

Settlements Enhancements Update

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Settlements Work Program

The Settlements Enhancements project is a key step in AEMO's Settlements work program.

RoPE Phase 1 – RC_2017_06

Implementation of **rule change** RC_2017_06 which amends the Individual Reserve Capacity Requirement (IRCR) calculation, Capacity Credit Allocation and associated settlement and prudential processes.



RoPE Phase 2 – Outstanding Amount Improvements

Implementation of **market procedure changes** that delivered more accurate OA based on daily estimated settlements and provided the foundation for settlement system replacement.



Settlement Enhancements

Extend prudential calculation engine delivered under RoPE Phase 2 to decommission the POMAX Settlement application which is end of life and transition to an in-house support model.



Meter Data Warehouse Upgrade

As part of software asset lifecycle management upgrade product to ensure the currency of software.



WEM Reform

Improved settlement and prudential outcomes that will be delivered by ETIU and AEMO through the WEM Reform program.

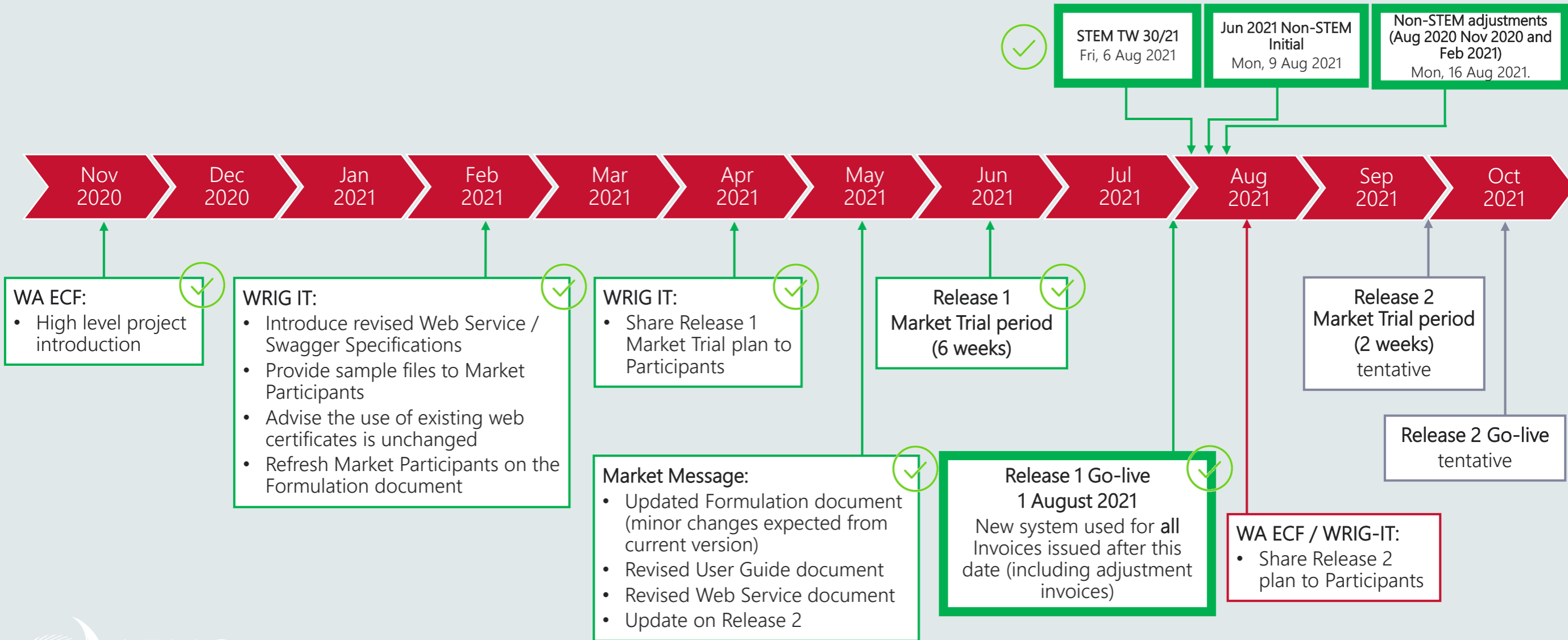
July 2018 – May 2019

June 2019 – August 2020

2020 – 2021

2021 – 2022

Release 1 – Project Timeline



Release 1 – Participant Impacts



New Invoices
aligned with
Formulation
document



New Settlement
APIs



New Statement
Summary and
Statement Detail
(PIR) aligned with
Formulation
document

New Settlement
portal in
WEMS MPI



Project Benefits



Reduced Operational Risk

- IT support to AEMO's critical settlement functions will be provided by through existing in-house support model.
- AEMO will be able to more efficiently and effectively resolve technical issues with settlements.



