recalculate the amounts in the Relevant Settlement Statements in accordance with clause 9.15.1(a); and
  - (b) provide adjusted Settlement Statements and adjusted Invoices to Rule Participants for Relevant Settlement Statements [clauses 9.15.1(b) and 9.15.6].
- 4.5.4. When undertaking the Adjustment Process for a Trading Week, which Trading Week contains the first Trading Day of a Trading Month, AEMO must recalculate the Individual Reserve Capacity Requirements in accordance with the WEM Procedure: Individual Reserve Capacity Requirements.
- 4.5.5. Where AEMO decides that it will use a revised value, as contemplated under clause 9.15.1(a)(vi), in the final adjusted Settlement Statement (to be issued on Settlement Adjustment Date 3 for a Trading Week), AEMO must, as soon as practicable, notify the relevant Rule Participant by email, of the proposed revised value and the reason for its decision [clause 9.15.2].

Figure 3 Adjustment process timeline



## 4.6. Settlement Statements

- 4.6.1. AEMO will provide Settlement Statements to the Economic Regulation Authority and the Coordinator in accordance with the Settlement Timeline.
- 4.6.2. A Settlement Statement must include the information described in clause 9.14.2.
- 4.6.3. AEMO may provide a Settlement Statement comprised of the following parts:
  - (a) a Settlement Statement Summary; and
  - (b) a Settlement Statement Detail.
- 4.6.4. An adjustment Settlement Statement must:
  - (a) be in the same form as the original Settlement Statement in accordance with clause 9.15.3; and
  - (b) include details of the adjustment to be paid by or to the Rule Participant in accordance with clause 9.15.4.
- 4.6.5. AEMO must provide Settlement Statements to Rule Participants through the WEMS.
- 4.6.6. AEMO will provide Settlement Statements to the Economic Regulation Authority and the Coordinator through the WEMS.

## 4.7. Invoices

- 4.7.1. AEMO must issue Invoices to Rule Participants in accordance with clause 9.18.1.
- 4.7.2. AEMO may issue Invoices to the Economic Regulation Authority and the Coordinator in accordance with the Settlement Timeline.
- 4.7.3. An Invoice must include the information described in clause 9.18.2.
- 4.7.4. AEMO must provide Invoices to Rule Participants through the WEMS.
- 4.7.5. AEMO will provide Invoices to the Economic Regulation Authority and the Coordinator through the WEMS.

## 4.8. System requirements

- 4.8.1. Where AEMO uses software systems to perform calculations of quantities, prices or amounts defined under these WEM Rules, AEMO must maintain, test, certify and audit that software in accordance with clause 2.36.1.
- 4.8.2. AEMO will publish any independently certified mathematical formulations representing the settlement calculations, and the Trading Days to which they apply, on the WEM Website.
- 4.8.3. AEMO will publish the mathematical rounding principles used by the settlement processes on the WEM Website.

## 5. Application of taxes and interest

### 5.1. Application of GST

- 5.1.1. AEMO must apply taxes to prices, fees and charges under the WEM Rules in accordance with clause 9.1.3 and the GST Act.
- 5.1.2. In accordance with clause 9.1.3(d), AEMO must include in Settlement Statements and Invoices the additional GST amounts payable contemplated by clause 9.1.3(c).
- 5.1.3. AEMO must apply GST on the following taxable supplies:
- the net STEM settlement amount;
  - the net Reserve Capacity settlement amount;
  - the net Real-Time Energy settlement amount;
  - the net Essential System Service settlement amount; and
  - the net Outage Compensation settlement amount.
- 5.1.4. AEMO must not apply GST to the following non-taxable supplies:
- the net Market Participant Regulator Fee settlement amount;
  - the net Market Participant Coordinator Fee settlement amount;
  - the net Market Participant Market Fee settlement amount;
  - the net Service Fee Settlement Amounts payable to the Economic Regulation Authority;
  - the net Service Fee Settlement Amounts payable to the Coordinator;
  - the net Service Fee Settlement Amounts payable to the AEMO;
  - the net Default Levy settlement amount; and
  - interest accrued on any settlement amount.
- 5.1.5. AEMO must apply GST to all taxable supplies in accordance with the following formula:

$$GST \text{ inclusive amount } (p) = \left( \sum TS(p, d) \times GSTrate(d) \right) + \sum TS(p, d)$$

Where:

$TS$  = taxable supplies in accordance with paragraph 5.1.3;

$GSTrate$  = the GST rate applicable for the Trading Day (e.g. 10% is 0.10)

$p$  = Rule Participant; and

$d$  = Trading Day in which the taxable supplies were made to the Rule Participant.

