



Settlement Managers Working Group

11th October 2022



We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

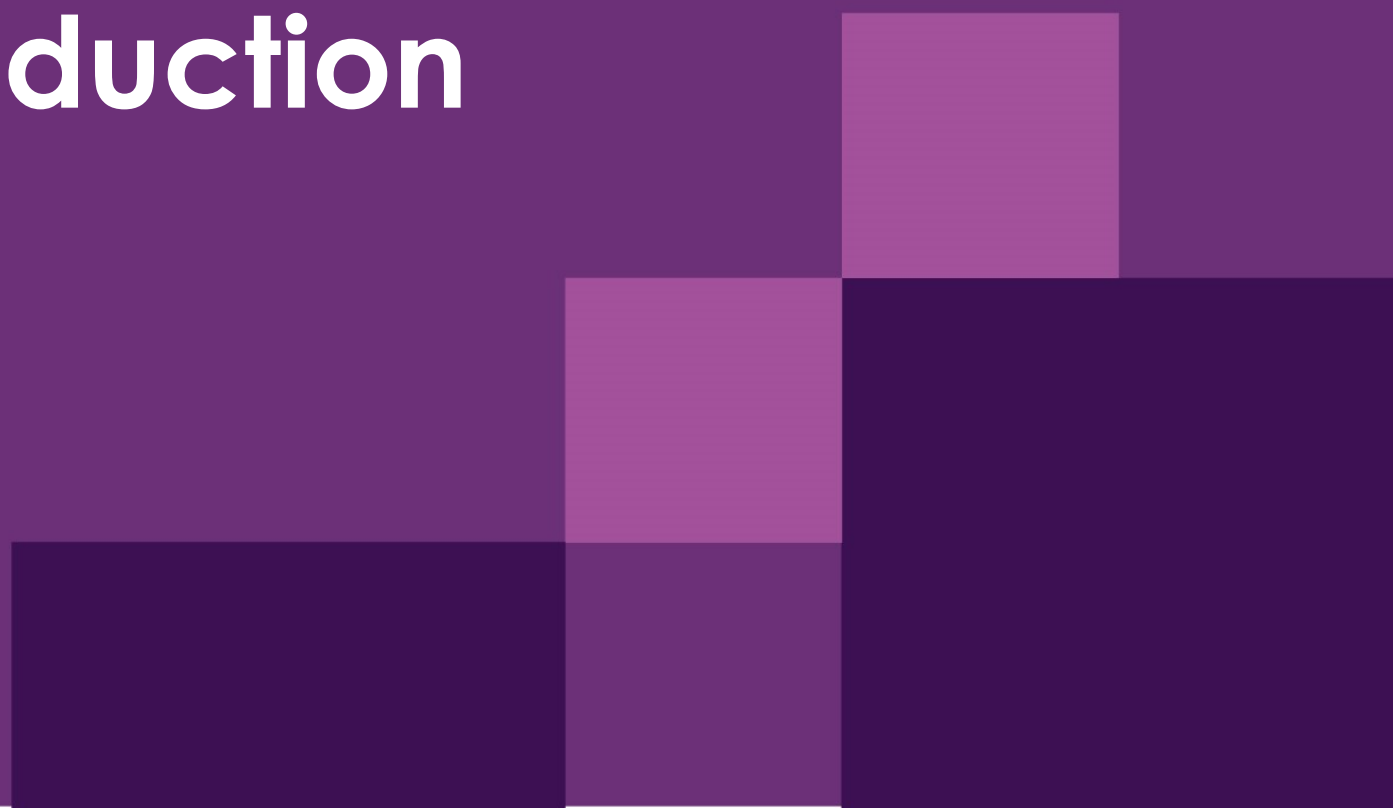
We pay respect to Elders past, present and emerging.

Agenda

- Welcome and session introduction 10:00 - 10:15
- Re-assessing MCL Under Extreme Market Conditions 10:15 - 10:45
- NEM June Events – Overview of Payments 10:45 - 11:15
- Global Settlements Post Go-live Review 11:15 - 11:45
- Prudentials tools - Gas Pre-payment template 11:45 - 11:50
- Q&A 11:50 - 12:00



