

Final Rule Change Report:  
Administrative Improvements to Settlement  
(RC\_2019\_04)

Standard Rule Change Process

20 May 2020

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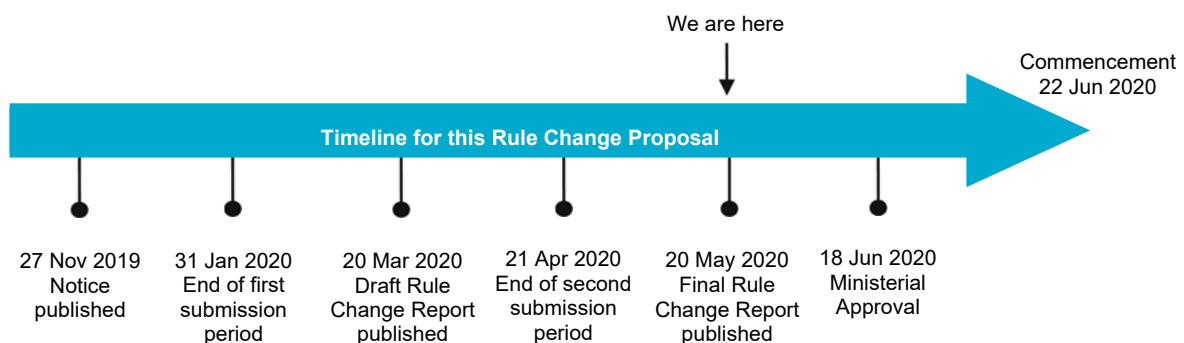
# 1. Rule Change Proposal, Process and Timeline

On 18 November 2019, AEMO submitted a Rule Change Proposal titled “Administrative Improvements to Settlement” (RC\_2019\_04). This Rule Change Proposal seeks to:

- allow AEMO to use updated input data for settlement, including data produced by AEMO and Maximum Theoretical Energy Schedule (TES) and Minimum 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 that are not Market Participants in the settlement and default processes; and
- move some operational and procedural administration detail from the Market Rules to a Market Procedure.

This proposal is being processed using the Standard Rule Change Process, described in section 2.7 of the Market Rules. The Rule Change Panel extended the timeframe for first submission period as indicated in the Rule Change Notice published on 27 November 2019 and extended the timeframe for publication of the Draft Rule Change Report on 28 February and 13 March 2020, in accordance with clause 2.5.10 of the Market Rules.

The key dates for progressing this Rule Change Proposal are:



This Final Rule Change Report is drafted on the basis that the reader has read all the related documents, including the Rule Change Proposal, the first and second period submissions, and the Draft Rule Change Report. All documents related to this Rule Change Proposal can be found on the Rule Change Panel’s website at [https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc\\_2019\\_04](https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2019_04).

## 2. The Rule Change Panel’s Decision

The Rule Change Panel’s final decision is to accept the Rule Change Proposal in a modified form, as set out in section 8 of this report.

### 2.1 Reasons for the Decision

The Rule Change Panel has made its decision on the basis that the Amending Rules will:

- ensure that AEMO can adjust Settlement Statements when it has more accurate data, including data developed by AEMO;

- ensure that any relevant settlement input value that has been revised in accordance with the Market Rules is automatically taken into account in the Adjustment Process;
- clarify the definition of a Relevant Settlement Statement;
- adjust the Notice of Disagreement deadlines, including AEMO's timeframe to respond to Notices of Disagreements, to allow more time for Rule Participants to check Non-STEM Settlement Statements;
- remove the restriction on Rule Participants to only be able to issue a Notice of Disagreement for an adjusted Settlement Statement with respect to information that differs from information in the previously released version of that Settlement Statement;
- enable AEMO to request clarification and additional information in regard to a Notice of Disagreement from the submitting Rule Participant, if AEMO considers it necessary for the assessment or the resolution;
- include Ancillary Service Providers in the settlement and default processes;
- change the minimum settlement amount payable to be above the minimum cost of transaction<sup>1</sup> for settlement for Rule Participants; and
- allow the Market Rules to better achieve Market Objectives (a) and (d) and are consistent with the remaining Market Objectives.

Additional detail outlining the analysis behind the Rule Change Panel's decision is provided in section 7 of this report.

## 2.2 Commencement

The Amending Rules will commence at **8:00 AM on 22 June 2020**, subject to Ministerial approval.

## 3 Proposed Amendments

### 3.1 The Rule Change Proposal

This section provides a summary of AEMO's Rule Change Proposal. Please refer to the Rule Change Panel's website for full details of the Rule Change Proposal.

AEMO is seeking to address several administrative matters related to the settlement of the Wholesale Electricity Market (**WEM**). AEMO proposes changes to:

- allow AEMO to use updated input data for settlement, including data produced by AEMO and the Maximum and Minimum 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 Rule Participants, in the settlement and default processes; and
- move some operational and procedural administration detail from the Market Rules to a Market Procedure including:

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<sup>1</sup> This is, the cost of a transaction using the electronic funds transfer (**EFT**) Facility for settlement purposes, currently Austraclear.

- removing the requirement for AEMO to acknowledge receipt of a Meter Data Submission and for the relevant Metering Data Agent to subsequently contact AEMO if AEMO has not acknowledged receipt within the specified timeframe;
- moving documentation of the processes relating to Meter Data Submissions to a Market Procedure;
- removing the requirement to only pay settlement amounts greater than a dollar from the Market Rules; and
- moving the determination of the minimum amount payable for the purpose of settlements to a Market Procedure.

AEMO also proposed several other minor and typographical changes to improve the clarity and integrity of the drafting.

### **3.2 The Rule Change Panel's Initial Assessment of the Proposal**

The Rule Change Panel decided to progress this Rule Change Proposal on the basis that the preliminary assessment indicated that the Rule Change Proposal is consistent with the Wholesale Market Objectives.

## **4 Consultation**

Although the Rule Change Panel has summarised the submissions received in the first and second submission periods and the views expressed by the MAC in accordance with clause 2.7.7 of the Market Rules, the Rule Change Panel has reviewed this information in its entirety and taken into account each matter raised by stakeholders and the MAC in making its decision on this Rule Change Proposal.

### **4.1 The Market Advisory Committee**

#### **20 November 2018 Market Advisory Committee (MAC) Meeting**

At the 20 November 2018 MAC meeting, AEMO consulted with the MAC about two issues in the non-STEM Settlement Adjustment Process that AEMO considered should be addressed by a change in the Market Rules. The MAC discussed the development of the Rule Change Proposal under Agenda Item 8(e).

The two limitations were on the restricted factors that AEMO can consider in the Adjustment Process when there is incorrect input data and a restrictive deadline for Market Participants when issuing a Notice of Disagreement in respect of the most recently issued non-STEM Settlement Statement. A copy of AEMO's presentation is available in the MAC meeting papers on the Rule Change Panel's website.

Mrs Jacinda Papps noted that the Market Rules restricted the TES values from being re-calculated. Ms Jenny Laidlaw suggested that the restriction was mainly to avoid IT costs. AEMO advised that it would consider whether the recalculation of TES values should be included as part of these issues. The MAC agreed that AEMO should develop a Pre-Rule Change Proposal to address the issues raised by AEMO in its presentation.

#### **15 October 2019 MAC Meeting**

AEMO proposed a draft Pre-Rule Change Proposal for RC\_2019\_04 to the MAC for discussion. The MAC discussed the Pre-Rule Change Proposal under Agenda Item 8(c). The

Chair, Mr Stephen Eliot, invited feedback from the MAC on AEMO's Pre-Rule Change Proposal: Administrative Improvements to Settlement (RC\_2019\_04).

Mr Mark Katsikandarakis presented a slide (available on the Panel's website) showing an example of the proposed timeline for Notices of Disagreement. Mr Katsikandarakis advised that, while developing this example, AEMO found a minor drafting error in the Pre-Rule Change Proposal (the deadline for Notices of Disagreement specified in clause 9.16.4(e) should be the first Business Day of the eleventh month following the commencement of the Trading Month being settled, not the first Business Day of the tenth month).

Mr Katsikandarakis noted that RCP Support had indicated that section 9.24 of the Market Rules (Settlement in Default Situations) also needs to be updated to account for Ancillary Service Providers. AEMO intended to review this section and include the required changes in RC\_2019\_04.

The Chair noted that RCP Support had received an email from SkyFarming Pty Ltd expressing its concerns that the minimum invoice amount for which a payment must be made (currently set to one dollar in clauses 9.22.6 and 9.22.8) is less than the cost of processing the payment. Skyfarming suggested increasing the minimum invoice amount to ten dollars.

Mr Katsikandarakis noted that AEMO uses Austraclear to facilitate settlements in the market, and that Austraclear charged between five and ten dollars per transaction. The MAC was generally supportive of Skyfarming's suggestion and Mr Katsikandarakis advised that AEMO was happy to include the proposed change in RC\_2019\_04, although it would need to give some thought to how any unsettled amounts should be handled from an accounting perspective.

In response to a question from Ms Laidlaw, the MAC confirmed that it did not consider there was a need for any additional changes to the TES calculation beyond those proposed in RC\_2019\_04 (e.g. broader changes to require recalculation of values using interval meter data).

The MAC generally supported progression of RC\_2019\_04 into the formal rule change process.

## 4.2 Submissions received during First Submission Period

AEMO submitted the Rule Change Proposal on 18 November 2019, and the first submission period for this Rule Change Proposal was held between 28 November 2019 and 31 January 2020. The timeframe for the first submission period was extended beyond the usual 30 Business Days to account for the holiday period.

The Rule Change Panel received submissions from Synergy and Western Power. In accordance with clause 2.7.7 of the Market Rules, a summary of each submission is set out in Appendix A together with the Rule Change Panel's response to each issue raised. The submissions are available on the Rule Change Panel's website.

Synergy generally supported AEMO having the authority to update input settlement statements data based on "any revised value that AEMO considers to be in compliance and accurate". However, Synergy suggested that AEMO should be required to consult with affected parties before revising any value to give Rule Participants an opportunity to check that the revision is valid and accurate. Synergy also indicated that it is concerned with the potentially substantial difference between the second and third adjustment of Relevant Settlement Statements and proposed limiting adjustments to a \$1 difference between the

second and third adjustment, except for adjustments resulting from the resolution of Notices of Disagreement and Notices of Disputes.

Western Power supported the proposed changes to the Meter Data Submission process.

The assessment by submitting parties as to whether the Rule Change Proposal would better achieve the Wholesale Market Objectives is summarised in Table 1.

**Table 1: Submissions Comments on the Wholesale Market Objectives**

Submitter	Wholesale Market Objective Assessment
Synergy	<p>Synergy supported the proposed changes to improve the accuracy of settlement statements which would better facilitate the achievement of Wholesale Market Objective (a).</p> <p>The Wholesale Market Objectives may be better achieved through reducing the administrative burden and reducing uncertainty for Rule Participants, by consulting with affected parties prior to AEMO making any adjustment and by limiting variances of the second and third adjustment to one dollar.</p>
Western Power	<p>Western Power considered that the proposed changes to the Meter Data Submission process are administrative in nature, would improve the integrity of the Market Rules and better facilitate the achievement of the Wholesale Market Objectives.</p>

**4.3 The Rule Change Panel’s Response to Submissions Received during the First Submission Period**

The Rule Change Panel’s response to each of the specific issues raised in the first submission period is presented in Appendix A of the Draft Rule Change Report. A more general discussion of the Rule Change Proposal, which addresses the main issues raised in the submissions and the Rule Change Panel’s response to these issues, is available in section 6 of the Draft Rule Change Report, which is reproduced in Appendix A of this report.

**4.4 Submissions Received during the Second Submission Period**

The second submission period for this Rule Change Proposal was held between 20 March 2020 and 21 April 2020.

The Rule Change Panel had sought stakeholder views on the following two issues in the Draft Rule Change Report and in an addendum to the Draft Rule Change Report:

- clarification on whether an adjusted Settlement Statement is itself a Settlement Statement:
  - whether the Rule Change Panel should clarify the definition of an adjusted Settlement Statement as part of this Rule Change Proposal or in a separate Rule Change Proposal; and
- the inclusion of 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 automatically taken into account in the Adjustment Process.



The Rule Change Panel received a submission from AEMO. AEMO did not provide a view on the abovementioned issues.