### 5.2. Application of interest

- 5.2.1. AEMO must calculate and accrue interest on the following transactions:
- late payments by Rule Participants [**clause 9.18.7**];
  - the adjustment which will need to be paid by or to the Rule Participant to put the Rule Participant in the position it would have been in at the time payment was made in respect

of the original Settlement Statement if the adjusted Settlement Statement had been issued as the original Settlement Statement (but taking into account any adjustments previously made under this section 9.15) **[9.15.4(b)]**;

- (c) allocation of Default Levy amounts received under clause 9.20.8 **[clause 9.20.9(a)]**.

5.2.2. With regard to late payments by Rule Participants, AEMO must:

- (a) accrue interest daily at the Bank Bill Rate, from (and including) the date that payment was due up to (but excluding) the date of payment **[clauses 9.1.4 and 9.18.7]**; and
- (b) calculate interest as:

$$\text{Interest on late payment} = (L + GST) \times \sum_{t=1}^n \frac{[BBR(t)]}{365} \times N(t)$$

Where:

$L$  = late payment amount;

$GST$  = any GST amount applicable to the late payment amount;

$t$  = a period in which the payment was late and a particular Bank Bill Rate applied, where periods are referred to as 1,2,...,n;

$n$  = number of periods for which the amount was late, including the date that payment was due but excluding the date of payment;

$BBR(t)$  = Bank Bill Rate applicable for period  $t$ ; and

$N(t)$  = number of days during period  $t$ , including the date that payment was due but excluding the date of payment.

5.2.3. With regard to adjusted Settlement Statements, AEMO must:

- (a) accrue interest daily at the Bank Bill Rate, from (and including) the initial Settlement Date up to (but excluding) the Settlement Date for the adjusted Settlement Statement **[clauses 9.1.4 and 9.15.4]**; and
- (b) calculate interest as:

$$\text{Interest on adjustment} = (S + GST) \times \sum_{t=1}^n \frac{[BBR(t)]}{365} \times N(t)$$

Where:

$S$  = settlement amount payable;

$GST$  = any GST amount applicable to the relevant settlement amount;

$t$  = a period in which the settlement amount was outstanding and a particular Bank Bill Rate applied, where periods are referred to as 1,2,...,n;

$n$  = number of periods for which the settlement amount was outstanding, including the initial Settlement Date but excluding the Settlement Date for the adjusted Settlement Statement;

$BBR(t)$  = Bank Bill Rate applicable for period  $t$ ; and

$N(t)$  = number of days during period  $t$ , including the initial Settlement Date but excluding the Settlement Date for the adjusted Settlement Statement.

5.2.4. With regard to allocation of Default Levy amounts, AEMO must:

- (a) accrue interest daily at the Bank Bill Rate, from (and including) the date of the Payment Default, up to (but excluding) the date of payment of the Default Levy amount received under clause 9.20.8 [**clauses 9.1.4 and 9.20.9(a)**]; and
- (b) calculate interest as:

$$\text{Interest on Default Levy} = (DL) \times \sum_{t=1}^n \frac{[BBR(t)]}{365} \times N(t)$$

Where:

$DL$  = Default Levy amount received under clause 9.20.8;

$t$  = a period from (and including) the date of the Payment Default up to (but excluding) the date of payment of the Default Levy amount and a particular Bank Bill Rate applied, where periods are referred to as 1,2,...,n;

$n$  = number of periods from (and including) the date of the Payment Default up to (but excluding), the date of payment of the Default Levy amount;

$BBR(t)$  = Bank Bill Rate applicable for period  $t$ ; and

$N(t)$  = number of days during period  $t$ .