SMWG Introduction



Gas prices surge

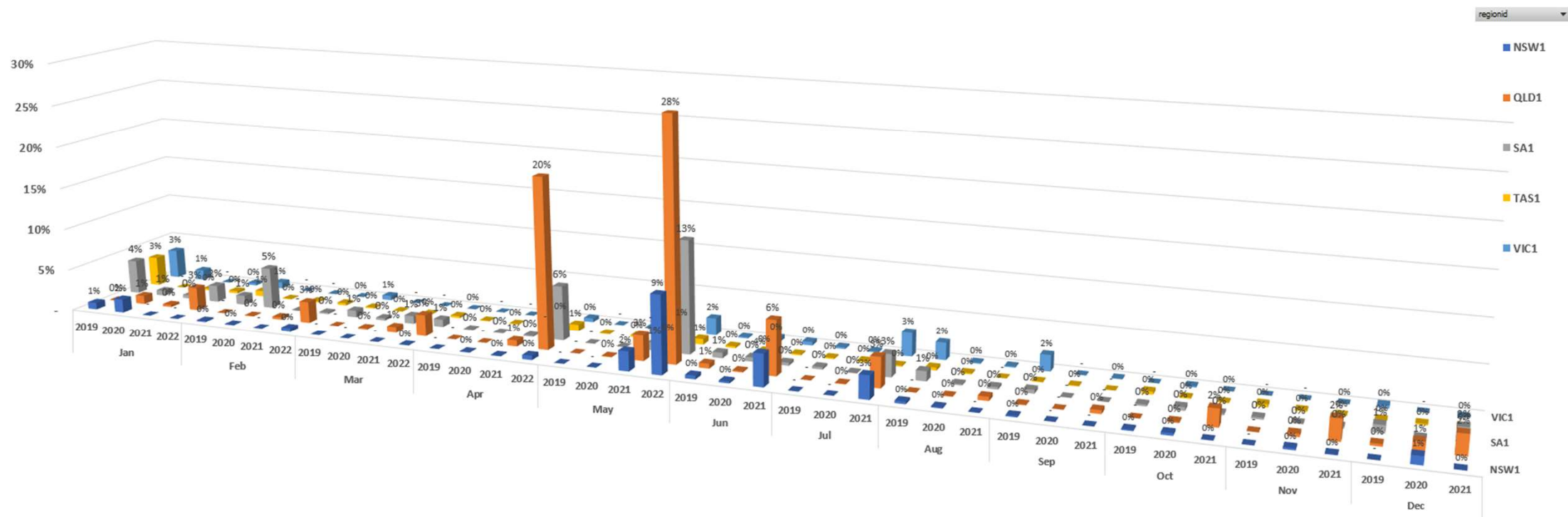
DWGM Spot Price



- Administered price cap implemented in DWGM from 30th May to 31 July 2022.
- Further intervention required in STTM with administered price at Syd and Brisbane hubs.
- Pricing post cap removal remains volatile with increased leverage to inj/withdrawal imbalance and deviation payments.