In its submission, AEMO did not have any material issues with most of the proposed changes but expressed the following concerns:

- Due to the Rule Change Panel’s decision to reject changes to Meter Data Submissions’ acknowledgement and notification obligations for AEMO and Western Power, the administrative burden that these obligations impose will continue until such time that a much broader Rule Change Proposal is proposed;
- AEMO is of the view that the proposed changes by the Rule Change Panel to amend the minimum settlement amount, from \$1 to be greater than the ‘Minimum Transaction Cost’,<sup>2</sup> are not a permanent fix to the issue; and
- AEMO also suggested that it should have the discretion to be able to request further information for a Notice of Disagreement, in addition to the prescribed list of information in clause 9.20.4 of the Market Rules. AEMO is seeking this flexibility on the basis that Notices of Disagreement may vary from one to another and that additional information might be necessary for proper assessment of the disagreements.

AEMO also suggests that a four to five months delay is needed before the commencement of clause 9.20.4, which determines the format and list the content of a Notice of Disagreement. The Rule Change Panel’s proposed changes to the clause is for AEMO to include the format in the Market Procedure: Settlement. As such, AEMO indicated that it expects to require time to properly conduct the procedure change process to fulfil this new obligation.

The assessment by submitting parties as to whether the Rule Change Proposal would better achieve the Wholesale Market Objectives is summarised in Table 2.

**Table 2: Submitters’ Comments on the Wholesale Market Objectives (Second Submission Period)**

Submitter	Wholesale Market Objective Assessment
AEMO	AEMO considers that the amendments will result in more accurate settlements and efficient market outcomes, and therefore better meet Wholesale Market Objective (a).

A copy of the submission received during the second submission period is available on the Rule Change Panel’s website.

### 4.5 The Rule Change Panel’s Response to Submissions Received during the Second Submission Period

The Rule Change Panel’s response to each of the specific issues raised in the second submission period is presented in Appendix B of this report. A more general discussion of the analysis undertaken by the Rule Change Panel that addresses the main issues raised in the submission and the Rule Change Panel’s response to these issues, is available in section 7.2 of this report.

<sup>2</sup> The Minimum Transaction Cost has been defined as the minimum cost of processing a transaction using the EFT facility, as charged by the EFT facility.

## 4.6 Consultation Following the Second Submission Period

Following the close of the second submission period, RCP Support consulted with AEMO on several occasions to:

- clarify issues raised by AEMO in its second period submission; and
- seek feedback on potential additional changes to the proposed Amending Rules.

Further details relating to the matters discussed are available in section 7.2 and **Error! Reference source not found.** of this report.

## 4.7 Public Forums and Workshops

The Rule Change Panel did not hold a public forum or workshop for this Rule Change Proposal.

## 5 The Rule Change Panel's Draft Assessment

The Rule Change Panel's draft assessment against clauses 2.4.2 and 2.4.3 of the Market Rules and analysis of the Rule Change Proposal are provided in section 6 of the Draft Rule Change Report.

## 6 The Rule Change Panel's Proposed Decision as set out in the Draft Rule Change Report

The Rule Change Panel's proposed decision in the Draft Rule Change Report was to accept the Rule Change Proposal in a modified form, as set out in section 7 of the Draft Rule Change Report.

The reasons for the Rule Change Panel's proposed decision are set out in section 2.1 of the Draft Rule Change Report.

## 7 The Rule Change Panel's Final Assessment

### 7.1 Assessment Criteria

In preparing its Final Rule Change Report, the Rule Change Panel must assess the Rule Change Proposal in light of clauses 2.4.2 and 2.4.3 of the Market Rules.

Clause 2.4.2 of the Market Rules states that the Rule Change Panel "*must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives*". Additionally, clause 2.4.3 of the Market Rules states that, when deciding whether to make Amending Rules, the Rule Change Panel must have regard to:

- any applicable statement of policy principles the Minister has issued to the Rule Change Panel under clause 2.5.2 of the Market Rules;
- the practicality and cost of implementing the proposal;
- the views expressed in submissions and by the MAC; and
- any technical studies that the Rule Change Panel considers necessary to assist in assessing the Rule Change Proposal.

In making its final decision, the Rule Change Panel has had regard to each of the matters identified in clauses 2.4.2 and 2.4.3 of the Market Rules as follows:

- the Rule Change Panel's assessment of the Rule Change Proposal against the Wholesale Market Objectives is available in section 7.4 of this report;
- the Rule Change Panel notes that there has not been any applicable statement of policy principles from the Minister in respect of this Rule Change Proposal;
- the Rule Change Panel's assessment of the practicality and cost of implementing the Rule Change Proposal is available in section 7.6 of this report;
- a summary of the views expressed in submissions and by the MAC is available in section 0 of this report. The Rule Change Panel's response to these views is available in section 5.2 and Appendix A of the Draft Rule Change Report, and section **Error! Reference source not found.** and Appendix A of this report; and
- the Rule Change Panel does not believe a technical study in respect of this Rule Change Proposal is required and therefore has not commissioned one.

The Rule Change Panel's assessment is presented in the following sections.

## 7.2 Assessment of the Proposed Changes

The Rule Change Panel's assessment of the proposed amendments has not differed from the assessment detailed in section 6 of the Draft Rule Change Report, which is reproduced in Appendix A of this report.

The Rule Change Panel has decided that the definition of an adjusted Settlement Statement should be clarified in a separate Rule Change Proposal since there was no stakeholder feedback on the issue during the second submission period.

### 7.2.1 Additional Related Issues Raised during the Second Submission Period

This section discusses four additional issues that were raised after the publication of the Draft Rule Change Report.

#### 7.2.1.1 Generic subclauses that would require a relevant revised value to be considered in the Adjustment Process

During the second submission period, the Rule Change Panel published an addendum to the Draft Rule Change Report on 1 April 2020.

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 subclauses list 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).

The Rule Change Panel 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 be taken into account in the Adjustment Process by default. For example, the Rule Change Panel is considering Amending Rules as part of Rule Change Proposal RC\_2014\_03: Administrative Improvements to the Outage Process that 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 has decided to make further amendments to clauses 9.16.3, 9.16.3A and 9.19.1 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 has also made some further additional changes to clause 9.19.1(a) to correct minor grammatical errors.

#### **7.2.1.2 AEMO to be able to request additional information for the assessment of Notices of Disagreement**

In its second period submission, AEMO agreed that the information listed in clause 9.20.4 contains information that is essential for inclusion in a Notice of Disagreement. However, AEMO specified that disagreements may vary on a case-by-case basis and, as such, additional information might be needed for their assessment and resolution. Therefore, AEMO sought flexibility to request additional information from Rule Participants.

AEMO also indicated that there might be a delay in the commencement of clause 9.20.4 due to the proposed inclusion of the format of the Notice of Disagreement in a Market Procedure. AEMO estimates that four to five months might be needed to conduct a Procedure Change Process.

The Rule Change Panel agrees that Notices of Disagreements may vary on a case-by-case basis and that AEMO needs to have access to all information to assess and resolve a disagreement. Therefore, the Rule Change Panel has added additional clause 9.20.4A that specifies that AEMO may request from the Rule Participant that lodged the Notice of Disagreement, additional information necessary for the resolution of the disagreement.

The Rule Change Panel has further amended clause 9.20.4 so that AEMO has the option, instead of the obligation, to specify the format of a Notice of Disagreement in a Market Procedure. If AEMO decides to amend the Market Procedure to specify the format of a Notice of Disagreement, the proposed amendment specifies that the Rule Participants submitting Notices of Disagreement must comply with that format. The changes to clause 9.20.4 will not require AEMO to immediately commence a Procedure Change Process, so there will be no need to delay the commencement date of the Amending Rules.

#### **7.2.1.3 Minimum amount payable and different transaction fee structures**

In the Draft Rule Change Report, the Rule Change Panel proposed amendments to clauses 9.22.4, 9.22.6 and 9.22.8 and introduced the new defined term 'Minimum Transaction Cost' so that the minimum amount payable by a Rule Participant will be greater than the minimum cost of processing a transaction using the EFT facility, as charged by the nominated EFT facility.

In its second period submission, AEMO was concerned that the proposed amendments by the Rule Change Panel are not a permanent solution to the problem as the fee applied by the EFT facility might be charged differently in the future. Currently, AEMO has nominated an EFT facility that charges a common flat fee per transaction for each Rule Participant. AEMO is unclear of the dollar amount that it would need to publish as defined by the proposed Minimum Transaction Cost and amended clause 9.22.4 if transaction fees are not charged as a flat fee, such as:

- a percentage of the transaction value;
- a tiered pricing structure; or
- a high transaction fee for small transaction values and a low transaction fee for large transaction values.

The Rule Change Panel is of the view that if the EFT facility charges a percentage fee, then AEMO should apply the percentage fee to the lowest possible transaction value (i.e. one cent). Therefore, if a percentage fee structure is applied, there will never be an amount that is not paid in full under amended clauses 9.22.6 and 9.22.8.

Similarly, under a tiered pricing structure, the Minimum Transaction Cost will be the minimum dollar value of the transaction cost across the range of transaction values.

The Rule Change Panel considers that AEMO's third suggested potential fee structure of higher fees for small transaction values is unlikely because:

- AEMO has not provided a current example of an EFT provider who charges transaction costs using this fee structure; and
- AEMO nominates the EFT facility under clause 9.20.4 and, as such, the Rule Change Panel expects that AEMO would use its best endeavours to choose an appropriate EFT facility that applies a fair and reasonable transaction fee structure.

The Rule Change Panel has further amended clause 9.22.4(b) to clarify that AEMO should determine the minimum transaction value and then publish this transaction value, which should allow AEMO to address alternate fee structures.

#### **7.2.1.4 Meter Data Submission acknowledgement and notification obligations have discrete and administrative issues that could be resolved in this Rule Change Process**

In its submission, AEMO considers that it would be more efficient to address the Meter Data Submission acknowledgement and notification obligations issues in this rule change process because:

- the issues are discrete and administrative in nature;
- it is uncertain when another party will be able to submit a Rule Change Proposal that would address the issues with Meter Data Submission process in a more holistic manner; and
- the priority and urgency of the broader Rule Change Proposal might compete with government reform programs.

AEMO also suggests that there may be opportunity to address some of the broader Meter Data Submission issues through the procedure change process that would have been required, had the Rule Change Panel accepted the proposed amendments by AEMO.

The Rule Change Panel agrees that the notification and acknowledgement obligations relating to the Meter Data Submissions are administrative in nature. However, without a holistic review of the Meter Data Submissions process, the Rule Change Panel is unable to form a view on whether removing the notification and acknowledgement obligations is appropriate.

As mentioned in the Draft Rule Change Report, the Rule Change Panel is of the view that changes to both the Market Rules and the Market Procedure will be needed to address the current issues with the Meter Data Submission process. Unless AEMO's suggestion was to

amend the Market Procedure to make it consistent with the current Market Rules, it is not apparent how AEMO would be able to address the issues with the current Meter Data Submission process in a procedure change process, had the Rule Change Panel accepted AEMO's proposed amendments.

Therefore, the Rule Change Panel rejects the proposed deletion of clauses 8.4.3, 8.4.4 and 8.4.5 and the proposed amendments to clause 8.6.2.

## **7.3 Additional Changes to the Proposed Amending Rules**

### **7.3.1 Additional Amendments following the First Submission Period**

The Rule Change Panel made some additional changes to the proposed Amending Rules following the first submission period. A summary of these changes is available in section 6.3 and Appendix B of the Draft Rule Change Report.

### **7.3.2 Additional Amendments following the Second Submission Period**

The Rule Change Panel has made some further changes to the proposed Amending Rules following the second submission period. These changes are shown in Appendix C of this report and include:

- clauses 9.16.3(g), 9.16.3A(a)(v), 9.16.3A(b)(viii) and 9.19.1(a)(viii) are amended to include a set of generic subclauses to 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;
- clauses 9.16.3(e), 9.16.3(f), 9.16.3A(a)(iii), 9.16.3A(b)(vi), 9.16.3A(b)(vii) and 9.19.1(a)(vi) are amended for consistency to enable the inclusion of the set of generic subclauses;
- clause 9.20.4 is amended to specify that AEMO may decide to include the format of a Notice of Disagreement in a Market Procedure and that a Rule Participant must comply with the format if AEMO chooses to do so;
- clause 9.20.4A is amended to specify that AEMO can request from the submitting Rule Participant clarification and further information regarding a Notice of Disagreement if it deems the information is necessary for assessment and resolution of the disagreement;
- clause 9.22.4 is amended to clarify that AEMO must determine the Minimum Transaction Cost for processing a transaction, as charged by the EFT facility; and
- clauses 9.16.4(d), 9.19.1(a)(iii), 9.19.1(a)(vi) and 9.19.1(vii) are amended to make minor grammatical changes.