5.2.5. AEMO must publish the Bank Bill Rate used to calculate interest on the WEM Website.

## 6. Invoice payment process

### 6.1. Payment

- 6.1.1. Unless otherwise authorised by AEMO, all Rule Participants must use the electronic funds transfer facility nominated by AEMO in paragraph 6.2.1 to settle any outstanding Invoice in full **[clause 9.18.5]**.
- 6.1.2. If an Invoice indicates that a Rule Participant owes to AEMO an amount payable greater than the Minimum Transaction Cost, then the Rule Participant must pay the full amount to AEMO (in cleared funds) by 10:00 AM WST on the Settlement Date, whether or not it disputes the amount indicated to be payable **[clause 9.18.6]**.
- 6.1.3. If a Market Participant fails to make the payment in paragraph 6.1.2 before the time it is due, then a Suspension Event occurs in relation to the Market Participant **[clause 9.19.1(a)]**.
- 6.1.4. If AEMO becomes aware that a Suspension Event has occurred in relation to a Market Participant and the Suspension Event has not been remedied, then AEMO must act in accordance with clause 9.19.4 and the WEM Procedure: Prudential Requirements.
- 6.1.5. If an Invoice indicates that AEMO owes to a Rule Participant an amount payable greater than the Minimum Transaction Cost, then AEMO must make available the full amount to the Rule Participant (in cleared funds) by 2:00 PM WST on the Settlement Date, except as provided for in section 9.20 **[clause 9.18.8]**.
- 6.1.6. If a Rule Participant defers collection of amount AEMO is to make available to the Rule Participant pursuant to clause 9.18.8, then the Rule Participant must contact AEMO by email and agree the collection for an alternative date.
- 6.1.7. AEMO must not settle any Invoice amount payable that is less than or equal to the Minimum Transaction Cost **[clauses 9.18.6 and 9.18.8]**.

### 6.2. EFT facility and Minimum Transaction Cost

- 6.2.1. AEMO must nominate and publish the electronic funds transfer facility that must be used by Rule Participants for the purpose of some or all settlements under the WEM Rules on the WEM Website **[clause 9.18.4(a)]**.
- 6.2.2. AEMO must determine and publish the Minimum Transaction Cost on the WEM Website **[clause 9.18.4(b)]**.
- 6.2.3. If AEMO becomes aware that the Minimum Transaction Cost has changed, then AEMO must determine and publish the revised Minimum Transaction Cost on the WEM Website as soon as practicable.

### 6.3. Market fees

- 6.3.1. AEMO is an agent for the collection of Market Participant Coordinator Fees and Market Participant Regulator Fees payable by Market Participants to AEMO **[clause 2.25.1A]**.
- 6.3.2. AEMO must establish, in its books, a separate fund in which it will credit all Service Fee Settlement Amounts payable to AEMO under the WEM Rules **[clause 9.18.9]**.



- 6.3.3. The Economic Regulation Authority must, if requested by AEMO, do all things reasonably necessary (including entering into any agreements) to enable AEMO to give effect to paragraph 6.3.1 **[clause 2.25.1B]**. This may include, but is not limited to:
- (a) accessing Settlement Statements and Invoices through the WEMS; and
  - (b) using the electronic funds transfer facility nominated in paragraph 6.2.1.
- 6.3.4. The Coordinator must, if requested by AEMO, use reasonable endeavours to cooperate with AEMO, as AEMO endeavours to give effect to paragraph 6.3.1 **[clause 2.25.1C]**. This may include, but is not limited to:
- (a) accessing Settlement Statements and Invoices through the WEMS; and
  - (b) using the electronic funds transfer facility nominated in paragraph 6.2.1.
- 6.3.5. Following receipt of a payment contemplated by clause 2.25.2, AEMO must **[clause 2.25.3]**:
- (a) transfer to the fund established under clause 9.18.9 the payment received as calculated in clause 9.13.2;
  - (b) pay the Economic Regulation Authority the payment received as calculated in clause 9.13.3; and
  - (c) pay the Coordinator the payment received as calculated in clause 9.13.4.

## 7. Settlement in Payment Default situation

### 7.1. Payment Default

- 7.1.1. If a Rule Participant fails to make a payment to AEMO by the Settlement Date, then AEMO may Draw Upon any Credit Support held in relation to that Rule Participant to meet the payment **[clause 9.20.1]**.
- 7.1.2. If at any time the Total Amount received by AEMO is not sufficient to make the payments which AEMO is required to make, then AEMO's liability to make those payments is limited to the Total Amount **[clause 9.20.3]**.
- 7.1.3. AEMO must apply the Total Amount in accordance with clause 9.20.4.
- 7.1.4. AEMO must notify all Rule Participants, by email, no later than 1:30 PM WST on the Business Day of the Payment Default, of the expected reduction in payments under clause 9.20.4.