Ongoing high underlying prices in NEM

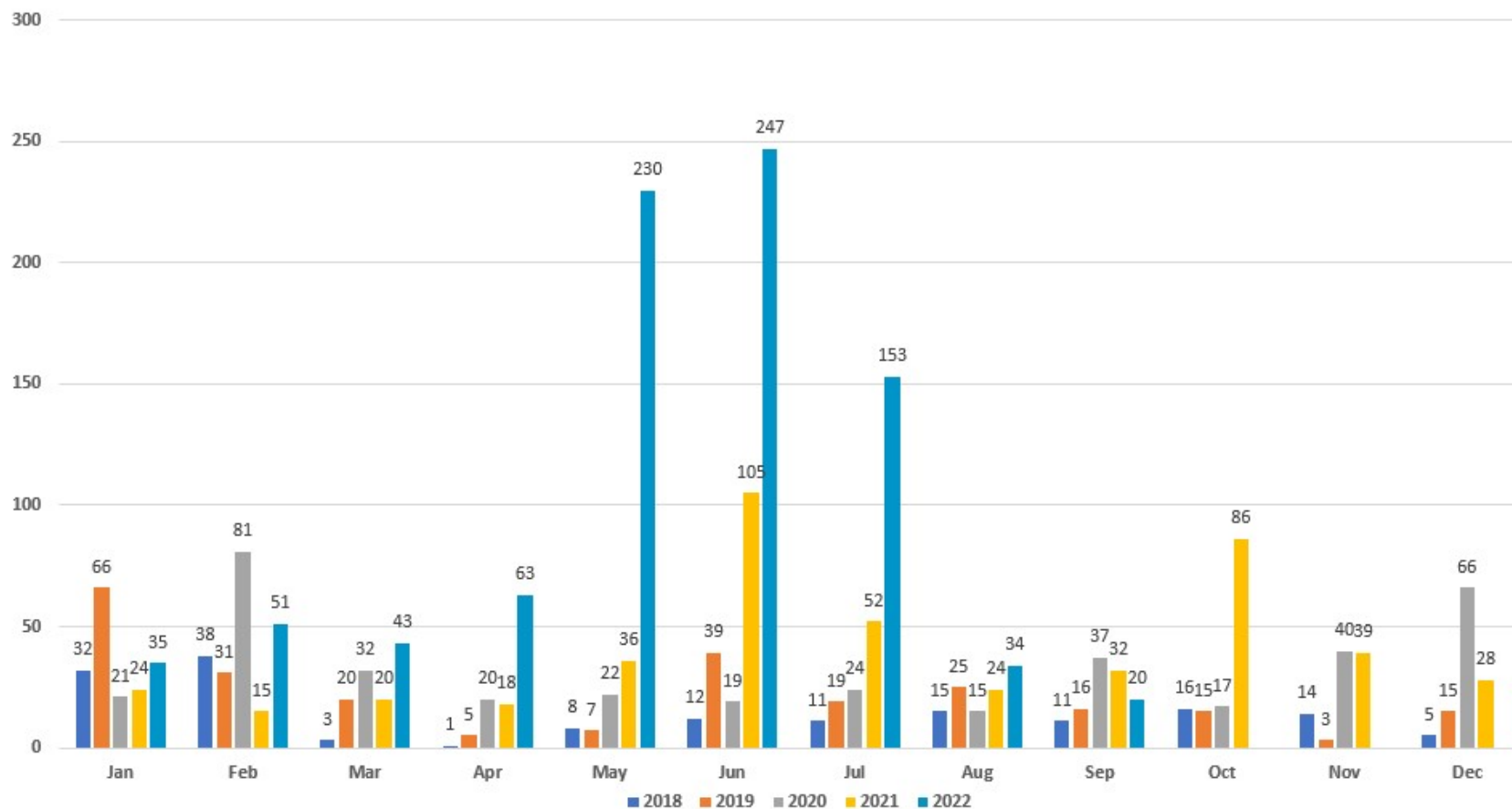
% of Trading Intervals over \$300



Emergence of a previously unseen price dynamic in the NEM triggered financial and operational challenges

Mounting financial pressure in NEM

Number of trading margin breaches per month (as at 30 Sep 2022)

