

Addendum to Draft Rule Change Report: Administrative Improvements to Settlement (RC_2019_04)

Background

RC_2019_04 addresses a number of administrative matters related to settlement. AEMO proposes changes to:

- allow AEMO to use updated input data for settlement, including data produced by AEMO and Maximum Theoretical Energy Schedule and Minimum Theoretical Energy Schedule (**TES**) values;
- provide more time for Rule Participants to lodge a Notice of Disagreement in relation to a Non-STEM Settlement Statement and subsequent adjusted Settlement Statements;
- include Ancillary Service Providers, who are not Market Participants, in the settlement process; and
- move some operational and procedural administration detail from the Market Rules to a Market Procedure.

The Rule Change Panel published the Draft Rule Change Report for RC_2019_04 on 20 March 2020. Further details relating to the Rule Change Proposal are available at https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2019_04.

Further Changes to the Proposed Amending Rules

Clauses 9.16.3, 9.16.3A and 9.19.1 of the Market Rules list the types of changes that can cause a Settlement Statement to become a Relevant Settlement Statement and that must be taken into account in an Adjustment Process. While some of the relevant subclauses describe specific changes, made in accordance with specific provisions of the Market Rules and affecting specific settlement inputs (e.g. adjustments to Non-Balancing Facility Dispatch Instructions Payments under clause 9.19.1A), others describe generic sources of change that can affect a wide range of settlement inputs (e.g. Notices of Dispute and Notices of Disagreement).

RC_2019_04 proposes to include an additional set of “generic” subclauses in clauses 9.16.3, 9.16.3A and 9.19.1, which account for situations where AEMO determines a revised value for a settlement input that it considers to be in compliance with the Market Rules and accurate. As noted in the Draft Rule Change Report, the Rule Change Panel agrees with the proposed changes, which will allow AEMO to identify and correct errors in settlement inputs in the absence of a Notice of Disagreement or Notice of Dispute.

However, the Rule Change Panel also considers that where the Market Rules explicitly provide for settlement input values to be modified after the initial settlement run, the amended settlement input values should, by default, be taken into account in the Adjustment Process. For example, the Rule Change Panel is considering further changes to the proposed Amending Rules for Rule Change Proposal RC_2014_03: Administrative

Improvements to the Outage Process, which would explicitly allow changes to Outage data up to nine months after the relevant Trading Day. The Rule Change Panel considers that changes of this type should not need to be explicitly listed in clauses 9.16.3, 9.16.3A and 9.19.1 to be taken into account in the Adjustment Process.

For this reason, the Rule Change Panel is considering further changes to clauses 9.16.3, 9.16.3A and 9.19.1 in the proposed Amending Rules for RC_2019_04, to include an additional set of generic subclauses that would require any relevant settlement input value that has been revised in accordance with the Market Rules to be taken into account in the Adjustment Process.

The Rule Change Panel is also considering some further additional changes to clause 9.19.1(a) to correct minor grammatical errors.

The Rule Change Panel is considering the following additional changes to the proposed Amending Rules that were presented in the Draft Rule Change Report for RC_2019_04 (~~deleted text~~, added text):

- 9.16.3. Each month, AEMO must undertake a process for adjusting settlements (“**Adjustment Process**”) in accordance with section 9.19. The purpose of the process is to review the Relevant Settlement Statements, as defined in clause 9.16.3A, to facilitate corrections, as applicable, resulting from:
- (a) Notices of Disagreement;
 - (b) Notices of Disputes;
 - (c) revised metering data provided by Metering Data Agents;
 - (cA) any revised value that AEMO reasonably considers to be in compliance with these Market Rules and accurate;
 - (cB) any adjustment to Non-Balancing Facility Dispatch Instruction Payments under clause 9.19.1A;
 - (d) any revised Market Fee rate, System Management Fee rate or Regulator Fee rate (as applicable);
 - (e) any determinations made in accordance with clauses 6.16A.1(b)(i), 6.16A.2(b)(i), 6.16B.1(b)(i) or 6.16B.2(b)(i); ~~and~~
 - (f) any adjustment required for GST purposes under clause 9.1.2; and
 - (g) any other relevant value that has been revised in accordance with the Market Rules.