### 7.2. Receipt of payment within five Business Days of a Payment Default

- 7.2.1. If AEMO has reduced any payment in paragraph 7.1.3 as a result of a Payment Default and, within five Business Days of the Payment Default, it has received full or partial payment of the overdue amount, then AEMO must within one Business Day apply the amount received in accordance with clause 9.20.5, including interest calculated in accordance with paragraph 5.2.2 **[clause 9.20.5]**.

### 7.3. Default Levy

- 7.3.1. If, five Business Days after a Payment Default, AEMO is yet to recover in full the overdue amount, then it must raise a Default Levy from all Market Participants (other than from Market Participants with unrecovered Payment Defaults) to cover the remaining shortfall in accordance with clause 9.20.6, including interest calculated in accordance with paragraph 5.2.2 **[clause 9.20.6]**.
- 7.3.2. Within six Business Days of the Payment Default occurring, AEMO must:
  - (a) notify each relevant Market Participant of the amount it must pay in respect of the Default Levy by email **[clause 9.20.7]**; and
  - (b) provide each relevant Market Participant with an Invoice for the Default Levy by email or in WEMS.

- 7.3.3. A Market Participant must pay the full amount notified by AEMO in paragraph 7.3.1 to AEMO (in cleared funds) by 10:00 AM WST of the eighth Business Day following the date of the Payment Default, whether or not it disputes the amount notified **[clause 9.20.8]**.
- 7.3.4. By 2:00 PM WST on the eighth Business Day following the date of a Payment Default, AEMO must allocate the total of the Default Levy amounts received in paragraph 7.3.3 in accordance with 9.20.9, including interest calculated in accordance with paragraph 5.2.4 **[clause 9.20.9]**.

## 7.4. Refund of Default Levies

- 7.4.1. If, after raising a Default Levy in respect of a Payment Default, AEMO recovers all or part of the relevant shortfall from the defaulting Rule Participant, then it must use the amount recovered to refund Default Levy amounts paid in paragraph 7.3.3 in accordance with clause 9.20.12.

## 7.5. Re-allocation of Default Levies

- 7.5.1. By the end of the second month following the end of a Financial Year, AEMO must re-allocate any Default Levies raised during that Financial Year in accordance with clause 9.20.11.

# 8. Settlement in Repaid Amount situation

## 8.1. Repaid Amount

- 8.1.1. If, under Part 5.7B of the Corporations Act or another law relating to insolvency or the protection of creditors or similar matters, AEMO is required to make a Repaid Amount, then AEMO may Draw Upon any Credit Support held by AEMO in relation to the Rule Participant for the Repaid Amount **[clause 9.20.2(a)]**.

## 8.2. Repaid Amount Levy

- 8.2.1. If AEMO is not able to recover all or part of the Repaid Amount by drawing upon Credit Support held by AEMO in relation to the Rule Participant, then AEMO must raise a Repaid Amount Levy from all Market Participants (other than from Market Participants with unrecovered Payment Defaults) to recover the remainder of the Repaid Amount in accordance with clause 9.20.2(b).
- 8.2.2. Within six Business Days of AEMO being notified of the requirement to provide the Repaid Amount in paragraph 8.1.1, AEMO must:
- (a) notify each relevant Market Participant of the amount it must pay in respect of the Repaid Amount Levy in paragraph 8.2.1, by email **[clause 9.20.2A]**; and
  - (b) provide each relevant Market Participant with an Invoice for the Repaid Amount Levy in paragraph 8.2.1, by email or in WEMS.

8.2.3. A Market Participant must pay the full amount notified by AEMO in paragraph 8.2.2 to AEMO (in cleared funds) by 10:00 AM on the eighth Business Day after the date of AEMO's notification in paragraph 8.2.2, whether or not the Market Participant disputes the amount required to be paid **[clause 9.20.2B]**.

### 8.3. Re-allocation of Repaid Amount Levies

8.3.1. By the end of the second month following the end of a Financial Year, AEMO must re-allocate any Repaid Amount Levies raised during that Financial Year in accordance with clause 9.20.2C.

