

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

Document Title	Reallocation Procedure: Swap and Option Offset Reallocations (SOOR)		
Rule Consultation Req.	Optional	Priority	High
Prepared by	Rebecca Malmur	Business Owner	Prudentials
Consultation Group	PWG	Consultation Package	Prudentials
Link	<a href="http://www.aemo.com.au/-/media/Files/Electricity/NEM/Settlements_and_Payments/Prudentials/2016/Reallocation-Procedure-SOOR-FINAL.pdf">http://www.aemo.com.au/-/media/Files/Electricity/NEM/Settlements_and_Payments/Prudentials/2016/Reallocation-Procedure-SOOR-FINAL.pdf</a>		

Description of Document	The reallocation procedure for swap and option offset reallocations (SOOR) is made in accordance with clause 3.15.11A of the National Electricity Rules (NER). It sets out how reallocation requests are to be created and recorded for swap, cap or floor offsets reallocation transactions.		
Precedent Procedures / External Document	Credit Limit Procedures <a href="https://www.aemo.com.au/-/media/Files/Stakeholder_Consultation/Consultations/Electricity_Consultations/2018/CLP2/Credit-Limit-Procedures-v4-FINAL.pdf">https://www.aemo.com.au/-/media/Files/Stakeholder_Consultation/Consultations/Electricity_Consultations/2018/CLP2/Credit-Limit-Procedures-v4-FINAL.pdf</a>	Dependent Procedures / External Document	EMMS Reallocations User Interface Guide <a href="http://www.aemo.com.au/-/media/Files/PDF/0500-0024-pdf.pdf">http://www.aemo.com.au/-/media/Files/PDF/0500-0024-pdf.pdf</a>
Summary of Changes – Five Minute Settlements	<ul style="list-style-type: none"> <li>Update all references to half-hourly energy profile and half-hourly regional reference price to <u>trading interval</u> energy profile and <u>trading interval</u> regional reference price.</li> <li>Update all references to 48 periods to 288 periods.</li> <li>Update trading interval time “end date” from 23:30 to 23:55.</li> <li>Update section on methods available for reallocation data submission.</li> <li>Addition of a brief description of transition arrangements for entering in 5-minute reallocations prior to 1 July 2021 and the phasing out of 30-minute reallocations.</li> </ul>		
Summary of Potential Changes – Global Settlements	No Impact		

External Stakeholder Impacted	Market participants	AEMO Business Units Impacted	Prudentials
Issues for Stakeholder Consultation	<ul style="list-style-type: none"> <li>• Transition arrangements for moving from 30-minute reallocations to 5-minute reallocations.</li> <li>• Timeline for 5-minute interface availability prior to 1 July 2021, for market participant use and for testing purposes.</li> <li>• Timeline and process around restrictions on entering 30-minute reallocations past 1 July 2021.</li> <li>• Reallocations switchover implications for billing post 1 July 2021.</li> <li>• Reallocations file upload/transfer preferences.</li> <li>• Improvements to reallocations user interface and functionality, including region specific calendars, copy/paste/fill functionality, notifications and additional reports (these improvements are not strictly related to the 5MS project and will be assessed and implemented based on merit).</li> </ul>		
System Impact	<p>Current assumptions around the scope of system changes:</p> <ul style="list-style-type: none"> <li>• Reallocation Service web interface redesigned to cater for 288 trading intervals.</li> <li>• Implementation of an API interface, allowing participants to develop software capability to interact with the Reallocation Service.</li> <li>• Early (at least 6 months prior to 1 July 2021) delivery of 5-minute reallocation systems (Web/API) to participants to enable transition to 5-minute reallocations.</li> <li>• System restriction implemented to prevent data entry for reallocations at the 30-minute resolution beyond 1 Jul 2021.</li> <li>• No changes required to the “reallocation amount” calculation swap, cap or floor offset reallocation transactions as the current procedure (and hence the system) already has this calculation is performed at the trading interval level (from 1 Jul 2021 trading interval is defined to be at 5-minute resolution).</li> <li>• Additional system improvements outside of the 5MS project, including region specific calendars, copy/paste/fill functionality, notifications and additional reports will also be considered.</li> </ul>		