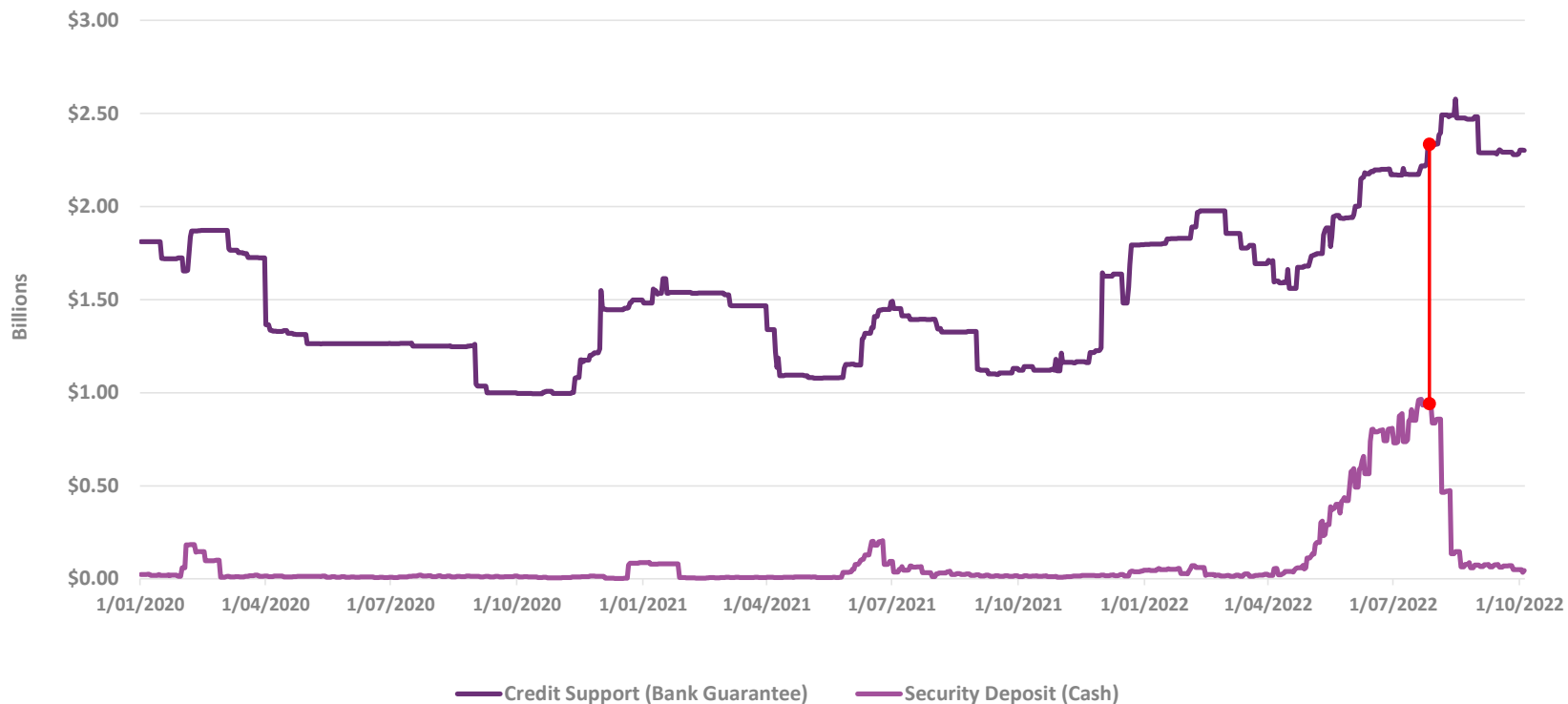


- Ongoing high underlying prices and strong winter demand driving escalation in breach activity.
- Daily scramble to meet the 11:30am deadline for resolution.
- High levels of participant cooperation to resolve!
- Record of 28 breaches on 14th June.

Mounting financial pressure in NEM



NEM Daily Prudentials - AEMO Holdings of Bank Guarantees & Cash (\$Bil.)



- On 27th July AEMO holding \$3.3bil. of NEM BGs and security deposits to support participant trading margins v \$1.4bil 12 months earlier.
- Quarter 2 opened with AEMO holding \$1.73bil. of BGs & security deposits.
- From early June 2022 the ratio of security deposits to total holdings was greater than 20% for 2 months.



Reassessing MCL under extreme market conditions



Why is credit support needed?



- Adequate credit support is critical to the operations of the market and participant confidence.
- AEMO can only pay out what is received, with any shortfall shared proportionally by market participants due payments in that billing cycle (i.e. generators).
- Under the Rules, credit support arrangements need to be set so that in 98 out of 100 of participant default events, AEMO holds enough credit support to avoid a shortfall (2% prudential standard).

How does AEMO determine MCL?

- Methodology outlined in the Credit Limit Procedures (CLP).
- Participants have to provide credit support (i.e. unconditional guarantee) to the maximum credit limit (MCL) value.

MCL=OSL+PM

- Outstandings limit (OSL) - prudential cover for the average 35 day settlement period.
- Prudential margin (PM) - prudential cover for a 7 day default/suspension process.
- AEMO uses complex statistical calculation to determine the regional forecast prices and volatilities used MCL calculations based on past NEM data, which aims to smooth changes in MCLs resulting from one-off changes to price and volatility, while responding to longer-term trend changes.
- AEMO can and routinely does reassess a market participants MCL, if the Market Participant's load, generation or reallocations change.
- Currently there is no process outlined in the CLP for AEMO to reassess a Market Participant's MCL if actual prices/volatility are higher than those used in the MCL calculation.

What happens when liabilities > trading margin?

- In some cases (i.e. high prices) participant liabilities significantly exceed what is allowed under their MCL (i.e. trading margin breaches).
- Participants can use additional guarantees, security deposits or reallocations to manage trading margin breaches.
- Security deposits are envisaged under the Rules/Procedures as short term and marginal ways to manage liabilities, as they are a lesser form of security.
- Under the Rules, security deposits cannot be used for MCL, which need to be covered by an unconditional guarantee.

What is the problem?