## 9. Financial Penalty distribution

9.1.1. Clause 9.21.1 applies with regard to the distribution of Civil Penalty Amounts.

9.1.2. If AEMO is notified by the Economic Regulation Authority that the Economic Regulation Authority has demanded or ordered a Rule Participant pay to AEMO a Financial Penalty for a breach of a provision of the WEM Rules, then AEMO must:

- (a) notify the Rule Participant of the amount it must pay in respect of the Financial Penalty, including the due date and time, by email, as soon as practicable; and
- (b) provide the Rule Participant with an Invoice for the Civil Penalty Amount, by email or in WEMS.

9.1.3. A Rule Participant must pay the full amount notified by AEMO in paragraph 9.1.2 to AEMO (in cleared funds) by the date and time specified in the notice in paragraph 9.1.2, whether or not the Rule Participant disputes the amount required to be paid.

9.1.4. AEMO must calculate for each Market Participant the Financial Penalty distribution amount in accordance with clauses 9.21.2, 9.21.3 and 9.21.4.

## 10. Notices of Disagreements and Dispute

### 10.1. Notice of Disagreement

10.1.1. A Rule Participant may issue a Notice of Disagreement in respect of a Settlement Statement for a Trading Week by the Settlement Disagreement Deadline in the Settlement Timeline **[clauses 9.16.1 and 9.16.2]**.

10.1.2. A Notice of Disagreement must be submitted to AEMO by the format specified in WEMS.

10.1.3. Upon receipt of a Notice of Disagreement, AEMO must confirm receipt by email or in WEMS **[clause 9.16.4]**.

10.1.4. A Rule Participant may only issue a Notice of Disagreement in respect of information in a Settlement Statement that the Rule Participant believes differs from the expected results under the WEM Rules.

- 10.1.5. For the purposes of clause 9.16.6, AEMO may request clarification or further information in WEMS.
- 10.1.6. If AEMO requests clarification or further information in paragraph 10.1.5, then the Rule Participant must:
- (a) provide the requested clarification or further information, within the timeframe specified by AEMO in its request, which should not be less than three Business Days; and
  - (b) provide the requested clarification or further information in WEMS.
- 10.1.7. If a Notice of Disagreement relates to information provided to AEMO by a Metering Data Agent or SCADA data provided by a Network Operator then as soon as practicable, but not later than five Business Days after AEMO confirms receipt of the Notice of Disagreement, AEMO must perform the actions in clause 9.16.7.
- 10.1.8. If AEMO notifies a Metering Data Agent or Network Operator (as applicable) under clause 9.16.7 of the time and date by which AEMO reasonably requires a response, the Metering Data Agent and Network Operator (as applicable) must provide the response via email by the time and date notified by AEMO, unless otherwise agreed by AEMO. For the avoidance of doubt, a response must be provided to AEMO no later than the timeframe specified in clause 9.16.7(b).
- 10.1.9. If a Notice of Disagreement relates to any item of information developed by AEMO, then AEMO must perform the actions in clause 9.16.8.
- 10.1.10. For the purpose of clause 9.16.9, AEMO must respond in writing in WEMS.
- 10.1.11. AEMO may extend the deadline to respond to a Notice of Disagreement where it requires additional time to respond to the Notice of Disagreement, including additional time to assess relevant information or determine the actions it will take **[clause 9.16.10]**.
- 10.1.12. If AEMO decides to extend the deadline to respond to a Notice of Disagreement, it must notify the Rule Participant that submitted the Notice of Disagreement, by email, within 20 Business Days of receiving the Notice of Disagreement, and must include the information in clause 9.16.10.

## 10.2. Notice of Dispute

- 10.2.1. If a Rule Participant is not satisfied with AEMO's response to a Notice of Disagreement submitted in accordance with this Procedure, then it may issue a Notice of Dispute to AEMO in accordance with clause 9.17 **[clause 9.16.12]**.
- 10.2.2. A Notice of Dispute must be in writing and must contain the information in clause 2.19.3.
- 10.2.3. A Rule Participant may only issue a Notice of Dispute in relation to a Settlement Statement after:
- (a) having raised a Notice of Disagreement in accordance with paragraph 10.1; and
  - (b) AEMO having given a response in paragraph 10.1.10 with which the Rule Participant is not satisfied **[clause 9.17.1]**.