More efficient system operability

- Automated jobs in a single system replaces several manual tasks across multiple systems.
- Single certified calculation engine that will replace two calculation systems.



Lower support and maintenance costs

- Moves AEMO from a third party owned and supported settlement system to a fully in-house settlement system.
- Allows AEMO to update settlement system (e.g. rule changes) at lower cost.



Improved clarity for Participants

- Publishes reports to Participants that allow them to reconcile calculations to a more detailed level than ever before.
- Aligns calculation formulation across prudentials and settlements.



Foundation reform work

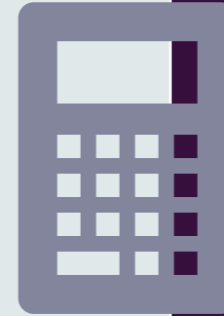
- Consolidates AEMO's settlement capabilities to reduce risk for implementation of WEM Reform settlements.
- Provides framework for implementation of WEM Reform settlements.



Release 2 – Features



Systemised
management of
Prepayments



Systemised
“contingency
calculations” to reduce
operational risk

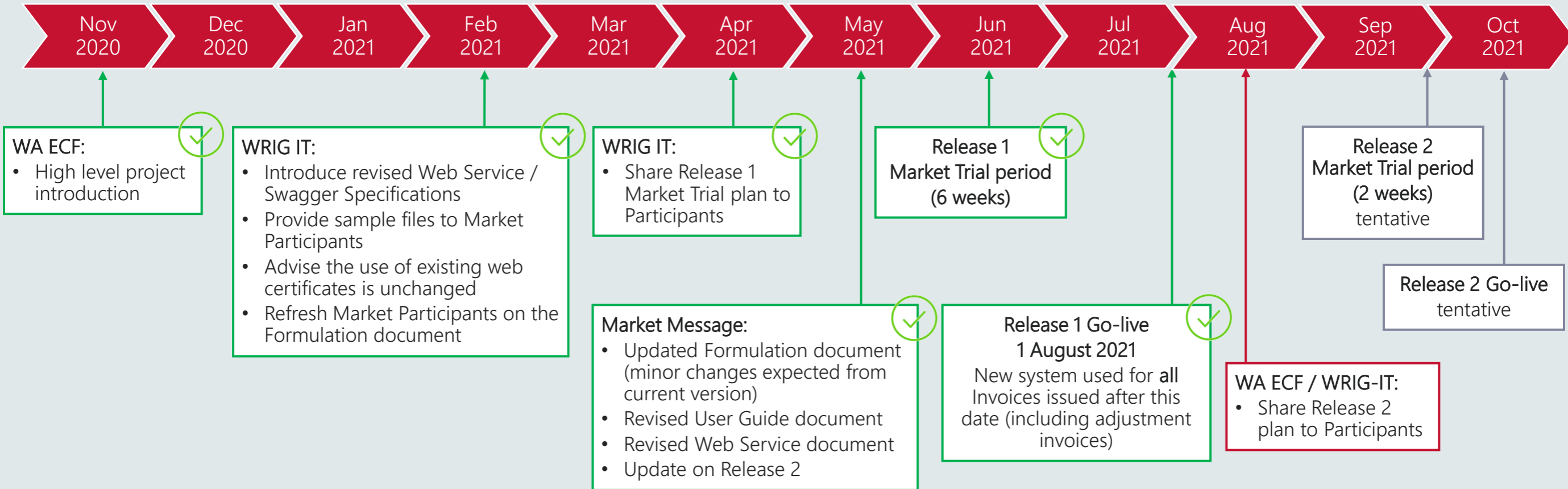


Systemised
management of
Notices of
Disagreements



New Forms user
interface in WEMS MPI
for Prepayments and
Notices of
Disagreement

Release 2 – Project Timeline



Release 2 – Summary

- Release 2 will systemise current manual processes for Notices of Disagreement and Prepayments in the WEMS MPI. There are no APIs for these functions.
- AEMO will confirm the Release 2 Market Trial and go-live dates via a Market Message.
- AEMO encourages Participants to:
 - Familiarise themselves with new processes for Notices of Disagreement and Prepayments in Market Trial.
 - Advise AEMO of any concerns as early as possible.
- AEMO will revert to WRIG-IT meetings for future updates on the Settlements Enhancements and the Settlements Reform projects.

Questions and Feedback

WEM Reform Program

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