

Forum meeting record

Forum:	Shortening the Settlement cycle (SSC) Draft HLIA Industry Briefing
Date:	23 September 2024
Time:	1:00PM – 2:30PM (MEL/SYD)
Location:	MS Teams

1 Meeting summary

AEMO facilitated an industry briefing on the draft high level implementation assessment for the Shortening the Settlement cycle reform.

Topics covered were:

- Overview of the rule (delivered by the AEMC)
- AEMO’s proposed implementation approach. This included three identified pathways to implementation which result in material differences to the requirements for implementation
- High level implementation assessment, for process, procedures, systems and participants
- Feedback sought
- How participants can get involved in the implementation of reform.

AEMO provided an overview of the feedback sought and links to useful information, highlighting that AEMO welcomes any stakeholder feedback on this SSC Draft HLIA by Monday, 14 October 2024. Feedback by Monday 30 September will be used to inform AEMO’s submission to the AEMC rule change. Comments should be sent via email to NEMReform@aemo.com.au. A response template is available for stakeholders to use. For more information, refer to the accompanying slide pack. No actions were taken.

Participants should note that AEMO’s submission to the AEMC’s rule change is not a substitute for participant’s responses to the AEMC’s rule consultation process.

2 Q&A

AEMO facilitated a Q&A as captured in below table.

2.1 Impacts specific to Metering Data Providers

Raised by	Question/Issue Raised	Response
Mark Riley – AGL	Has there been any cost assessment of the changes for Metering Data Providers (MDP)?	AEMO has not looked at cost impact to MDPs, but we encourage MDPs to engage with the AEMC through the rule consultation to provide any relevant information on potential impact.

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Mark Riley – AGL	Are MDPs aware of the proposed changes as a result of this Rule?	Our aim with this session and with the NEM Reform Program’s engagement and communication more broadly is to raise awareness across all participant categories and service providers and vendors.
Vannasone Uebergang – Ausnet Services	In regard to the metering exception, will AEMO automate the NULL & SUB and send to the relevant MDP on the daily basis?	AEMO haven't discussed the detail at this stage, but as a general statement we will be looking to create efficiencies where we can for resolving metering exceptions. Also noting that that there is existing functionality in MSATS to automate Null and Substitution reports.
Paul Greenwood – Vector metering	Can we ensure that the portal design is communicated with MDP's as early as possible to avoid the issues we experienced with the meter exemption portal which led to a delay to its roll out.	We note your concern and will ensure that MDPs are engaged early in the implementation process.
Michael Zhang – SA Power Networks	Does AEMO see the impact to the MDPs including the new interface for exception will only be for remotely read interval meters or also manually read metering installations?	The intention is to look at broad efficiencies which allows us to resolve as many exceptions as we can within the given timeframes, regardless of metering type. In terms of the portal the intention is to, create as efficient a process as possible, given the shorter timeframes on the pathway 1, and to resolve as many issues as we can, noting that we may not necessarily be able to resolve all given the timeframes for and the nature of some of the exceptions.
Mark Leschke - Yurika	By shortening the window for Finals, is this not devaluing Actual data as MDPs will be encouraged to finalise substituted data with final substitutions if they cannot retrieve actual data? This will lead to more customer complaints as well.	It is fair to say that by shortening the settlement cycle, there will be a lower proportion of actuals at the time of the proposed final settlement and under the proposed rule, these exceptions would be resolved by R1 and R2. AEMO’s proposal to introduce R0 is expected to resolve this issue.. As a final substitution is to be made where there is no possibility of getting an actual, AEMO doesn't think shorter settlement cycle will result in an increase in final substitutions.
David Lomas - Powercor	What sort of changes would you be considering in terms of measurements and resolution of issues that would be put through that portal? I am questioning the real benefit of option 1 with the portal in resolving issues in a timely manner.	Likely a general look at the quality and quantity components that currently exist in the MDP Service Level Procedures and reflecting what needs to go through consultation and what aspects of that might be higher priority than others, so we get the best outcome. We will then use the portal to facilitate the new requirements.