## **7.4 Wholesale Market Objectives**

The Wholesale Market Objectives are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;

- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

The Rule Change Panel considers that the Market Rules as a whole, if amended as indicated in section 8 of this report, will better achieve Wholesale Market Objectives (a) and (d).

The Rule Change Panel considers that the following amendments to the Market Rules will remove unnecessary restrictions, will help achieve more accurate market outcomes, and will help minimise the long-term cost of electricity supplied to customers and therefore better achieve Wholesale Market Objective (d):

- providing AEMO with the ability to adjust Settlement Statement when it has revised data that is more accurate and compliant with the Market Rules;
- including a generic set of 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; and
- removing the restriction on Rule Participants to only be able to issue a Notice of Disagreement on the previously released adjusted Settlement Statement.

The Rule Change Panel is of the view that the following amendments to the Market Rules will promote economic efficiency in the settlement, resolution and default processes and will therefore better achieve Wholesale Market Objective (a):

- providing a single longer timeframe for Rule Participants to review and validate their Non-STEM Settlement Statements;
- correcting oversights in the settlement and default processes to include Ancillary Service Providers;
- correcting oversights in AEMO's settlement timeframe and giving AEMO the ability to request additional information in the Notice of Disagreement resolution process; and
- amending the minimum settlement amount payable to be greater than the Minimum Transaction Cost.

The Rule Change Panel considers that the proposed changes will not affect and so are consistent with the remaining Wholesale Market Objectives.

## 7.5 Protected Provisions, Reviewable Decisions and Civil Penalties

The Rule Change Proposal proposed changes to clauses 9.16.3 and 9.16.4 of the Market Rules, which are Protected Provisions under clause 2.8.13 of the Market Rules. Thus, as required by clause 2.8.3, the Amending Rules in this Final Rule Change Report will require Ministerial approval.

This Rule Change Proposal proposes to change clause 9.24.7 which is a Category C civil penalty provision under Schedule 1 of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*. Clause 9.24.7 requires the Rule Participant to pay the full amount in

respect of a Default Levy to AEMO by a specific time. The Rule Change Panel considers that the amendments do not alter the intent of the civil penalty and should not affect the classification of this clause as a civil penalty provision. The Rule Change Panel has advised Energy Policy WA about the changes to clause 9.24.7.

This Rule Change Proposal does not amend any Reviewable Decisions nor does the Rule Change Panel consider that any of the proposed amendments to the clauses should make them a Reviewable Decision.

## **7.6 Practicality and Cost of Implementation**

### **7.6.1 Cost**

In its second period submission, AEMO indicated that it would incur minor costs to implement the requirement for AEMO to issue notifications to the relevant Rule Participant where AEMO decides to use a revised value in the final Adjustment Process for a Non-STEM Settlement Statement.

AEMO provided no other information regarding implementation costs for the proposed Amending Rules.

### **7.6.2 Practicality**

In its second period submission, AEMO specified that the proposed Amending Rules do not require amendments to market systems. AEMO noted that four to five months would be needed to undertake a procedure change process to fulfil the requirement of including the format of Notice of Disagreement into the Market Procedure: Settlement as proposed in clause 9.20.4 in the Draft Rule Change Report.

As indicated in section 7.2.1.2 of this report, the Rule Change Panel has amended clause 9.20.4 such that AEMO may decide to specify the format of the Notice of Disagreement in a Market Procedure. This will ensure that there is no delay in the commencement of the Amending Rules.

The Rule Change Panel received no other relevant comments about the practicality of implementing the Rule Change Proposal. The Rule Change Panel therefore still considers that 22 June 2020 is an appropriate commencement date for the Amending Rules.

### **7.6.3 Amendments to Associated Market Procedures**

The Rule Change Panel notes that the proposed changes will require amendments to the Market Procedure: Settlement.



## 8 Amending Rules

The Rule Change Panel has decided to implement the following Amending Rules (~~deleted text~~, added text, clauses that are included for context but not amended):

~~6.15.4 The Maximum Theoretical Energy Schedules and Minimum Theoretical Energy Schedules calculated by AEMO in accordance with clause 6.15.3 cannot be altered by:~~

~~(a) disagreement under clause 9.20.6; or~~

~~(b) disputes under clause 9.21.1.~~

...

9.2.1. AEMO must document the settlement process, including the application of taxes and interest, and the processes to be followed in relation to Notices of Disagreement and Notices of Dispute in a Market Procedure.

...

9.16.1. The settlement cycle timeline for the STEM is:

(a) On the first Business Day commencing after the end of a Trading Week, AEMO must issue to each Market Participant participating in the STEM:

i. a STEM Settlement Statement for each of the Trading Days in the Trading Week; and

ii. an Invoice for the STEM Settlement Statements described in clause 9.16.1(a)(i);

(b) The STEM Settlement Date is the date upon which transactions covered by a STEM Settlement Statement are settled and is the second Business Day following the date of the Invoice described in clause 9.16.1(a)(ii) in relation to the STEM Settlement Statement is issued;

(c) The STEM Settlement Disagreement Deadline is 5pm on the twentieth Business Day following the date the Invoice described in clause 9.16.1(a)(ii) in relation to the STEM Settlement Statement is issued. A Market Participant has until this time to lodge a Notice of Disagreement with AEMO pertaining to any amount included in the relevant STEM Settlement Statement.

9.16.2. ~~For all Financial Years other than the first Financial Year of energy market operations, the~~The settlement cycle timeline for settlement of other amounts payable under these Market Rules for all Trading Days within a Financial Year must be published by AEMO at least one calendar month prior to the commencement of that Financial Year. ~~For the first Financial Year of energy market operation, the settlement cycle timeline must be published one calendar month prior to Energy Market Commencement.~~ This settlement cycle timeline must include for each settlement cycle:

...

- (f) The Non-STEM Settlement Disagreement Deadline, being 5:00~~pm~~ PM on the ~~twentieth~~first Business Day of the eleventh month following the month in which the Trading Month being settled commenced ~~date on which a Non-STEM Settlement Statement was issued~~. A MarketRule Participant has until this time to lodge a Notice of Disagreement with AEMO in relation to any amount included in the Non-STEM Settlement Statement.

9.16.3. Each month, AEMO must undertake a process for adjusting settlements (“**Adjustment Process**”) in accordance with ~~clause section~~ 9.19. -The purpose of the process is to review the Relevant Settlement Statements, as defined in clause 9.16.3A, which were issued in the nine months prior to the commencement of the Adjustment Process (“Relevant Settlement Statements”) to facilitate corrections, as applicable, resulting from:

- (a) Notices of Disagreement;
- (b) ~~the resolution of a~~ 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; ~~or Non-STEM Settlement Statement~~
  - i. that requires correction resulting from as the result of the resolution of a da Notice of Dispute raised under clause 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; ~~or;~~

- 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; and/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 ~~received~~ revised metering data from a Metering Data Agent; or
  - 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);
  - 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.

9.16.4. The following dates for each Adjustment Process to be undertaken during a Financial Year must be published by AEMO at least one calendar month prior to the commencement of that Financial Year ~~or, only in the case of the first Financial Year of energy market operation, one calendar month prior to Energy Market Commencement:~~

- (a) the commencement date for the settlement ~~a~~ Adjustment ~~p~~ Process;
- (b) the date by which adjusted STEM Settlement Statements and Non-STEM Settlement Statements will be released, where this must be not less than 20 Business Days after the date set for the purposes of clause 9.16.4(a);
- (c) the date by which Invoices reflecting the adjusted STEM Settlement Statements and Non-STEM Settlement Statements will be released, where

this must be not less than two Business Days after the date set for the purposes of clause 9.16.4(b);

- (d) the settlement date for the Invoices described in clause 9.16.4(c), where this must be not less than two Business Days after the date set for the purposes of clause 9.16.4(c); ~~and~~
- (e) subject to clause 9.19.7, the deadline for Notices of Disagreement pertaining to an adjusted STEM Settlement Statement, where this must be not more than 20 Business Days after the adjusted Settlement Statement is released; and
- (f) the deadline for Notices of Disagreement pertaining to an adjusted Non-STEM Settlement Statement, where this must be the first Business Day of the eleventh month following the month in which the Trading Month being settled commenced.

...

9.17.3. A STEM Market Participant may under ~~clause~~section 9.20 issue a Notice of Disagreement in respect of a STEM Settlement Statement by the STEM Settlement Disagreement Deadline.

## 9.18. Non-STEM Settlement Statements

9.18.1. AEMO must provide Non-STEM Settlement Statements to Market relevant Rule Participants in accordance with the settlement cycle timeline published under clause 9.16.2.

9.18.2. AEMO must provide a Non-STEM Settlement Statement to each:

- (a) Market Generator; ~~and~~
- (b) Market Customer; and
- (c) Ancillary Service Provider.

9.18.3. A Non-STEM Settlement Statement must contain the following information:

- (a) details of the Trading Days covered by the Non-STEM Settlement Statement;
- (b) the identity of the Market Rule Participant to which the Non-STEM Settlement Statement relates;
- (c) for each Trading Interval of each Trading Day:
  - i. the Bilateral Contract quantities for that Market Participant;
  - ii. the Net Contract Position of the Market Participant;
  - iiA. the MWh quantity of energy scheduled from each of the Market Participant's Facilities;

...

- ix. details of amounts calculated for the MarketRule Participant under sections 9.7 to 9.14 with respect to as applicable:
    - 1. Reserve Capacity settlement;
    - 2. Balancing Settlement;
    - 3. Ancillary Services settlement;
    - 4. Outage compensation settlement;
    - 5. Reconciliation settlement;
    - 6. [Blank]
    - 7. Fee settlement; and
    - 8. Net Monthly Non-STEM Ssettlement Aamount;
  - (cA) details of any Capacity Credits allocated to the Market Participant from another Market Participant in accordance with sections 9.4 and 9.5;
  - (cB) details of any Capacity Credits allocated to another Market Participant from the Market Participant in accordance with sections 9.4 and 9.5;
  - (cC) details of any reductions in payments in the preceding Trading Month under clause 9.24.3A as a result of a MarketRule Participant being in default;
  - (cD) details of any payments to the MarketRule Participant as a result of AEMO recovering funds not paid to the MarketRule Participant in previous Trading Months under clause 9.24.3A as a result of a MarketRule Participant being in default;
  - (cE) in regard to Default Levy re-allocations, as defined in accordance with clause 9.24.9:
    - i. the total amount of Default Levy paid by that MarketRule Participant during the Financial Year, with supporting calculations;
    - ii. the adjusted allocation of those Default Levies to be paid by that MarketRule Participant, with supporting calculations; and
    - iii. the net adjustment be made;
  - ...
  - (g) the net dollar amount owed by the MarketRule Participant to AEMO for the billing period (i.e. the Trading Days covered by the Non-STEM Settlement Statement) where this may be a positive or negative amount; and
  - (h) all applicable taxes.
- 9.18.4. A MarketRule Participant may under clausesection 9.20 issue a Notice of Disagreement in respect of a Non-STEM Settlement Statement by the Non-STEM Settlement Disagreement Deadline.

## 9.19. Adjusted Settlement Statements

- 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 any 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; ~~and~~
  - vi. ~~any~~ adjustment required for GST purposes under clause 9.1.2; ~~and~~
  - vii. 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.

9.19.1A. If AEMO receives new information which, if it were used in calculating a Non-Balancing Facility Dispatch Instruction Payment, would produce a different value to the value previously calculated under clause 6.17.6 or recalculated under this clause 9.19.1A, then AEMO must recalculate the Non-Balancing Facility Dispatch Instruction Payment and determine the necessary adjustment for use in clause 9.19.1(a)(iA).

