#### Five Minute Settlements Project: High-Level Impact Assessment

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| Document Title | Settlement Residue Auction Rules: Auction Participant Agreement |
| Rule Consultation Req. | Yes | Priority | High |
| Prepared by | Andrea Jensz | Business Owner | Settlements |
| Consultation Group | SRC, PWG | Consultation Package | Settlements - SRA |
| Link | Published Settlement Residue Auction Rules:<http://www.aemo.com.au/-/media/Files/PDF/SRA_Settlements_Residue_Auction_Rules_07_11_14.pdf>  |

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| Description of Document | * The Settlement Residue Auction Rules (Auction Rules) sets out the procedures and mechanisms for operating the Settlements Residue Auction (SRA). The Auction Rules have been developed by *AEMO* in accordance with the National Electricity Rules (NER) 3.18.3. The Auction Participation Agreement (APA) is Schedule 1 of the Auction Rules and documents the agreement between AEMO and eligible market participants concerning the conditions for participating the SRA.
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| Precedent Procedures / External Document | N/A | Dependent Procedures / External Document | N/A |
| Summary of Potential Change Five-Minute Settlement and Global Setttlement | The proposed change to the APA will provide clarification to *clause 16.5\** to prevent new auction participants from using this clause as an exit strategy. The change will clarify that this new clause will not apply to:* Changes that commence operation before the start of the term of the SRDA.
* Changes that are made before or published publicly before the start of the term of the SRDA but only commence operation during the term of the SRDA.

*\* Clause 16.5* of the APA allows auction participants to terminate a Settlements Residue Distribution Agreement (SRDA) if there is a change in the way in which the settlement residue is calculated during the term of the SDRA. As Five-Minute Settlement and Global Settlement will change how settlement residues are calculated, this will give participants the ability to terminate the relevant SDRA under the existing arrangements. |
| External Stakeholder Impacted | * SRC
* TNSP
* Auction participants
 | AEMO Business Units Impacted | Settlements |
| Issues for Stakeholder Consultation | N/A |
| System Impact | Changing the Rules has no direct impact to the system, however, the calculation of the residues will change to 5 minutes from 30 minutes as part of the 5MS rule change. |