2.2 Implementation Pathways

Raised by	Question/Issue Raised	Response
<p>Brad Supple - Stanwell</p>	<p>HLIA - Pathway 1 - Estimations: Generation data to be estimated? This would / should be uncommon?</p>	<p>AEMO currently "estimate" generator energy for prudential purposes using SCADA data if available, but improvements to this process have been identified as part of the Shortening the Settlement Cycle rule.</p>
<p>Constantine Noutso – Red Energy</p>	<p>This is specifically in relation to the three pathways that you that you have presented. My interpretation for pathway 2 was that there would be no exceptions and you'd go straight to the 11 day settlement cycle.</p> <p>Pathway 3 would be similar, except you'd have the R0 at day 20.</p> <p>Pathway 1 basically has an additional exceptions framework. How effective is that framework for dealing with data quality issues in the shorter timeframe?</p>	<p>Pathway 1 and 2 both address the Draft Rule as written – noting that it would not be possible to be compliant with market intervention settlements by the new Final timing.</p> <p>Pathway 3 is AEMO's alternative proposal that shortens timeframes for Preliminary and Final Statements and introduces R0 to allow metering data exceptions to be resolved and market intervention settlement amounts to be determined in timelines equivalent to today.</p> <p>AEMO will need to discuss the requirements, under Pathway 1, of uplifting exception management processes to resolve these in a shorter timeframe with MDPs. The effectiveness of the new interface and processes in facilitating an uplift to data quality that maintains parity between the current and shortened settlement cycle Final is yet to be understood.</p>
	<p>Can/should I include feedback on the pathways in my submission to the AEMC?</p>	<p>Yes, it's appropriate for participants to provide the AEMC with their view as part of their submissions on what implementation means for them.</p>
<p>Dino Ou - IntelliHub</p>	<p>For Pathway 1, is AEMO able to expand on what AEMO is thinking with regards to 'interface with MDPs to facilitate streamlined processing of metering exceptions'?</p>	<p>We are considering a portal where metering data exceptions can be raised and managed by AEMO metering and settlement teams and MDPs. The design needs to be developed but it may send daily reports to MDPs and alert if a material new exception has been identified. Metering data exceptions would typically be raised by NMI and the interface would include only those NMIs with an exception. The status of exceptions could be tracked by all parties.</p> <p>The design and process that it supports requires further work, including engagement with MDPs.</p>

2.3 Technical documentation

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Thorin Cupit	If there is a change to the MMS schema, will that be incorporated in the regular schema updates, or a stand-alone change?	This was referring to the B2M aseXML schema. It won't be a stand-alone change and we will make it as part of other initiatives that require other schema changes.
Damien Didier - Stanwell	For the extra revision the R0, is it assumed that it's going to be the same as the current R1 in terms of content of data?	It's exactly the same as R1 and R2. If there's been a market intervention settlement amount that's paid out to someone, it will be the first time you see that and the recovery amounts when they come into R0 as Market Intervention Settlement amounts won't be in the final. The layout and content are the same as other revisions.

2.4 Timeline

Raised by	Question/Issue Raised	Response
Dino Ou - IntelliHub	Can you repeat AEMO's preferred go-live date again - did you say for Pathway 1 it is 30/5/2027 and for Pathway 2 and 3 it is 30/6/2026?	For all it is mid-2026. Pathway 1 may not implement the 2 interfaces until 2027 but these are not a rules requirement
Mark Riley - AGL	Has there been any assessment of releasing in a likely low settlement impact period?	Coinciding the release with a shoulder period is a good point which the AEMO team will take on board.
	Given that the MDPs are now involved in this change, we now have a concern around implementation date of mid 2026 and the cross over with things like FTA and accelerated meter roll out.	Your feedback has been noted. AEMO is considering how to further engage with MDPs on this initiative and across the reform program.

2.5 Other questions

Raised by	Question/Issue Raised	Response
Kambiz Vessali – Secure Metering	Is there any impact anticipated on Retailer of Last Resort (RoLR) events?	The reform is not expected to have any impact on processes and timing of dealing with a failed retailer, including the management of a RoLR event.
Mark Riley - AGL	What is the impact of cash flow on the recipients of payments due to delayed settlement of intervention events?	A delay to intervention settlement would have an unfavourable impact for parties entitled to compensation as, under the current rule proposal, these payments would not be recognised until R1. AEMO considers it more appropriate to have these included in an R0 settlement statement.
Dino Ou - Intellihub	Could you explain the reason for a need to change the NSLP freeze timings and what the potential change may look like?	The NSLP cutoff periods are currently defined per settlement type relative to case end date. Shortening the settlement cycle would require a change to the cutoff period for each settlement type. Similarly, freezing is normally done 15 weeks after a trading week (we don't expect this to materially change), using a case run, hence the timing of settlement case runs would impact which profiles get frozen.