- Review of the 2022 winter season
 - Very high prices, very high liabilities, comparatively low credit support held.
 - MCL significantly below what is required under the 2% prudential standard.
 - Extremely high number of trading margin breaches.
 - Some participant defaults and shortfall events.
- Why were MCLs too low?
 - Low MCLs due to overall low forecast volatility adjusted prices (2 to 4 times lower than actuals) used in the MCL calculations.
 - Forecast volatility adjusted prices are based on long term, seasonal statistical averages.
 - Cannot take account of long running extreme market conditions, such as those experienced over May to July 2022.

Consequences of low MCLs

- Larger risk of a shortfall, significantly above the 2% prudential standard (see next page).
- To manage trading limits, participants had provide large amount of cash (nearly 1 billion dollars, see below).
- Significantly reduced time for AEMO to act on participant default (i.e. prudential margin doesn't cover 7 days of liabilities).
- AEMO held a very large amount of a lesser form of security (i.e. SDAs), for extended time periods.
- Rules/Procedures intends that the bulk of participant accrued liabilities are covered with unconditional guarantees.

MCL	Guarantees	Security Deposits	Guarantees + Security deposits
~1.2 \$B	~2.2 \$B – 1.8 times the total MCL	> 900 \$M – 30% of total collateral held	~ 3.2 \$B – 2.5 times the total MCL requirements

Meeting the 2% prudential standard?

- Not meeting the 2% prudential standard in all states bar SA.
- Probability of exceedance (POE) has increased in all states by between 0.54% to 0.86%.

	Prudential data to 31 August 2020	Prudential data to 31 August 2021	Prudential data to 31 August 2022	Increase from 2021
NSW	2.00%	2.30%	2.83%	0.53%
QLD	1.50%	1.80%	2.66%	0.86%
SA	1.30%	1.30%	1.90%	0.60%
TAS*	4.70%	4.40%	5.17%	0.77%
VIC	2.60%	2.60%	3.14%	0.54%

* TAS joined the NEM later than the other states in 2006. This together with the extended 2016 Basslink outage has a resulted in a dataset where its not possible for the 2% prudential standard to be met under the current model settings.

Proposed solution

Key considerations:

- Should act as a **safety valve** and only be triggered after a protracted period of a participants liabilities significantly exceeding their credit support.
- Should **not be triggered** under normal market conditions or under short lived price spikes (i.e. heatwaves).
- Should give the **option** for AEMO to reassess MCL, but not compel it to do so.
- Should be **easy to understand and plan for** ahead of time (i.e. no surprise MCL revisions).
- Should allow for a **staged exit** from the reassessed MCL, where if liabilities are falling, but are not yet at the pre-reassessed MCL level, the market participant can request an MCL review, and have part of their guarantee returned by AEMO.

Proposed solution has 3 parts:

1. Triggering an MCL reassessment
2. Calculating a revised MCL
3. Exit from revised MCL

Triggering an MCL reassessment

Key variables for considering an MCL reassessment:

1. Amount owed by participant
2. Amount of collateral held for participant

Proposed trigger for MCL reassessment:

AEMO may reassess MCL when a market participant's average current accrued liabilities over the prior three week (21 day) period is above the amount of guarantees (\$) held by AEMO for that market participant.

Trigger values

Why use the average of 21 days of current accrued liabilities?

- Current accrued liabilities is the actual amount of money owed by the participant to AEMO at any one time (doesn't include SDAs).
- 21 days is a long enough time to assess whether price event is short/transitory or a significant uplift in prices over a long time period.
- Any short periods of high prices/high participant liabilities will **not trigger** the MCL revision.
- Want to avoid a situation where by the time AEMO recalculates MCL, issues MCL letter, and participant provides new guarantee, participant liabilities fall significantly to the point where the revised MCL is no longer necessary.

Why use the guarantee amount?

- When MCL is inadequate compared to participant liabilities, many participants voluntarily choose to provide additional guarantees to AEMO to manage their prudential obligations.
- The guarantee held by AEMO is proposed as part of the trigger for MCL revision, as the MCL may only need reassessment if participant has not taken proactive steps to manage their prudential obligations.