Adjustments may only be made to Relevant Settlement Statements. Adjustments may not be made to Settlement Statements outside of an Adjustment Process.

9.16.3A. A Relevant Settlement Statement is:

- (a) any STEM Settlement Statement issued in the nine months prior to the commencement of the Adjustment Process:
 - i. that requires correction resulting from a Notice of Dispute raised under section 2.19;

- ii. where AEMO has indicated under clause 9.20.7 that it will revise information in response to a Notice of Disagreement;
 - iii. that requires correction resulting from any revised value that AEMO reasonably considers to be in compliance with these Market Rules and accurate;~~or~~
 - iv. where an adjustment is required in accordance with clause 9.1.2; or
 - v. that requires correction resulting from any other relevant value that has been revised in accordance with the Market Rules; or
- (b) any Non-STEM Settlement Statement for which the Invoicing Date, in accordance with clause 9.16.2(d), occurred in the month that is three, six or nine months prior to the start of the Adjustment Process, and:
- i. that requires correction resulting from a Notice of Dispute raised under section 2.19;
 - ii. where AEMO has indicated under clause 9.20.7 that it will revise information in response to a Notice of Disagreement;
 - iii. that requires correction resulting from any revised value that AEMO reasonably considers to be in compliance with these Market Rules and accurate;
 - iv. where an adjustment is required in accordance with clause 9.1.2;
 - v. for which AEMO has revised metering data from a Metering Data Agent;
 - vi. that requires correction resulting from any determinations in accordance with clauses 6.16A.1(b)(i), 6.16A.2(b)(i), 6.16B.1(b)(i) or 6.16B.2(b)(i);~~or~~
 - vii. that requires correction resulting from any adjustment to the Non-Balancing Facility Dispatch Instruction Payment has been recalculated under clause 9.19.1A; or
 - viii. that requires correction resulting from any other relevant value that has been revised in accordance with the Market Rules.

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9.19.1. When undertaking an Adjustment Process AEMO must:

- (a) recalculate the amounts included in the Relevant Settlement Statements in accordance with this Chapter 9 but taking into account any:
 - i. revised metering data which has been provided by Metering Data Agents;
 - iA. adjustment to Non-Balancing Facility Dispatch Instruction Payments under clause 9.19.1A;
 - ii. actions arising from a Notice of Disagreement;

- iii. ~~the~~ resolution of a Notice of Dispute;
 - iv. determinations made in accordance with clauses 6.16A.1(b)(i), 6.16A.2(b)(i), 6.16B.1(b)(i) or 6.16B.2(b)(i);
 - v. revised Market Fee rate, System Management Fee rate or Regulator Fee rate;
 - vi. ~~any~~ adjustment required for GST purposes under clause 9.1.2; ~~and~~
 - vii. ~~any~~ revised value that AEMO reasonably considers to be in compliance with these Market Rules and accurate; and
 - viii. other relevant value that has been revised in accordance with the Market Rules; and
- (b) provide adjusted STEM Settlement Statements and adjusted Non-STEM Settlement Statements to Rule Participants in accordance with the timeline specified under clause 9.16.4 in respect of the relevant Adjustment Process.

Submission Regarding the Further Changes to the Proposed Amending Rules

The Rule Change Panel acknowledges that this addendum is not contained in the Draft Rule Change Report for RC_2019_04 and has no formal standing. However, the Rule Change Panel invites stakeholders to consider the information contained in this addendum when preparing their submissions on the Draft Rule Change Report.

As previously notified, the second submission period closes at **5:00 PM on Thursday 21 April 2020**.