9.19.1B. Where AEMO decides to use a revised value in the final Adjustment Process for a Non-STEM Settlement Statement, as contemplated under clause 9.16.3(cA), AEMO must, as soon as practicable, notify the relevant Rule Participant of the proposed revised value and the reason for its decision.

...

- 9.19.3. An adjusted Settlement Statement must include details of the adjustment to be paid by or to the MarketRule Participant, being:
- (a) the adjustment which will need to be paid by or to the MarketRule Participant to put the MarketRule 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 clausesection 9.19); plus

- (b) interest on the amount referred to in clause 9.19.3(a) calculated in accordance with clause 9.1.3.

...

9.19.5. A Rule Participant may under clausesection 9.20 issue a Notice of Disagreement in respect of an adjusted Settlement Statement by the deadline specified under clauses 9.16.4(e) and 9.16.4(f), as applicable, in respect of the relevant Adjustment Process.

~~9.19.6. Subject to clause 9.19.7, a Rule Participant may only issue a Notice of Disagreement for an adjusted Settlement Statement with respect to information in the adjusted Settlement Statement which differs from information in the previously released version of that Settlement Statement and which has not been changed in accordance with the resolution of a Notice of Disagreement issued by the relevant Market Participant or a Dispute in relation to which the relevant Market Participant was a Dispute Participant. [Blank]~~

9.19.7. A Notice of Disagreement with respect to an adjusted STEM Settlement Statement may not be issued more than nine months after the issuance of the original Settlement Statement.

...

~~9.20.3. If a Rule Participant fails to receive a confirmation in accordance with clause 9.20.2, then it must contact AEMO within one Business Day of the deadline for receipt of the confirmation described in clause 9.20.2 to appraise AEMO of the failure of AEMO to confirm receipt and, if necessary, to make alternative arrangements for the submission of the Notice of Disagreement. [Blank]~~

9.20.4. A Notice of Disagreement must include:

- (a) details of the Settlement Statement and Trading Day to which the Notice of Disagreement relates;
- (b) details of the Rule Participant to which the Notice of Disagreement relates; and
- (c) a list of information in the Settlement Statement with which the MarketRule Participant disagrees, including:
  - i. the reason for the disagreement; and
  - ii. what the Rule Participant believes the correct value should be, if this is known.

and must comply with any format that may be specified in the Market Procedure specified in clause 9.2.1.

9.20.4A. AEMO may, if it reasonably considers it is required to assess or resolve a Notice of Disagreement, request clarification or further information regarding any aspect of the Notice of Disagreement submitted under this section 9.20 from the submitting Rule Participant. A Rule Participant must comply with a request under this clause 9.20.4A.

9.20.5. 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:

...

9.20.6. If a Notice of Disagreement relates to any item of information developed by AEMO, then:

- (a) if the information relates to values that are inputs to the settlement process AEMO must determine a value for the item, which may be a revised value, that it reasonably considers to be in compliance with these Market Rules and accurate; or
- (b) if the information relates to values that are outputs to the settlement process AEMO must review its settlement calculations and assess whether any errors were made.

9.20.7. AEMO must, as soon as practicable, but within ~~three months of confirming~~20 Business Days of receipt of a Notice of Disagreement respond to a Market Rule Participant who issued a Notice of Disagreement indicating the actions (if any) AEMO will take in response to the Notice of Disagreement, where such actions may include:

- (a) revising information provided to AEMO by Metering Data Agents and Network Operators (as applicable), and the reasons provided to AEMO for those revisions, in accordance with clause 9.20.5;
- (b) revising information developed by AEMO and used as an input to the settlement process, and the reason for the revision, as determined in accordance with clause 9.20.6; and
- (c) indicating whether AEMO considers an error was made in the settlement calculations that has produced an incorrect Settlement Statement.

9.20.7A. AEMO may extend the deadline to respond to a Notice of Disagreement in clause 9.20.7 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. Where 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 within 20 Business Days of receiving the Notice of Disagreement:

- (a) that AEMO has decided to extend the deadline to respond to the Notice of Disagreement in clause 9.20.7;



- (b) the reasons for its decision; and
- (c) subject to clause 9.20.7B, the time by which AEMO will respond to the Notice of Disagreement.

9.20.7B. AEMO must not extend the deadline to respond to a Notice of Disagreement under clause 9.20.7A:

- (a) for a Non-STEM Settlement Statement, to a date later than ten months after the Non-STEM Settlement Statement Date specified in clause 9.16.2(c) for the relevant Trading Month; or
- (b) for a STEM Settlement Statement, to a date later than three months after the receipt of the Notice of Disagreement.

9.20.8. If a MarketRule Participant is not satisfied with AEMO's response to a Notice of Disagreement ~~given by the Market Participant~~, it may issue a Notice of Dispute to AEMO in accordance with ~~clause~~section 9.21.

## 9.21. Settlement Disputes

9.21.1. A MarketRule Participant may only issue a Notice of Dispute in regard to a Settlement Statement after:

- (a) having raised a Notice of Disagreement with respect to a Settlement Statement; and
- (b) AEMO having given a response under clause 9.20.7 in respect of the Notice of Disagreement with which the MarketRule Participant is not satisfied.

...

9.22.2. An Invoice must include:

- (a) all Settlement Statements (including adjusted Settlement Statements) to which the Invoice relates;
- (b) the net amount to be paid to or by AEMO (including applicable taxes). -A positive amount is to be paid by the MarketRule Participant to AEMO and a negative amount is to be paid by AEMO to the MarketRule Participant;
- (c) the payment date and time; and
- (d) any amounts outstanding from overdue payments in relation to previous Settlement Statements.

...

9.22.4. AEMO must:

- (a) nominate ~~that an~~ and publish the electronic funds transfer ("EFT") facility ~~is to that must~~ be used by ~~all Market Participants and~~ Rule Participants for the purpose of some or all settlements under these Market Rules; and

(b) determine, where applicable, and publish the minimum cost charged by the EFT facility for processing a transaction on the Market Web Site.

...

9.22.6. If an Invoice indicates that a Rule Participant owes to AEMO an amount payable greater than the Minimum Transaction Cost one dollar to AEMO, then the Rule Participant must pay the full amount to AEMO (in cleared funds) by 10:00 AM on the date specified in the Invoice in accordance with clauses 9.16.1(b), 9.16.2(e) and 9.16.4(d) (as applicable), whether or not it disputes the amount indicated to be payable.

9.22.7. Late payments by MarketRule Participants accrue interest calculated in accordance with clause 9.1.3.

9.22.8. If an Invoice indicates that AEMO owes to a Rule Participant an amount payable greater than the Minimum Transaction Cost one dollar to a Rule Participant, then AEMO must make available the full amount to the Rule Participant (in cleared funds) by 2:00 PM on the date specified in the Invoice in accordance with clauses 9.16.1(b), 9.16.2(e) and 9.16.4(d) (as applicable), except as provided for in clause section 9.24.

...

9.23.1. For the purposes of these Market Rules, a “**Suspension Event**” occurs in relation to a MarketRule Participant, as applicable, if:

- (a) the MarketRule Participant fails to make a payment under these Market Rules before the time it is due;
- (b) the MarketRule Participant is in breach of a Prudential Obligation;
- (c) AEMO has drawn on a Credit Support in relation to the MarketRule Participant and payment under the Credit Support is not received by AEMO within 90 minutes of being requested;
- (d) it is unlawful for the MarketRule Participant to comply with any of its obligations under the Market Rules or any other obligation owed to the Economic Regulation Authority or the MarketRule Participant claims that it is unlawful for it to do so;
- (e) it is unlawful for a provider of Credit Support in relation to the MarketRule Participant to comply with any of its obligations under the Credit Support or any other obligation owed to AEMO or the provider claims that it is unlawful for it to do so;
- (f) an authorisation from a government body necessary to enable the MarketRule Participant to carry on a business or activity related to its participation in the Wholesale Electricity Market ceases to be in full force and effect;

- (g) an authorisation from a government body necessary for the provider of Credit Support in relation to the MarketRule Participant to carry on the business of providing credit support ceases to be in full force and effect;
- (h) the MarketRule Participant ceases or threatens to cease to carry on its business or a substantial part of its business related to its participation in the Wholesale Electricity Market;
- (i) the provider of Credit Support in relation to the MarketRule Participant ceases or threatens to cease to carry on its business of providing Credit Support;
- (j) the MarketRule Participant is insolvent within the meaning of clause 9.23.2;
- (k) a provider of Credit Support in relation to the MarketRule Participant is insolvent within the meaning of clause 9.23.2;
- (l) a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the MarketRule Participant or a provider of Credit Support in relation to that MarketRule Participant; or
- (m) the MarketRule Participant or a provider of Credit Support in relation to the MarketRule Participant is dissolved.

...

9.23.4. If AEMO becomes aware that a Suspension Event has occurred in relation to a Rule Participant and the Suspension Event has not been remedied, then AEMO must as soon as practicable:

- (a) subject to clause 9.23.5, issue a -notice ("**Cure Notice**"), requiring that the Suspension Event be remedied within 24 hours from the time the Cure Notice is issued; and
- (b) if it has not already done so, Draw Upon any Credit Support held in relation to that MarketRule Participant for the amount which AEMO determines is actually or contingently owing by the MarketRule Participant to AEMO under these Market Rules.

9.23.5. Where AEMO has given a Cure Notice to a MarketRule Participant in respect of a Suspension Event described in clauses 9.23.1(a) or 9.23.1(b), AEMO may extend the deadline for remedying the Suspension Event by up to five Business Days from the date on which the Suspension Event occurred if AEMO considers that:

- (a) the MarketRule Participant can pay all outstanding amounts, and comply in full with the Prudential Obligations, before the end of the extended deadline; and
- (b) the MarketRule Participant is not capable of doing so within the 24 hours following the issuance of the Cure Notice.

9.23.6. Where AEMO has given a Cure Notice to a MarketRule Participant in respect of a Suspension Event described in any of clauses 9.23.1(c) to 9.23.1(m), AEMO may

extend the deadline for remedying the Suspension Event for such period as AEMO considers appropriate if AEMO considers that:

- (a) the MarketRule Participant will be able to remedy the Suspension Event before the end of the extended deadline; and
- (b) the MarketRule Participant is not capable of doing so within the 24 hours following the issuance of the Cure Notice.

9.23.7. If a MarketRule Participant does not remedy a Suspension Event before the deadline specified in clause 9.23.4(a) (as extended, if applicable, under clauses 9.23.5 or 9.23.6), then AEMO may issue a Suspension Notice to the relevant MarketRule Participant in which case clause section 2.32 applies.

## 9.24. Settlement in Default Situations

9.24.1. If a MarketRule Participant fails to make a payment under these Market Rules to AEMO before it is due, then AEMO may, as applicable, Draw Upon any Credit Support held in relation to that MarketRule Participant to meet the payment.

9.24.2. 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 disgorge or repay an amount, or pay an amount equivalent to an amount, paid by a MarketRule Participant under the Market Rules:

- (a) AEMO may Draw Upon any Credit Support held by AEMO in relation to the MarketRule Participant for the amount disgorged, repaid or paid (“**Repaid Amount**”); and
- (b) if AEMO is not able to recover all or part of the Repaid Amount by drawing upon any Credit Support held by AEMO in relation to the MarketRule Participant, then AEMO must take the Repaid Amount into account the next time it calculates the Reconciliation Settlement amount under clause 9.11.1 as if it was a positive Balancing Settlement amount for a relevant RuleMarket Participant for a Trading Day during the relevant Trading Month.

...

9.24.4. If AEMO has reduced any payment under clause 9.24.3A 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 (including any interest paid under clause 9.22.7 in respect of the Payment Default) as follows.

- (b) Second, AEMO must apply the remainder on a pro-rata basis to all MarketRule Participants who suffered a reduction under clause 9.24.3A(b). The amount to be paid to each Marketrelevant Rule Participant is determined by applying the formula in clause 9.24.3A(b), but as if:

AAP referred to the amount to be paid to each Marketrelevant Rule Participant;

MAA referred to the remainder of the full or partial payment after the application of clause 9.24.4(a); and

NAP and TNAP have the same values as when the reduction was calculated.