- 10.2.4. A Rule Participant may issue a Notice of Dispute in regard to an adjusted Settlement Statement for a Trading Week issued on Settlement Adjustment Date 3, but only in respect of an adjustment first made by AEMO to that Settlement Statement and not in respect of any other matter **[clause 9.17.2]**.
- 10.2.5. A Rule Participant must not raise a Notice of Dispute with respect to a Settlement Statement more than 12 calendar months after AEMO issues the initial Settlement Statement **[clause 2.19.1]**.
- 10.2.6. Upon receiving a Notice of Dispute, AEMO must supply a confirmation of the receipt of the Notice of Dispute in writing within two Business Days of receipt of the Notice of Dispute, including details of a contact person and their mailing address **[clause 2.19.4]**.
- 10.2.7. In the first instance, the Dispute Participants must progress the dispute through the first stage dispute resolution process in accordance with clauses 2.19.5 to 2.19.7.
- 10.2.8. If a Notice of Dispute is escalated to the second stage dispute resolution process, then the Dispute Participants must progress the dispute in accordance with clauses 2.20.1 to 2.20.2.

## 11. Publication

### 11.1. Market Accounting Report

- 11.1.1. AEMO must publish on the WEM Website summary information pertaining to the account maintained by AEMO for market settlement for each Trading Week ending in the preceding 24 calendar months (excluding any Trading Weeks ending on or before New WEM Commencement Day):
- (a) the total income received for transactions related to clause 9.18.13(a); and
  - (b) the total outgoings paid for transactions related to clause 9.18.13(b).

## Appendix A. Relevant clauses of the WEM Rules

Table 3 details:

- (a) the head of power clauses in the WEM Rules under which the Procedure has been developed; and
- (b) each clause in the WEM Rules requiring an obligation, process or requirement be documented in a WEM Procedure, where the obligation, process or requirement has been documented in this Procedure.

**Table 3 Relevant clauses of the WEM Rules**

Clause
9.2.1
9.2.2

## Appendix B. Settlement value estimates

### B.1 Essential System Service estimates for settlements

B.1.1 For the purposes of using reasonable estimates for of each of clauses 9.10.6(c)(ii), 9.10.10(c)(ii), 9.10.14(c)(ii), 9.10.22(c)(ii), 9.10.23(c)(ii) and clause 2.4(a)(ii) of Appendix 2C, AEMO will use the methodology outlined in this Appendix B **[clause 9.2.2]**.

B.1.2 In determining  $CR\_EnablementQuantity(f, di)$  for the purposes of clause 9.10.6(c)(ii), AEMO will use the following estimate of Registered Facility  $f$ 's MW capability to provide Contingency Reserve Raise in Dispatch Interval  $di$ :

$$CR\_EnablementQuantity(f, di) = \min(CR\_ActualEnablement(f, di), CR\_RemainingAvailableCapacity(f, di))$$

Where:

$CR\_EnablementQuantity(f, di)$  = the amount of Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for Contingency Reserve Raise, determined in for the purpose clause 9.10.6(c)(ii).

$CR\_ActualEnablement(f, di)$  = the Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for Contingency Reserve Raise as published under clause 7.13.1B(b).

$CR\_RemainingAvailableCapacity(f, di)$  = the Remaining Available Capacity of Contingency Reserve Raise for Registered Facility  $f$  in Dispatch Interval  $di$ , provided to AEMO in accordance with clause 3.18B.3(a)(vi).

B.1.3 In determining  $CL\_EnablementQuantity(f, di)$  for the purposes of clause 9.10.10(c)(ii), AEMO will use the following estimate of Registered Facility  $f$ 's MW capability to provide Contingency Reserve Lower in Dispatch Interval  $di$ :

$$CL\_EnablementQuantity(f, di) = \min(CL\_ActualEnablement(f, di), CL\_RemainingAvailableCapacity(f, di))$$

Where:

$CL\_EnablementQuantity(f, di)$  = the amount of Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for Contingency Reserve Lower, determined for the purpose of clause 9.10.10(c)(ii).

$CL\_ActualEnablement(f, di)$  = the Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for Contingency Reserve Lower as published under clause 7.13.1B(b).

$CL\_RemainingAvailableCapacity(f, di)$  = the Remaining Available Capacity of Contingency Reserve Lower for Registered Facility  $f$  in Dispatch Interval  $di$ , provided to AEMO in accordance with clause 3.18B.3(a)(vi).

