Settlements Enhancements Final Update

Presented to WA Electricity Consultative Forum

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20 October 2021

Recap
Settlements Enhancements

Problem / Opportunity	Prior to the project, AEMO used several, disparate solutions to deliver settlement and prudential capability for the WEM: • POMAX settlements – An end of life third party application which performed non-RCM settlement calculations and generated Statements. • RCM settlements – Performed the RCM settlement calculations and generated Statements. • SPARTA – Integrated data from two systems to generate Invoices. Remains fit for purpose. • Prudentials – Certified in-house settlements calculation engine aligned with the Formulation document. Previously delivered by the Reduction of Prudential Exposure (RoPE) project in Q3 2020. This setup increased support costs for Market Participants and presented operational risks for AEMO.
Key objectives	To consolidate and simplify WA's Settlements capabilities to ensure that AEMO remains compliant and cease the reliance on the end of life POMAX Settlements.
Solution	Decommission the POMAX Settlements and RCM Settlements systems and extend the prudential system to an in-house prudential and settlements calculation engine.
Timeline	Commencement in Q4 2020 and go-live in Q2 2021.

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Project Timeline

Nov 2020 | Dec 2020 | Jan 2021 | Feb 2021 | Mar 2021 | Apr 2021 | May 2021 | Jun 2021 | Jul 2021 | Aug 2021 | Sep 2021 | Oct 2021

WA ECF:
- High level project introduction

WRIG IT:
- Introduce revised Web Service / Swagger Specifications
- Provide sample files to Market Participants
- Advise the use of existing web certificates is unchanged
- Refresh Market Participants on the Formulation document

WRIG IT:
- Share Release 1 Market Trial plan to Participants

Market Message:
- Updated Formulation document (minor changes expected from current version)
- Revised User Guide document
- Revised Web Service document
- Update on Release 2

Release 1 Market Trial period (6 weeks)

Release 1 Go-live 1 August 2021
New system used for **all** Invoices issued after this date (including adjustment invoices)

WA ECF / WRIG-IT:
- Share Release 2 plan to Participants

Release 2 Market Trial period (2 weeks)

Release 2 Go-live
29 September 2021

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Release 1 – Participant Impacts

New Invoices aligned with Formulation document

New Settlement APIs

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

New Settlement portal in WEMS MPI

Effective for all NSTEM and STEM trading periods with settlement Invoices issued on or after 1 August 2021 (Production).
Refer to the Release Notes for details: WEM PaSS 1.7, WEMS 3.40 and RCM 1.21

Release 2 – Participant Impacts

Systemised management of Prepayments

Internal systemised "contingency calculations" to reduce operational risk

Systemised management of Notices of Disagreements

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

Effective from 30 September 2021 (Production).
Refer to the Release Notes for details: WEM PaSS 1.9, WEMS 3.43 and RCM 1.23

Next Steps

- **Release 3:** Minor bug fixes and improvements are being considered for a future Release 3. These are expected to have very minimal impact to participants.
- **Settlements Reform:**
  - WEM PaSS has provided the foundation systems and framework for the settlement-related changes in Settlements Reform.
  - The planning process for Settlements Reform has commenced and is targeting completion in mid-January 2022. Implementation will follow planning.
  - Engagements in relation to these changes will be through the WEM Reform program (e.g. WRIG-IT).

Questions and Feedback

WEM Reform Program

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