Calculating revised MCL

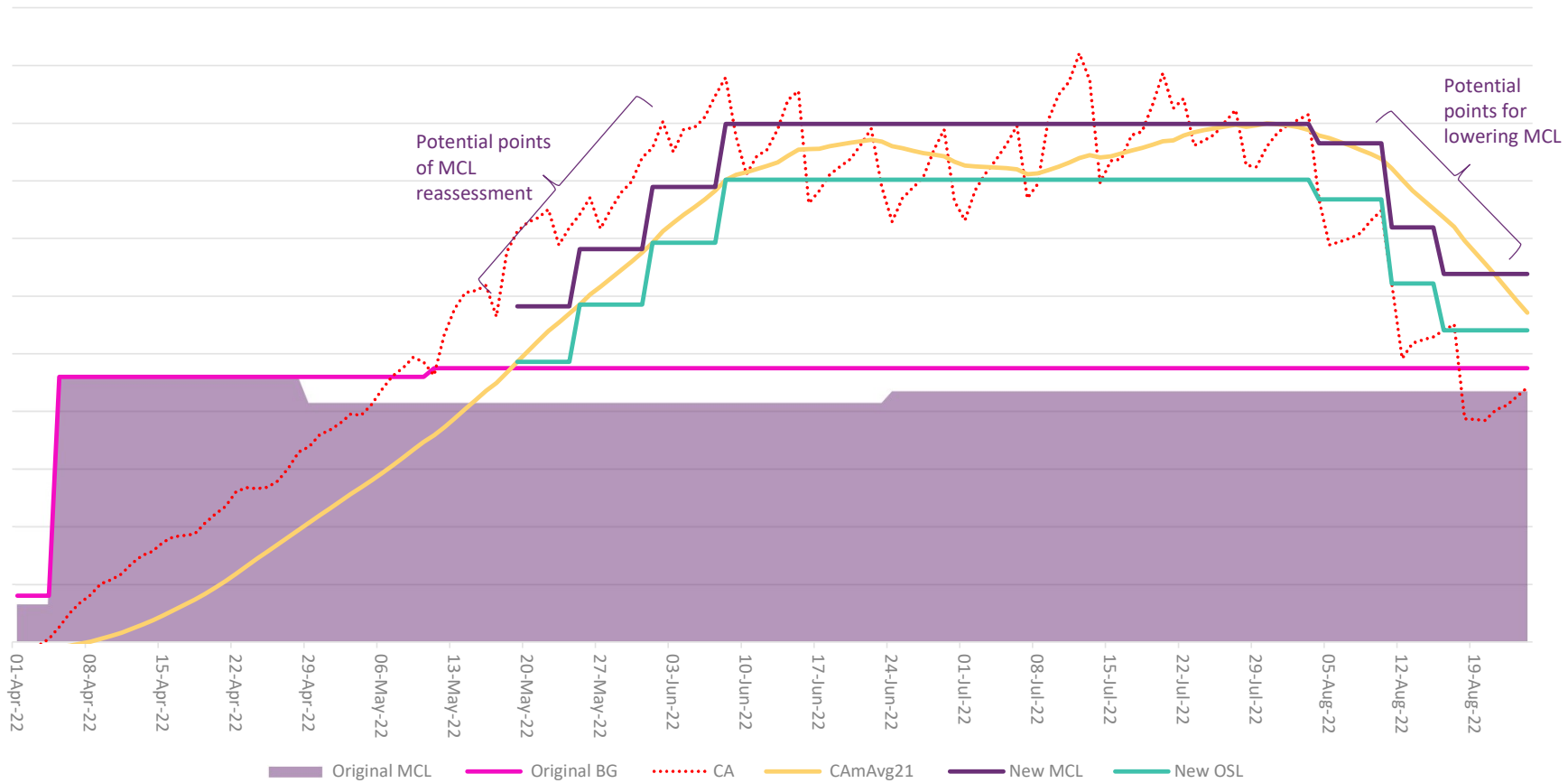
- **Proposal:** for MCL to be increased in line with average current accrued liabilities.
- **MCL calculation:**
 - Reassessed Outstandings Limit (OSL) = average 21 day current accrued liabilities
 - Prudential Margin (PM) = unchanged
 - Reassessed MCL = Reassessed OSL + PM
- Ensures MCL is adequate and once guarantee is provided participant will not be in a trading margin breach (if liabilities keep increasing MCL may need to be reassessed again).
- Once new MCL is calculated, the standard process for an ad-hoc MCL reviews applies.
- Participant to receive MCL letter and then provide a guarantee to meet MCL.
- Once AEMO has received the guarantee, any SDAs not required can be applied to settlement.

Exiting from revised MCL



- Intention is a **'staged'** exit from revised MCL.
- AEMO to reduce MCL once participant accrued liabilities fall, allowing part of the guarantee to be returned as liabilities fall.
- Participant wont necessarily have to wait till liabilities return to below original MCL levels before can lower MCL.
- **Proposal:** a participant can ask AEMO to review their revised MCL if their current accrued liabilities are on a **downward trend and below their OSL.**
- Please note that the 'standard' MCL calculation is the **floor** on MCL requirements. The proposed MCL reassessment process will allow AEMO to increase collateral requirements at times of extreme market conditions. It cannot be used to reduce MCL requirements.