B.1.4 In determining  $RCS\_EnablementQuantity(f, di)$  for the purposes of clause 9.10.14(c)(ii), AEMO will use the following estimate of Registered Facility  $f$ 's MWs capability to provide RoCoF Control Service in Dispatch Interval  $di$ :

$$RCS\_EnablementQuantity(f, di) = \min(RCS\_ActualEnablement(f, di), RCS\_RemainingAvailableCapacity(f, di))$$



Where:

$RCS\_EnablementQuantity(f, di)$  = the amount of Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for RoCoF Control Service, determined for the purpose of clause 9.10.14(c)(ii).

$RCS\_ActualEnablement(f, di)$  = the Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for RoCoF Control Service as published under clause 7.13.1B(b).

$RCS\_RemainingAvailableCapacity(f, di)$  = the Remaining Available Capacity of RoCoF Control Service for Registered Facility  $f$  in Dispatch Interval  $di$ , provided to AEMO in accordance with clause 3.18B.3(a)(vi).

- B.1.5 In determining  $RR\_EnablementQuantity(f, di)$  for the purposes of clause 9.10.22(c)(ii), AEMO will use the following estimate of Registered Facility  $f$ 's MW capability to provide Regulation Raise in Dispatch Interval  $di$ :

$$RR\_EnablementQuantity(f, di) = \min(RR\_ActualEnablement(f, di), RR\_RemainingAvailableCapacity(f, di))$$

Where:

$RR\_EnablementQuantity(f, di)$  = the amount of Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for Regulation Raise, determined determined for the purpose of clause 9.10.22(c)(ii).

$RR\_ActualEnablement(f, di)$  = the Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for Regulation Raise as published under clause 7.13.1B(b).

$RR\_RemainingAvailableCapacity(f, di)$  = the Remaining Available Capacity of Regulation Raise for Registered Facility  $f$  in Dispatch Interval  $di$ , provided to AEMO in accordance with clause 3.18B.3(a)(vi).

- B.1.6 In determining  $RL\_EnablementQuantity(f, di)$  for the purposes of clause 9.10.23(c)(ii), AEMO will use the following estimate of Registered Facility  $f$ 's MW capability to provide Regulation Lower in Dispatch Interval  $di$ :

$$RL\_EnablementQuantity(f, di) = \min(RL\_ActualEnablement(f, di), RL\_RemainingAvailableCapacity(f, di))$$

Where:

$RL\_EnablementQuantity(f, di)$  = the amount of Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for Regulation Lower, determined for the purpose of clause 9.10.23(c)(ii).

$RL\_ActualEnablement(f, di)$  = the Essential System Service Enablement Quantity for Registered Facility  $f$  in Dispatch Interval  $di$  for Regulation Lower as published under clause 7.13.1B(b).

$RL\_RemainingAvailableCapacity(f, di)$  = the Remaining Available Capacity of Regulation Lower for Registered Facility  $f$  in Dispatch Interval  $di$ , provided to AEMO in accordance with clause 3.18B.3(a)(vi).

- B.1.7 In determining  $ESSOffer(f,c,di)$  for the purposes of clause 2.4(a)(ii) of Appendix 2C of the Rules, AEMO will use the following estimate of Registered Facility  $f$ 's capability to provide Frequency Co-optimised Essential System Service  $c$  in Dispatch Interval  $di$ :

$$ESSOffer(f, c, di) = \min(ESS\_ActualOffer(f, c, di), ESS\_RemainingAvailableCapacity(f, c, di))$$

Where:

$ESSOffer(f,c,di)$  = the amount of Essential System Service available for Registered Facility  $f$  in Dispatch Interval  $di$  for Frequency Co-optimised Essential System Service  $c$ , determined for the purpose of clause 2.4(a)(ii) of Appendix 2C of the Rules.

$ESS\_ActualOffer(f,c,di)$  = the sum of the In-Service Capacities and Available Capacities offered in the relevant Market Participant's Real-Time Market Submission in respect of Registered Facility  $f$  to provide Frequency Co-optimised Essential System Service  $c$  in Dispatch Interval  $di$ .

$ESS\_RemainingAvailableCapacity(f,DI)$  = the Remaining Available Capacity of Frequency Co-optimised Essential System Service  $c$  for Registered Facility  $f$  in Dispatch Interval  $di$ , provided to AEMO in accordance with clause 3.18B.3(a)(vi).