- 9.24.5. 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 Marketrelevant Rule Participants (other than MarketRule Participants with unrecovered Payment Defaults) to cover the remaining shortfall (including interest calculated in accordance with clause 9.22.7). -AEMO will determine the amount to be paid by each MarketRule Participant, having regard to the absolute value of the MWh of generation or consumption, determined in accordance with the Metered Schedules, for each MarketRule Participant for Trading Intervals during the most recent Trading Month for which Non-STEM Settlement Statements have been issued, as a proportion of the total of those values for all MarketRule Participants (other than MarketRule Participants with unrecovered Payment Defaults).
- 9.24.6. AEMO must notify each Marketrelevant Rule Participant of the amount it must pay in respect of the Default Levy as determined in accordance with clause 9.24.5 within six Business Days of the Payment Default occurring.
- 9.24.7. A MarketRule Participant must pay the full amount notified by AEMO under clause 9.24.6 to AEMO (in cleared funds) by 10:00 AM of the ~~eighth~~ Business Day following the date of the Payment Default, whether or not it disputes the amount notified.
- 9.24.8. By 2:00 PM on the ~~eighth~~ Business Day following the date of a Payment Default, AEMO is to allocate the total of the -Default Levy amounts received under clause 9.24.7 as follows.

...

- (b) Second, AEMO must apply the remainder on a pro-rata basis to all MarketRule Participants who suffered a reduction under clause 9.24.3A(b). The amount to be paid to each Marketrelevant Rule Participant is determined by applying the formula in clause 9.24.3A(b), but as if:

AAP referred to the amount to be paid to each Marketrelevant Rule Participant;

MAA referred to the remainder of the total of the Default Levy amounts received under clause 9.24.7 after the application of clause 9.24.8(a); and

NAP and TNAP have the same values as when the reduction was calculated.

9.24.8A. If a MarketRule Participant pays part or all of a Default Levy after the date and time prescribed in clause 9.24.7 but within five Business Days of that date, then AEMO must within one Business Day apply the amount received in accordance with clause 9.24.8 as if it was an amount received under clause 9.24.7.

9.24.9. 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 as follows:

...

- (b) AEMO will determine the aggregate Default Levy amount which should have been paid by each Marketrelevant Rule Participant, having regard to the absolute value of the MWh of generation or consumption, as determined in accordance with the Metered Schedules for each MarketRule Participant (excluding MarketRule Participants with unrecovered Payment Defaults) for Trading Intervals during the Financial Year as a proportion of the total of those values for all these MarketRule Participants;
- (c) AEMO must compare the amount determined for the MarketRule Participant under clause 9.24.9(b) with the total of the amounts which the MarketRule Participant actually paid under clause 9.24.7;
- (d) AEMO must determine an appropriate adjustment to put each MarketRule Participant in the position it would have been in had it paid the amount determined under clause 9.24.9(b) instead of the amounts actually paid under clause 9.24.7; and
- (e) AEMO must include that adjustment in the Non-STEM Settlement Statement for the most recently completed Trading Month.

9.24.10. If, after raising a Default Levy in respect of a Payment Default in accordance with clause 9.24.5, AEMO recovers all or part of the relevant shortfall from the defaulting MarketRule Participant, then it must use the amount recovered to refund Default Levy amounts paid under clause 9.24.7 in respect of the Payment Default as soon as practicable but not later than the end of the calendar month following the month in which the amount is recovered. -AEMO will determine the amount to be refunded to each MarketRule Participant which paid a Default Levy amount under clause 9.24.7 in respect of the Payment Default (as adjusted, if applicable, under clause 9.24.9). -In determining the amount to be refunded to a MarketRule Participant, AEMO must have regard to:

- (a) the amount recovered; and
- (b) the Default Levy amount paid by the MarketRule Participant under clause 9.24.7 (as adjusted, if applicable, under clause 9.24.9) as a proportion of the total of those amounts paid by all MarketRule Participants.

...

## Glossary

**Invoicing Date:** The Business Day, determined in accordance with clauses 9.16.1(a), 9.16.2(d) or 9.16.4(c), on which AEMO must release Invoices for STEM Settlement Statements for a Trading Week, Non-STEM Settlement Statements for a Trading Month and the Adjustment Process respectively.

**Minimum Transaction Cost:** Means the dollar amount published by AEMO in accordance with clause 9.22.4(b).

**Notice of Disagreement:** A notice issued by a MarketRule Participant under any of clauses 9.17.3, ~~clause 9.18.4~~ or ~~clause 9.19.5~~, to AEMO indicating a disagreement with either a STEM Settlement Statement or a Non-STEM Settlement Statement.

**Payment Default:** Any failure to make a payment in respect of an Invoice in accordance with clausesection 9.22 or clause 9.24.7 or pay any other amount owing under these Market Rules by the time it is due.

**Relevant Settlement Statements:** -Has the meaning given in clause 9.16.3A.

**Settlement Statement:** A STEM Settlement Statement, a Non-STEM Settlement Statement, an adjusted STEM Settlement Statement or an adjusted Non-STEM Settlement Statement.

**Suspension Notice:** A notice issued by AEMO in accordance with clausesection 2.32 or clause 9.23.7 that a MarketRule Participant is suspended from trading in the Wholesale Electricity Market.

...

## Appendix A. Assessment of the Proposed Changes from the Draft Rule Change Report

The following is a reproduction of sections 6.1 and 6.2 of the Draft Rule Change Report. The only changes have been to:

- update the heading references to conform with the style guide for this Appendix;
- update to the footnote numbering to ensure consistent referencing; and
- replace references to ‘this report’ to ‘the Draft Rule Change Report’ where necessary to avoid confusion about which report is being referenced.

The Rule Change Panel has updated its position on some of the matters discussed in this appendix since the publication of the Draft Rule Change Report. Details of the updates are available in section 7.2 of this Final Rule Change Report.

### A.1 Assessment of the Proposed Changes

#### A.1.1 General Concept of the Rule Change Proposal

The general concept of the Rule Change Proposal is to address issues arising in the WEM settlement process, with emphasis on the Adjustment Process of Non-STEM Settlement Statements.<sup>3</sup> The Rule Change Panel generally agrees that the amendments proposed by AEMO will result in more accurate market settlements, thus reducing the potential for unintended gains or losses.

#### A.1.2 Allowing updated input for settlement

The Rule Change Panel agrees with the principle that AEMO should be able to adjust settlements if more accurate data is available, including data that has been developed by AEMO. The Rule Change Panel acknowledges that there have been instances where unintended gains or losses could have been made, had AEMO not adjusted the settlements despite what is prescribed in the Market Rules.

##### A.1.2.1 Removing the prohibition to alter Maximum and Minimum TES values

AEMO proposes to remove the restriction in clause 6.15.4 that prevents AEMO from altering the Maximum and Minimum TES values in the event of a Notice of Disagreement or a Notice of Dispute. Moreover, AEMO proposes to amend clauses 9.16.3, 9.16.3A and 9.19.1 to give it the ability to revise any value in Settlement Statements, whether calculated by AEMO or not, to a value that it considers to be more accurate and in compliance with the Market Rules. This would enable AEMO to re-calculate the Maximum and Minimum TES values, not only as a result of resolutions of a Notice of Disagreement or Notice of Dispute, but also as a result of more accurate SCADA data being available. The Rule Change Panel agrees with the proposed deletion of clause 6.15.4 as it achieves the intent of AEMO being able to revise the TES values in a Non-STEM Settlement Statement.

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<sup>3</sup> The proposed amendments also impact the STEM Settlement Adjustment Process, but it is unlikely that a STEM Settlement will get adjusted in practice.



### **A.1.2.2 Allowing AEMO to update the Settlement Statements with more accurate data that AEMO considers to be compliant with the Market Rules and accurate**

The Rule Change Panel agrees with the proposed changes to clauses 9.16.3, 9.16.3A and 9.19.1 that aim to allow AEMO to adjust Settlement Statements when it considers that more accurate data is available and the revision is compliant with the Market Rules.

The Rule Change Panel agrees with Synergy's view that any revisions made by AEMO have the potential to be inaccurate. Synergy also pointed out the lack of process to mandate AEMO to inform Rule Participants of adjustments to the Relevant Settlement Statements. However, under clauses 9.17.2(f), 9.18.3(e) and 9.19.2, an adjusted Settlement Statement must contain an explanation of the reasons for the adjustment, which will also apply to any corrections made by AEMO.

While the Rule Change Panel agrees that AEMO could consult with affected parties before any revision, the administrative burden to investigate the accuracy of the changes would still fall upon the relevant Rule Participant. Consultation prior making the adjustments would increase the uncertainty for all Rule Participants in receiving accurate Settlement Statements, add administrative burden and time constraints on AEMO to issue the adjusted Settlement Statements and delay a positive market outcome. Nevertheless, the Rule Change Panel acknowledges that the proposed changes would allow AEMO to adjust a value between the second and third adjustment of a Settlement Statement without the knowledge of the relevant Rule Participant. This means the relevant Rule Participant would only be made aware of the change upon receipt of the third adjusted Settlement Statement when it no longer has an option to request a change of the value for the purpose of settlement. Therefore, the Rule Change Panel has included clause 9.19.1B to require that, where AEMO has decided to use a revised value for third adjustment of a Settlement Statement, it must notify the relevant Rule Participant of the proposed revised value and provide an explanation of its decision as soon as practicable.

The Rule Change Panel notes that there is an ongoing risk that a revised value adopted by AEMO may itself not be accurate or in compliance with the Market Rules. The Rule Change Panel has therefore made further changes to the proposed changes to clauses 9.16.3, 9.16.3A and 9.19.1 to specify that AEMO can correct a value if it "reasonably" considers that the revised value is compliant with the Market Rules and is more accurate.

### **A.1.2.3 Amending the definition of Relevant Settlement Statement**

To facilitate the proposed amendment for AEMO to be able to revise Settlement Statements when it considers that more accurate information is available, AEMO proposed to amend clause 9.16.3A(b)<sup>4</sup>. AEMO proposes to replace the revised metering data and determinations for out of merit generation quantities with a broad reference to 'revised data that AEMO considers to be in compliance with these Market Rules and accurate'.

The Rule Change Panel agrees with the need to amend the definition of the Relevant Settlement Statement in clause 9.16.3A to include any needed revision to data that AEMO considers to be more accurate and compliant with the Market Rules. However, clauses 9.16.3 and 9.19.1 both specify the events that would require adjustment of a Settlement Statement. To be consistent with these clauses, the Rule Change Panel has decided to maintain the explicit reference, in clause 9.16.3A(b), to the list of events that

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<sup>4</sup> Clause 9.16.3A(b) lists the events that qualify Non-STEM Settlement Statements, for which the Invoicing Date occurred in the month that is three-, six-, or nine- months prior to the start of the Adjustment Process, to be a Relevant Settlement Statement.

qualify a Non-STEM Settlement Statement to be a Relevant Settlement Statement and to include a reference to 'revised data that AEMO considers to be in compliance with these Market Rules and accurate'.

The Rule Change Panel notes that the AEMO's proposed amendments to clause 9.16.3A only affect Non-STEM Settlement Statements. The Rule Change Panel considers that AEMO should be able to include any revised data that it reasonably considers to be accurate and in compliance with the Market Rules for STEM Settlement Statements as well. Consequently, the Rule Change Panel has further amended clause 9.16.3A(a) to include a reference in the definition of the Relevant Settlement Statement for STEM Settlement Statements to 'revised data that AEMO considers to be in compliance with these Market Rules and accurate'.

The Rule Change Panel notes that adjustments to Non-Balancing Facility Dispatch Instruction Payments are listed in clause 9.19.1(a)(iA) as a value that AEMO must re-calculate when undertaking an Adjustment Process. However, having new information for Non-Balancing Facility Dispatch Instruction Payments is not a specified trigger for an Adjustment Process under clauses 9.16.3 and 9.16.3A. The Rule Change Panel is of the view that the corrections that trigger the Adjustment Process and the corrections that define a Relevant Settlement Statement should be consistent with the values that are re-calculated for the purpose of the Adjustment Process. Therefore, the Rule Change Panel has also added the reference to adjustments needed to Non-Balancing Facility Dispatch Instruction Payments in clauses 9.16.3 and 9.16.3A.

### **A.1.3 Changes to the deadline for Notices of Disagreement relating to Settlement Statements**

Table B.1 provides an example of the different Settlement Statement dates and the Non-STEM Settlement Disagreement Deadlines in the Non-STEM settlement timeline for August 2019; the Trading Month being settled. The dates in the first (blue) and second (green) Adjustment Process are the published dates on AEMO's website. The dates in the third (brown) Adjustment Process for August 2019 are examples as the dates have not been published yet on the Market Web Site. The text in red reflects the proposed changes to the settlement disagreement deadlines and AEMO's deadlines to respond to Notices of Disagreement.