MCL reassessment example



Benefits of the proposed changes

- **Meeting the prudential standard** - increasing MCL levels to be more in-line with actual market conditions during extended times of very high prices will help meet the 2% prudential standard as required under the Rules.
- **Reduces likelihood and size of any shortfall** – by allowing AEMO to reassess MCLs, and request additional guarantees at times when participant liabilities are well beyond their MCL requirements, the likelihood of any shortfall and its size is reduced.
- **Reduces the number of trading limit breaches** – managing trading limit breaches on a daily basis with SDAs for extended time periods increase the risks of default events and requires significant resources from participant/AEMO. If participant collateral is better aligned to actual accrued liabilities, the number of trading limit breaches will be reduced.
- **Increase the amount of secure collateral held by AEMO** – the changes would convert participant SDAs to the more secure collateral of guarantees. In total, AEMO would hold the same amount of collateral for a participant, but instead of it being made up of guarantees and a large amount of SDAs, it would be mostly guarantees with SDAs playing a more minor part. This arrangement would better align with the original intent of the Rules/procedures.
- **Prudential efficiency** – the proposed change allowing the reassessment of MCLs would only be used if market conditions result in a participant's liabilities significantly exceeding their MCL and any guarantees provided to AEMO. If market conditions are at expected levels, MCLs would remain unchanged and participants will not have to provide additional guarantees. Additionally, if MCLs are reassessed under the proposed process, once participant liabilities reduce to a certain level, they can request AEMO to reassess their MCL.

Impact of proposed changes

- Its AEMO's responsibility to ensure that the prudential settings are appropriate for the protection of all NEM participants and adhere to core principles (i.e. the 2% prudential standard) that is critical to the operations of the NEM.
- Changes may have a cost to some participant whose MCL is reassessed upwards (depends on funding arrangements with banks, costs of providing SDAs vs guarantees etc).
- Changes will benefit all participants who are at risk of shortfall, such as traditional generators, solar generators, batteries and demand response providers. As shortfalls to date have been small and uncommon, those at risk of shortfall may not realise the potential exposure and thus the importance of this change.
- Changes will encourage proactive action by participants who will be able to monitor their current accrued liabilities and have ample time (if they wanted to) to provide additional guarantees (or use reallocations) to manage their prudential position. In such a case an MCL revision would not be required.
- Participants can ensure that at no time are they providing both an SDA and a guarantee to cover the same liabilities. However, if an overlap does occur, any SDA held by AEMO can be applied to the next settlement payment.

Consultation

- AEMO plans to go out for consultation on this issue.
- Issues Paper to be published in late October/ early November.
- AEMO is keen for participant feedback on this issue.



NEM June event payments overview

AEMO NEM Settlements



Read me

- This presentation includes material based on AEMO's interpretation of the National Electricity Rules (NER) as at the presentation date.
- Either the NER themselves or their interpretation or application to any given circumstances may change at any time. The outcomes and examples presented here may not eventuate.
- NEM participants should always obtain independent advice about the application of the NER and other applicable legal instruments to their specific circumstances.
- To the maximum extent permitted by law, AEMO and its employees or consultants are not liable for any statements in, or omissions from, these materials, or for any use of or reliance on them.

Agenda

- **June events**
- **Event payments**
 - NEM vs region summary
 - Impact estimate
 - APC - what to expect
- **Q&A**



June event

Generator direction

Reliability and Emergency Reserve Trader (RERT)

Market suspension

Administered Price Cap (APC)

Generator direction



- Generator direction is a market intervention by AEMO.
- AEMO directs generators to maintain power system security.
- Compensation are then paid to:
 - Generators for providing energy, ancillary services or other system security services.
 - Eligible persons who are negatively affected by the intervention.
- Energy direction compensation payments are recovered from market customers in affected region(s), in proportion to their adjusted gross energy and the region benefit assigned by AEMO.
- AEMO direction compensation recovery methodology is published [here](#).
- AEMO direction reports are published [here](#).