**Table A.1: Deadlines for Notice of Disagreement**

Month	Current 9.19.6, 9.20.7	Settlement Statement dates and Disagreement Deadlines	Proposed Settlement Statement dates and Disagreement Deadlines	Proposed 9.19.6, 9.20.7, 9.20.7A and 9.20.7B
Oct 2019		The initial Non-STEM Settlement Statement ( <b>Non-STEM_SS</b> ): Interval Meter Deadline ( <b>IMD</b> )+3BDs<=Non-STEM_SS<=IMD+5BDs: 4, 7, or 8 Oct [9.16.2(c)] – 8 Oct <sup>5</sup>		
Nov 2019	A Notice of Disagreement ( <b>NOD</b> ) can be issued regarding the initial Non-STEM_SS between 8 Oct and 5 Nov	Non-STEM Settlement Disagreement Deadline ( <b>Non-STEM_SDD</b> ): Non-STEM_SS+20BDs: 5 Nov [9.16.2(f)]	No event	
Feb 2020	Due Date for AEMO's response to NODs received on the initial Non-STEM_SS: NOD receipt date +1BD (9.20.2) +3 months:<=6 Feb [9.20.7]	adjusted STEM and Non-STEM Settlement Statements ( <b>adj_STEM_SS</b> and <b>adj_Non-STEM_SS</b> ): >=Settlement Adjustment Process date ( <b>SAP</b> )+20 BDs: as from 13 Feb: AEMO chose 17 Feb [9.16.4(b)]		

<sup>5</sup> AEMO has chosen the 8 Oct as published on <https://www.aemo.com.au/-/media/Files/Electricity/WEM/Settlements-and-Prudential-Monitoring/2019/FY19-20-WEM-Settlement-Cycle-Timeline.pdf>

Month	Current 9.19.6, 9.20.7	Settlement Statement dates and Disagreement Deadlines	Proposed Settlement Statement dates and Disagreement Deadlines	Proposed 9.19.6, 9.20.7, 9.20.7A and 9.20.7B
Mar 2020	NOD can be issued on only the new adj_STEM_SS and adj_Non-STEM_SS issued on 17 Feb [9.19.6]	STEM and Non-STEM Settlement Disagreement Deadline for adj_STEM_SS and adj_Non-STEM_SS ( <b>STEM_SDDa and Non-STEM_SDDa</b> ): <= adj_STEM_SS and adj_Non-STEM_SS +20 BDs: 17 Mar [9.16.4(e)]	No event	
May 2020		adjusted STEM and Non-STEM Settlement Statements ( <b>adj_STEM_SS and adj_Non-STEM_SS</b> ): >=SAP+20 BDs: as from 15 May [9.16.4(b)]		
Jun 2020	A Notice of Disagreement can be issued on only the new adj_STEM_SS and adj_Non-STEM_SS issued on 15 May [9.19.6] Response to NODs received on the adj_STEM_SS and adj_Non-STEM_SS of 17 Mar: NOD receipt date +1BD (9.20.2) +3 months: <=18 Jun [9.20.7]	STEM and Non-STEM Settlement Disagreement Deadline for adj_STEM_SS and adj_Non-STEM_SS ( <b>STEM_SDDa and Non-STEM_SDDa</b> ): <= adj_STEM_SS and adj_Non-STEM_SS +20 BDs: 15 Jun [9.16.4(e)]	No event	

Month	Current 9.19.6, 9.20.7	Settlement Statement dates and Disagreement Deadlines	Proposed Settlement Statement dates and Disagreement Deadlines	Proposed 9.19.6, 9.20.7, 9.20.7A and 9.20.7B
Jul 2020	A Notice of Disagreement can be issued on only a previously released version of the adj_Non-STEM_SS and adj_Non-STEM_SS [9.19.6]	The final STEM and Non-STEM Disagreement Deadline for adj_STEM_SS and adj_Non-STEM_SS ( <b>STEM_SDDa and Non-STEM_SDDa</b> ): For STEM: The initial STEM Settlement Statement + 9 months For Non-STEM: Non-STEM_SS +9 months: 8 Jul [9.19.7]	<b>Non-STEM Settlement Disagreement Deadline (Non-STEM_SDD):</b> 1 <sup>st</sup> BD of eleventh month following the commencement of the Trading Month being settled: 1 Jul [9.16.2(f)] <b>STEM and Non-STEM Settlement Disagreement Deadline for adj_STEM_SS and adj_Non-STEM_SS (STEM_SDDa and Non-STEM_SDDa):</b> 1 <sup>st</sup> BD of eleventh month following the commencement of the Trading Month being settled: 1 Jul [9.16.4(e)]	Notices of Disagreement can be issued on either the initial Non-STEM_SS or any of the adj_STEM_SS and adj_Non-STEM_SS issued on 17Feb and 15 May [9.19.6 is proposed to be deleted] Response to any NOD received on either Initial Non-STEM_SS or any of the adj_STEM_SS and adj_Non-STEM_SS: NOD receipt date + 1 BD (9.20.2) + 20 BDs: 30 Jul [New 9.20.7]
Aug 2020		adjusted STEM and Non-STEM Settlement Statements <b>adj_STEM_SS and adj_Non-STEM_SS</b> ): >=SAP+20 BDs: as from 10 Aug [9.16.4(b)]		Latest deadline for AEMO's Response to any NOD received on either Initial Non-STEM_SS or any of the adj_STEM_SS and adj_Non-STEM_SS: <=Non-STEM_SS+10 months:<=8 Aug [New 9.20.7B]

Month	Current 9.19.6, 9.20.7	Settlement Statement dates and Disagreement Deadlines	Proposed Settlement Statement dates and Disagreement Deadlines	Proposed 9.19.6, 9.20.7, 9.20.7A and 9.20.7B
Sep 2020	Response to NODs received on the adj_STEM_SS and adj_Non-STEM_SS of 15 May: NOD receipt date +1BD (9.20.2) +3 months: <=16 Sep [9.20.7] – AEMO will currently not revise Settlement Statements irrespective of the outcome			
Oct 2020	Response to final NODs received on the adj_STEM_SS and adj_Non-STEM_SS: NOD receipt date + 1BD (9.20.2) +3 months: <= 9 Oct [9.20.7] – AEMO will currently not revise the Settlement Statements irrespective of the outcome			

### **A.1.3.1 Removing restrictions on the content of a Notice of Disagreement**

Under clause 9.19.6 of the current Market Rules, a Rule Participant may only issue a Notice of Disagreement for an adjusted Settlement Statement on a changed value (as compared to the previously released version of that Settlement Statement), when this changed value is not as a result of the resolution of:

- a Notice of Disagreement issued by the relevant Market Participant; or
- a Notice of Dispute in relation to which the relevant Market Participant was a Dispute Participant.

The Rule Participant has only 20 Business days from the issue of the initial Settlement Statement to disagree on any value of the initial Non-STEM Settlement Statement (clause 9.16.2(f)) and also 20 Business days from the issue of an adjusted STEM or Non-STEM Settlement Statement to disagree on any changed value, exclusive of revisions resulting from a Notice of Disagreement or Notice of Dispute (clause 9.16.4(e)).

With the proposed deletion of clause 9.19.6, the Rule Participant will be able to challenge any value (changed, unchanged or changed as a result of a Notice of Disagreement or Notice of Dispute), in all the Non-STEM Settlement Statements up until the new final disagreement deadline proposed in clauses 9.16.2(f) and 9.16.4(e). The Rule Change Panel notes that a Non-STEM Settlement Statement contains a large amount of detailed information, up to the Trading Interval level of information for the Trading Month being settled.

The Rule Change Panel is of the view that it would require more than 20 Business Days to correctly review and validate all information in a Non-STEM Settlement Statement, especially if a Rule Participant receives numerous Settlement Statements each month. The Rule Change Panel agrees that Rule Participants should have the ability to challenge any value in the Settlement Statements at any point in time until the new single disagreement deadline. Removing the restrictions in clause 9.19.6 would provide more time for Rule Participants to review their settlements and thus achieve more accurate market outcomes. Therefore, the Rule Change Panel agrees to the deletion of clause 9.19.6.

### **A.1.3.2 Having only one Disagreement Deadline for a Notice of Disagreement**

As shown in the example in Table B.1, a Trading Month being settled could be adjusted up to three times and the Rule Participant can effectively disagree with the Non-STEM Settlement Statements three times under the current Market Rules. AEMO proposed to amend clauses 9.16.2(f), 9.16.4(e) and to delete clause 9.19.7 to have:

- a single disagreement deadline for both the initial and subsequent adjusted Non-STEM Settlement Statements for a Trading Month being settled, and
- one disagreement deadline for adjusted STEM Settlement Statements for the Trading Month being settled.

This change would decrease the certainty for Indirectly Affected Parties on having Non-STEM Settlement Statements as correct as possible in the first and second Adjustment Processes for the Trading Month being settled. As AEMO stated in the Rule Change Proposal, there is a financial incentive to review and raise any issue with Settlement Statements as soon as possible as there will always be at least one party negatively affected. With the removal of restrictions in the proposed deletion of clause 9.19.6, the Indirectly Affected Party could issue a Notice of Disagreement if they disagree with their initial, first or second adjusted Non-STEM Settlement Statements at any point in time as

outlined in section 6.1.3.1 of the Draft Rule Change Report. The Rule Change Panel is of the view that the benefit of having correct Settlement Statements outweighs the uncertainty that Indirectly Affected Parties face. Therefore, the Rule Change Panel agrees with the changes to have a single disagreement deadline for the initial and subsequently adjusted Non-STEM Settlement Statements related to a Trading Month being settled. The Rule Change Panel agrees with the changes to clause 9.16.2(f) but has made some changes in wording for consistency with other clauses in the Market Rules.

The Rule Change Panel notes that the Rule Change Proposal does not seek any amendments to clause 9.16.1(c) which specifies the disagreement deadline for the initial STEM Settlement Statement, which would remain at 20 Business Days after it was issued. However, the changes that AEMO proposes to the disagreement deadline in clauses 9.16.4(e) and 9.19.7 would also apply for the Adjustment Process of a STEM Settlement Statement. In effect, the disagreement deadline for an adjusted STEM Settlement Statement would be significantly longer than the one for the initial STEM Settlement Statement. The Rule Change Panel notes that the Rule Change Proposal only states the intention to amend the disagreement deadline for Non-STEM Settlement Statements. The Rule Change Panel agrees that the proposed amendments to the disagreement deadline should only apply to Non-STEM Settlement Statements. Therefore, the Rule Change Panel has further amended clause 9.16.4 to clarify that the disagreement deadline pertaining to an adjusted STEM Settlement Statement will remain at 20 Business Days after it was issued. The Rule Change Panel has also amended clauses 9.19.5 and 9.19.7 to reflect these changes.

In its submission, Synergy proposes to restrict the difference between the second and third adjustment to \$1 (except for variances resulting from resolved Notices of Disagreements) as Rule Participants are at risk of having substantial differences between the second and third adjusted Non-STEM Settlement Statements. The Rule Change Panel acknowledges that variances between the two Non-STEM Settlement Statements could be substantial, but introducing a monetary threshold is against the objective of having accurate Settlement Statements.

As shown in the example in Table A.1, it is implied that Non-STEM Settlement Statements in the third Adjustment Process would be adjusted as a result of revising information in response to Notice of Disagreement raised only on the adjusted Settlement Statements issued in the second Adjustment Process for that Trading Month (e.g. 18 June 2020). Past this inherent deadline there is no financial incentive for a Rule Participant to issue a Notice of Disagreement since clause 9.16.3 specifies that adjustments may not be made to Settlement Statements outside of an Adjustment Process. The third adjustment should only include revisions resulting from:

- the resolution of a Notice of a Disagreement raised before the 20 Business Days deadline of the second Adjustment Process for that Trading Month (e.g. 15 June 2020);
- the revisions resulting from a Notice of Dispute;
- revised metering data;
- revised Non-Balancing Facility Dispatch Instruction Payments;
- revised fee rates;
- revised out-of-merit generation quantities; or
- GST adjustments.



Currently, clause 9.20.7 of the Market Rules allows AEMO three months to respond to any Notice of Disagreement, which means that AEMO could make an adjustment to the Settlement Statement past the third adjustment date (e.g. 16 September 2020), as mentioned in section 6.2.2 of the Draft Rule Change Report.

AEMO proposed to:

- amend clause 9.20.7 to shorten AEMO's deadline to respond to a Notice of Disagreement from three months after the receipt of a Notice of Disagreement to 20 Business Days;
- add a new clause 9.20.7A to allow AEMO to extend the 20 Business Days deadline; and
- add a new clause 9.20.7B to stipulate the final time by which AEMO has to respond to the Notice of Disagreement to be no later than ten months after the initial Non-STEM Settlement Statement Date for the relevant Trading Month.

The proposed changes result in AEMO's deadline being ten months after the initial Non-STEM Settlement Statement for the Trading Month being settled, which will ensure that any revision resulting from the resolution of a Notice of Disagreement will be included in the third adjusted Non-STEM Settlement Statement. The Rule Change Panel is of the view that AEMO should not make any further adjustment to respond to any Notice of Disagreement or Notice of Dispute for issues raised on or after the third adjusted Non-STEM Settlement Statement. Therefore, the Rule Change Panel agrees with the proposed amendment to clause 9.20.7 and the new clause 9.20.7A and 9.20.7B.

As previously mentioned, the Rule Change Panel considers that the deadlines for submitting Notices of Disagreement should only be amended in relation to Non-STEM Settlement Statements. Consequently, the Rule Change Panel has further amended clause 9.20.7B to clarify that the final deadline for AEMO to respond to a Notice of Disagreement pertaining to a STEM Settlement Statement remains at three months after the receipt of the Notice of Disagreement.

### **A.1.3.3 Notice of Dispute**

Clause 9.21.1 defines a Notice of Dispute as a notice raised after AEMO has given an unsatisfactory response to a Notice of Disagreement.

As mentioned in section 6.1.3.2 of the Draft Rule Change Report, it appears that it is possible to have further adjustments to Settlement Statements for a Trading Month past the third Adjustment Process, which would include revisions due to the resolutions of a Notice of Dispute. AEMO's proposed amendments to clauses 9.20.7, 9.20.7A and 9.20.7B, as amended by the Rule Change Panel, as indicated in section 6.1.3.2 of the Draft Rule Change Report, would ensure that unresolved Notices of Disputes do not have any effect on Settlement Statements after the third adjustment.

### **A.1.4 Inclusion of Ancillary Service Providers in settlement and default processes**

The Rule Change Proposal seeks to amend various clauses that refer to the defined term 'Market Participant' rather than 'Rule Participant'. This change will include Ancillary Service Providers in the settlement and default processes. An Ancillary Service Provider is defined in clause 2.28.11A of the Market Rules as a Rule Participant who intends to enter into an Ancillary Service Contract with System Management and who is not registered in any other Rule Participant Class. The Rule Change Panel agrees that this is an oversight in the Market

Rules and agrees with the proposed changes to clauses 9.16.2(f), 9.18.1, 9.18.3, 9.18.4, 9.19.3, 9.20.7, 9.20.8, 9.21.1, 9.22.2, 9.23.1, 9.23.5, 9.23.6, 9.23.7, 9.24.1, 9.24.2, 9.24.4, 9.24.5, 9.24.6, 9.24.7, 9.24.8, 9.24.8A, 9.24.9 and 9.24.10 of the Market Rules, subject to further amendments proposed by the Rule Change Panel in section 6.3.2 of the Draft Rule Change Report.

The Rule Change Panel also agrees with the proposed amendment to clause 9.18.2 of the Market Rules to include Ancillary Service Providers on the list of participants to which AEMO must provide a Non-STEM Settlement Statement.

#### **A.1.5 Moving Meter Data Submission process from the Market Rules to a Market Procedure**

The Rule Change Proposal seeks to delete clauses 8.4.3, 8.4.4 and 8.4.5 to remove operational detail from being prescribed in the Market Rules and amend clause 8.6.2 to rectify the content of the Market Procedure for Meter Data Submissions. The Rule Change Panel notes that AEMO's current processing of Meter Data Submissions does not appear to follow the processes prescribed by the Market Rules or Market Procedures. The Rule Change Panel is of the view that any proposal to amend the Meter Data Submission process in the Market Rules should address all known issues with the process and that it would be inappropriate to just remove notification and acknowledgement obligations on AEMO and Western Power at this stage. The Rule Change Panel considers that the differences between current practice for Meter Data Submissions and the process that is prescribed in the Market Rules should be reviewed in a holistic manner, but this is out of scope of this Rule Change Proposal. The Rule Change Panel considers that addressing the current issues with the Meter Data Submission process, including the issues raised in this Rule Change Proposal, will require changes to both the Market Rules and the relevant Market Procedure which should be processed concurrently to ensure:

- consistency between the two documents;
- that the details of the Meter Data Submission process are addressed in the appropriate documents; and
- effective consultation on the Meter Data Submission process as a whole.

As such, the Rule Change Panel rejects the proposed deletion of clauses 8.4.3, 8.4.4 and 8.4.5 and the proposed amendments to clause 8.6.2.

#### **A.1.6 Removing unnecessary detail regarding a Notice of Disagreement from the Market Rules**

The Rule Change Proposal seeks to delete clause 9.20.3 to remove the requirement for a Rule Participant to contact AEMO if it does not receive a confirmation of receipt for the Notice of Disagreement that the Rule Participant has issued. AEMO considers that there is enough incentive for the Rule Participant to ensure that AEMO receives its Notice of Disagreement. The Rule Change Panel agrees that the proposed amendment to have only one disagreement deadline, nine months following the month in which the initial Non-STEM Settlement Statement for a Trading Month is issued, will give ample time to Rule Participants to ensure that their Notices of Disagreement have been received and responded to. Consequently, the Rule Change Panel agrees to the deletion of clause 9.20.3.

Clause 9.20.4 lists the general information that a Notice of Disagreement must include. AEMO proposes to amend clauses 9.2.1 and 9.20.4 to remove the prescribed list from the

Market Rules and to give AEMO the head of power to specify the format and content of the Notice of Disagreement in a Market Procedure. Although AEMO suggests that information in Notices of Disagreement varies on a case-by-case basis, the Rule Change Panel is of the view that the list that is currently prescribed in the Market Rules contains essential information for a Notice of Disagreement. Consequently, the Rule Change Panel does not agree to remove the list of information that a Notice of Disagreement must contain. Nevertheless, the Rule Change Panel agrees that the format of Notices of Disagreement is an operational detail and that AEMO should have the ability to specify the format for Notices of Disagreement in a Market Procedure and therefore has further amended clauses 9.2.1 and 9.20.4.

The Rule Change Proposal seeks to delete clause 9.20.5 which requires AEMO to notify the Meter Data Agent or Network Operator if a Rule Participant has issued a Notice of Disagreement on meter data or SCADA data. Clause 9.20.5 also requires AEMO to give a deadline to the Meter Data Agent or Network Operator by which they need to report on the investigation of the accuracy of the data and, if applicable, provide a revised value. AEMO is of the view that there will be instances when the Meter Data Agent or the Network Operator will not be of assistance in resolving a Notice of Disagreement. As indicated in section 6.1.5 of the Draft Rule Change Report, the Rule Change Panel considers that it is inappropriate to remove an obligation in the Market Rules for the processing of Meter Data Submissions until a complete review of the Meter Data Submission process in the Market Rules has been completed. Therefore, the Rule Change Panel rejects the deletion of clause 9.20.5. Consequently, the Rule Change Panel also rejects the proposed deletion of the reference to clause 9.20.5 in clause 9.20.7.

#### **A.1.7 Moving the minimum settlement amount from the Market Rules to a Market Procedure**

The Rule Change Proposal seeks to amend clauses 9.22.4, 9.22.6 and 9.22.8 to remove from the Market Rules the specification of the minimum amount payable by a Rule Participant and to move this information into a Market Procedure. The current minimum amount is one dollar and the cost of a transaction using the current EFT facility is \$5.50, exclusive of GST.<sup>6</sup> The Rule Change Panel agrees that the minimum amount payable should be greater than the minimum cost of a transaction using the EFT facility.

Because the minimum cost of a transaction using the EFT facility can change over time, it is impractical to specify a dollar amount for the minimum amount payable in the Market Rules. However, the Rule Change Panel considers that the minimum amount payable should reflect the minimum costs of a transaction using the EFT facility but no other costs, such as any Rule Participant's processing costs. This principle of how the amount is set should be specified in the Market Rules and not in a Market Procedure. Therefore, the Rule Change Panel has included the new defined term 'Minimum Transaction Cost' in the Glossary as the minimum cost of processing a transaction using the EFT facility, as charged by the nominated EFT facility; and amended the proposed changes to clauses 9.22.4, 9.22.6 and 9.22.8 of the Market Rules to give this effect and to specify that AEMO must publish both the nominated EFT facility and the minimum cost of transaction on its website.

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<sup>6</sup> This is the price that AustraClear, the current EFT facility, charges per transaction.

## A.1.8 Other administrative changes

The Rule Change Panel agrees with the proposed changes seeking to remove expired references to the first Financial Year of energy market operations in the opening paragraphs of clauses 9.16.2 and 9.16.4.

The Rule Change Panel agrees with the minor changes to the amendments to clauses 9.16.3, 9.18.4, 9.19.5, 9.20.8, 9.22.8 and 9.23.7 that correct the reference of 'clause' to 'section'.

The Rule Change Panel also agrees with the proposed minor administrative changes to clauses 9.16.2(f), 9.16.3(b), 9.16.3A, 9.16.4, 9.19.1(a)(iii), 9.20.7, 9.22.6, 9.22.8, 9.23.4, 9.24.7 and 9.24.8 which will provide consistency in wording with other clauses of the Market Rules.

## A.2 Additional Related Issues Identified by the Rule Change Panel

### A.2.1 Inconsistency in the Market Rules regarding adjusted Settlement Statements

The Market Rules define the following terms in the Glossary:

**STEM Settlement Statement:** A settlement statement for STEM transactions during a Trading Day issued under clause **9.16.1(a)(i)** and containing the information described in clause **9.17.2**.

**Non-STEM Settlement Statement:** A settlement statement for a Trading Month containing the information described in clause **9.18.3**.

Clause 9.18.1 of the Market Rules states the following:

#### **9.18. Non-STEM Settlement Statements**

9.18.1. AEMO must provide **Non-STEM Settlement Statements** to Market Participants in accordance with the settlement cycle timeline published under clause **9.16.2**.

The Panel considers that sections 9.16 to 9.20 and the Glossary are inconsistent on whether an adjusted Settlement Statement is itself a Settlement Statement.

Some examples are:

- There is inconsistency in the definition of STEM Settlement Statement as per the Glossary because:
  - clause 9.16.1(a)(i) indicates that the STEM Settlement Statement is the initial STEM Settlement Statement; but
  - clauses 9.17.2(e) and 9.17.2(f) suggest that a STEM Settlement Statement can also be an adjusted STEM Settlement Statement.
- There is inconsistency within clause 9.18.1, which states that the timeline published under clause 9.16.2 applies to the provision of Non-STEM Settlement Statements, because:
  - clause 9.16.2 indicates that the timeline is for the initial Non-STEM Settlement Statement; but

- the definition of Non-STEM Settlement Statement suggests that a Non-STEM Settlement Statement could also be an adjusted Non-STEM Settlement Statement.

In the Non-STEM settlement cycle timeline published by AEMO under clause 9.16.2 and 9.16.4, the current practice is that a Trading Month is settled by issuing an initial Settlement Statement which is re-calculated up to three times through the Adjustment Process, as described in Appendix C of the Draft Rule Change Report. These three Adjustment Processes commence three, six and nine months after the Invoicing Date of the initial Non-STEM Settlement Statement.

The Rule Change Panel is of the view that the Market Rules are inconsistent on whether an adjusted Settlement Statement is itself a Settlement Statement and needs to be amended. However, the Rule Change Panel understands that this inconsistency in the Market Rules does currently not seem to have any adverse operational impacts on the settlement process.

The Rule Change Panel has therefore decided not to address the inconsistency at this point in time so that publication of this Draft Rule Change Report is not delayed. The Rule Change Panel asks stakeholders to comment on whether the Rule Change Panel should clarify the definition whether an adjusted Settlement Statement is itself a Settlement Statement by amending several sections of the Market Rules:

- as part of this Rule Change Proposal, which may delay the publication of the Final Rule Change Report for this proposal; or
- as a separate Rule Change Proposal, and if so, with which urgency rating.

### **A.2.2 Adjustment Process having to be undertaken outside of the three-, six- and nine- months timeline**

Relevant Settlement Statements under clause 9.16.3A(a) are not bound by the three-, six- or nine-months criteria. This means that AEMO could undertake an Adjustment Process at any time to include revisions as a result of resolutions of Notices of Disagreement and Notices of Disputes, or to include GST adjustments in addition to the revisions following the timeline in Appendix C of the Draft Rule Change Report. For example, AEMO could adjust the Non-STEM Settlement Statement for August 2019 in March 2020 or even in September 2020, which would be after the third Adjustment Process.

The Rule Change Panel is of the view that the Adjustment Process of a Non-STEM Settlement for a Trading Month being settled should follow the current practice:

- due to the high cost involved in an Adjustment Process; and
- to provide certainty to Rule Participants that at the third Adjustment Process for that Trading Month, the third adjusted Non-STEM Settlement Statement is as accurate as possible at that point in time and is final.

Therefore, the Rule Change Panel has amended the definition of the Relevant Settlement Statement in clause 9.16.3A(b) to clarify that a Non-STEM Settlement Statement is only adjusted three, six and nine months after the initial Invoice was issued. The Rule Change Panel has further amended the first paragraph of clause 9.16.3 to remove any unintended conflict with the new proposed definition of the Relevant Settlement Statement.

### **A.2.3 The time when AEMO needs to notify the Rule Participant of its extension to respond to a Notice of Disagreement**

Proposed clause 9.20.7A requires AEMO to notify Rule Participants that it has made a decision to extend the deadline to respond to a Notice of Disagreement and specifies what must be included in the notice. The Rule Change Panel has further amended clause 9.20.7A to also specify that this notice must be sent to Rule Participants within 20 Business Days of the receipt of the Notice of Disagreement.

### **A.2.4 Including Ancillary Service Providers in the settlement and default processes**

The Rule Change Panel has further amended the term 'Market Participant' to 'Rule Participant' in several clauses and defined terms in the Glossary for consistency with the other proposed amendments and to avoid potential confusion.

The Rule Change Panel has added the words "as applicable" and "relevant" in several clauses to clarify that the terms of the clauses would only apply to a Rule Participant to the extent that the event or situation is relevant. The Rule Change Panel further amended some clauses for consistency with the other proposed amendments and to avoid potential confusion.

Clause 9.18.3(c) lists the information for each Trading Interval of each Trading Day that a Non-STEM Settlement Statement must contain. The Rule Change Panel has rejected the proposed amendment of changing the term 'Market Participant' to 'Rule Participant' for clauses 9.18.3(c)(iiA) and 9.18.3(c)(v) as the MWh quantity of energy scheduled and the meter reading for a Registered Facility would only apply to a Market Participant.

Therefore, the Rule Change Panel has rejected the proposed amendments of changing the term 'Market Participant' to 'Rule Participant' for clauses 9.18.3(c)(iiA) and 9.18.3(c)(v).

### **A.2.5 Administrative changes**

The Market Rules do not specify how often AEMO must undertake an Adjustment Process but clauses 9.16.3 and 9.16.3A imply that the Adjustment Process must be undertaken each month which reflects AEMO's current practice. The Rule Change Panel has amended clause 9.16.3 to clarify that an Adjustment Process needs to be undertaken each month.

The Rule Change Panel has amended clause 9.16.3A(b) to clarify that the reference date in the definition of a Relevant Settlement Statement for Non-STEM Settlement Statements relates to the Invoicing Date of the initial Non-STEM Settlement Statement and not the Invoicing Date of an adjusted Non-STEM Settlement Statement.

The Rule Change Panel has made administrative changes to several other clauses and defined terms in the Glossary as specified in section 6.3.8 and Appendix C of the Draft Rule Change Report.

## Appendix B. Responses to Submissions Received in the Second Submission Period

Issue	Submitter	Comment/Issue Raised	Rule Change Panel's Response
1	AEMO	AEMO is concerned that the Panel has rejected the proposed amendments to the Meter Data Submission process (clauses 8.4.3, 8.4.4, 8.4.5 and 8.6.2)...AEMO considers it would be efficient to address the discrete issue concerning the Meter Data Submission notification and acknowledgement obligations through its Rule Change Proposal, particularly given the administrative nature of these obligations. Rejecting these amendments means the administrative issues will continue until such time AEMO, Western Power or another party is in a position to propose a much broader rule change. In the current environment it is not certain when this will occur and notably, the priority of such a rule change would be competing with the Energy Transformation Strategy reform program...Given the administrative nature of these obligations, AEMO maintains the view that the Meter Data Submission notification and acknowledgement obligations are more appropriately specified in a Market Procedure than the Market Rules.	The Rule Change Panel agrees that the notification and acknowledgement obligations relating to the Meter Data Submissions are administrative in nature. However, without a holistic and complete overview of the Meter Data Submissions process, the Rule Change Panel is unable to form a view on whether removing the notification and acknowledgement obligations are appropriate.
2	AEMO	AEMO also considers that there may have been opportunity to address some of the broader meter data issues through the Procedure Change Process that would have been required had the Panel accepted the proposed changes.	Unless AEMO's suggestion was to amend the Market Procedure to make the document consistent with the current Market Rules, it is not apparent how AEMO would have had opportunity to address some of the broader issues with the Meter Data Submission process in the procedure change process, had the Rule Change Panel accepted AEMO's proposed amendments.

Issue	Submitter	Comment/Issue Raised	Rule Change Panel's Response
3	AEMO	AEMO agrees that the information listed in clause 9.20.4 is essential. However, AEMO was seeking flexibility on the basis that the level of information required may vary on a case by case basis. If the list prescribed under clause 9.20.4 is retained, AEMO could be provided with discretion to request any additional information that it considers necessary from the participant to assess the disagreement, either in the Market Rules or through the Market Procedure: Settlement.	The Rule Change Panel agrees that Notices of Disagreements may vary on a case-by-case basis and that AEMO needs to have access to all of the necessary information to assess and resolve a disagreement. Therefore, the Rule Change Panel has added clause 9.20.4A to specify that AEMO may request additional information from the Rule Participant that lodged the Notice of Disagreement that is necessary for the resolution of the disagreement.
4	AEMO	While AEMO is currently unsure of the extent of the procedure changes required, there will need to be at least one Procedure Change Process for draft clause 9.20.4 (as drafted in the Draft Rule Change Report). AEMO will require sufficient time to conduct this process (approximately 4 to 5 months).	The Rule Change Panel has further amended clause 9.20.4 so that AEMO has the choice, instead of the obligation, to specify the format of a Notice of Disagreement in a Market Procedure. This change to clause 9.20.4 means that AEMO will not be required to undertake a Procedure Change Process immediately and removes the need to delay commencement of the Amending Rules.
5	AEMO	AEMO proposes to amend clauses 9.22.4, 9.22.6 and 9.22.8 to move the process for determining the minimum amount payable by a Market Participant to the Market Procedure: Settlement. AEMO considers that the minimum amount payable should be increased from the current \$1 to ensure that a Rule Participant does not make a loss on a transaction as current EFT transaction fees are greater than this amount... The Panel has rejected AEMO's proposal on the basis that the principle of how this amount should be set should be in the Market Rules. The Panel's	The Rule Change Panel provided further clarification of the proposed Amending Rules, more specifically on the new defined term 'Minimum Transaction Cost' in section 7.2.1.3 of this report. The Rule Change Panel has further amended clause 9.22.4(b) to clarify that AEMO should determine and publish the minimum transaction value.



Issue	Submitter	Comment/Issue Raised	Rule Change Panel's Response
		<p>proposed Amending Rules include defining the minimum amount payable to be the 'Minimum Transaction Cost' which is the minimum cost of processing a transaction using the EFT facility, as charged by the nominated EFT facility. The Panel's proposed amendments to clauses 9.22.6 and 9.22.8 mean that the amount payable by a Rule Participant must be greater than the Minimum Transaction Cost. AEMO is uncertain that these proposed Amending Rules by the Panel are a permanent fix. For example, if the fee structure were to change so that it is tied to the value of the transaction, then the Panel's proposed amendments would not appear to cater for this scenario.</p>	

## Appendix C. Further Amendments to the Proposed Amending Rules

The Rule Change Panel proposes to make some further amendments to the proposed Amending Rules following the second submission period.

The further amendments are as follows (~~deleted text~~, added text, clauses that are included for context but not amended):

Clause 9.16.3(g) has been included to require that any relevant settlement input value that has been revised in accordance with the Market Rules be taken into account in the Adjustment Process.

- 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.

Clause 9.16.3A has been amended to require that any relevant settlement input value that has been revised in accordance with the Market Rules be taken into account in the definition of a Relevant Settlement Statement.

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.

<p>Clause 9.16.4(d) has been amended to correct a grammatical error.</p>
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9.16.4. The following dates for each Adjustment Process to be undertaken during a Financial Year must be published by AEMO at least one calendar month prior to the commencement of that Financial Year:

- (a) the commencement date for the settlement Adjustment Process;

- (b) the date by which adjusted STEM Settlement Statements and Non-STEM Settlement Statements will be released, where this must be not less than 20 Business Days after the date set for the purposes of clause 9.16.4(a);
- (c) the date by which Invoices reflecting the adjusted STEM Settlement Statements and Non-STEM Settlement Statements will be released, where this must be not less than two Business Days after the date set for the purposes of clause 9.16.4(b);
- (d) the settlement date for the Invoices described in clause 9.16.4(c), where this must be not less than two Business Days after the date set for the purposes of clause 9.16.4(c); ~~and~~
- (e) subject to clause 9.19.7, the deadline for Notices of Disagreement pertaining to an adjusted STEM Settlement Statement, where this must be not more than 20 Business Days after the adjusted Settlement Statement is released; and
- (f) the deadline for Notices of Disagreement pertaining to an adjusted Non-STEM Settlement Statement, where this must be the first Business Day of the eleventh month following the month in which the Trading Month being settled commenced.

...

Clause 9.19.1 has been amended to require that any relevant settlement input value that has been revised in accordance with the Market Rules be taken into account in the Adjustment Process and to correct minor grammatical errors.

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.

...

Clause 9.20.4 has been amended to specify that Rule Participants must comply with the format of Notice of Disagreements that AEMO may specify in a Market Procedure.

9.20.4. A Notice of Disagreement must ~~be in the format prescribed by AEMO in the Market Procedure specified in clause 9.2.1 and~~ include:

- (a) details of the Settlement Statement and Trading Day to which the Notice of Disagreement relates;
- (b) details of the Rule Participant to which the Notice of Disagreement relates; and
- (c) a list of information in the Settlement Statement with which the Rule Participant disagrees, including:
- i. the reason for the disagreement; and
  - ii. what the Rule Participant believes the correct value should be, if this is known.

and must comply with any format that may be specified in the Market Procedure specified in clause 9.2.1.

Clause 9.20.4A has been added to specify that AEMO may request any additional information from the submitting Rule Participant that AEMO considers reasonably necessary to allow it to assess or resolve a Notice of Disagreement.

9.20.4A. AEMO may, if it reasonably considers it is required to assess or resolve a Notice of Disagreement, request clarification or further information regarding any aspect of the Notice of Disagreement submitted under this section 9.20 from the submitting Rule Participant. A Rule Participant must comply with a request under this clause 9.20.4A.

...

Clause 9.22.4 has been further amended to specify that AEMO must determine the minimum cost of transaction as charged by the EFT facility, which will address AEMO's concerns if transaction fees are charged under a structure other than a flat fee per transaction.

9.22.4. AEMO must:

- (a) nominate and publish the electronic funds transfer (“EFT”) facility that must be used by Rule Participants for the purpose of some or all settlements under these Market Rules; and
- (b) determine, where applicable, and publish the minimum cost charged by ~~processing a transaction using~~ the EFT facility for processing a transaction, ~~as charged by the EFT facility,~~ on the Market Web Site.

...