RERT

- The Reliability and Emergency Reserve Trader (RERT) is a mechanism for AEMO to maintain power system reliability and system security using reserve contracts when AEMO observes there is no market solution available to manage a reserve shortfall.
- RERT contracts can have provisions to pay providers for availability, pre-activation (for non-scheduled reserves only), usage, and early termination.
- Payments are recovered from market customers in affected region(s), in proportion to their adjusted gross energy.
- AEMO RERT reports are published [here](#)

Market suspension



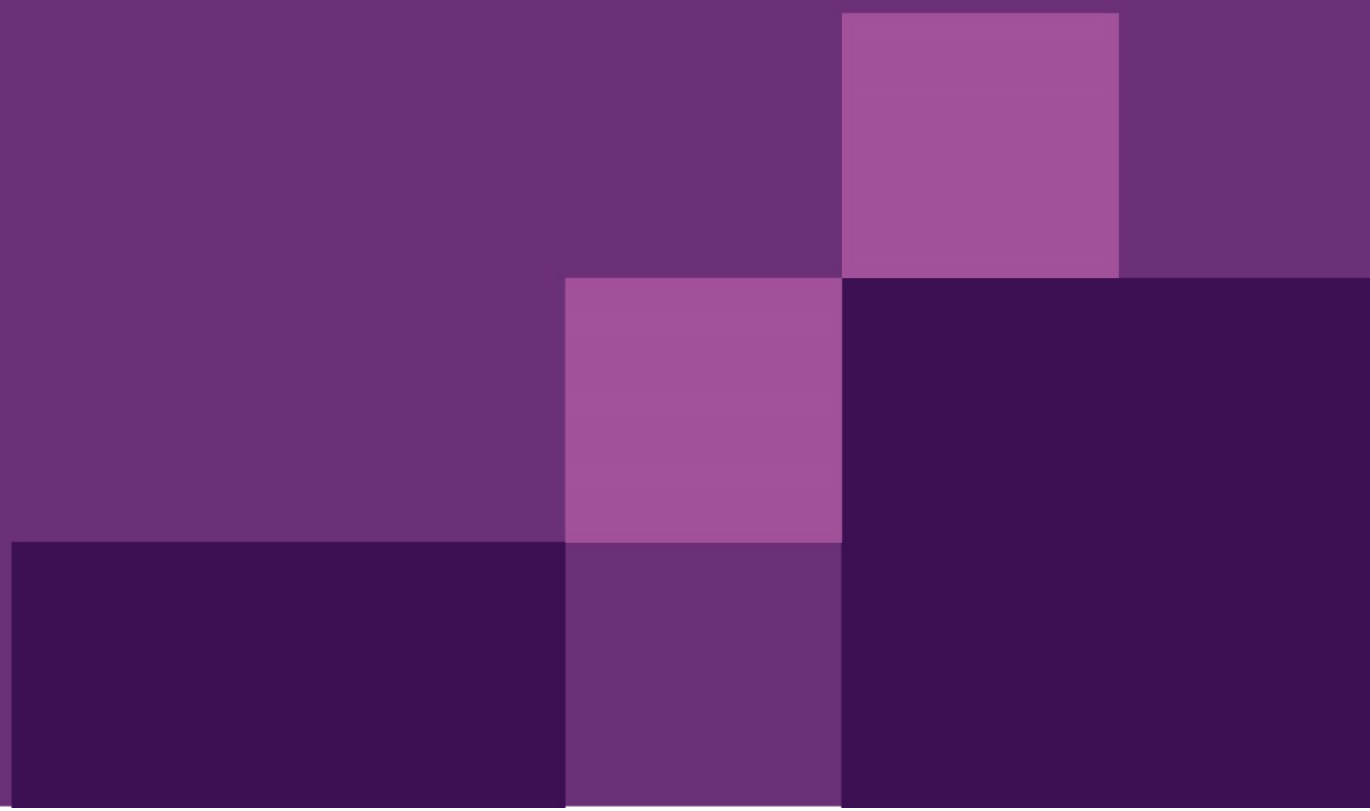
- Under clause 3.14.3 of the National Electricity Rules (NER), AEMO determined that it had become impossible to operate the spot market in accordance with the provisions of the NER.
- Market price is set by Market Suspension Pricing Schedule ([MSPS](#)).
- AEMO is required to pay compensation to eligible Market Suspension Compensation Claimants if prices in the MSPS are not sufficient to cover their estimated costs.
- Compensation payments are recovered from market customers in affected region(s), in proportion to their adjusted gross energy and the region benefit assigned by AEMO.
- AEMO Market Suspension Compensation Methodology is published [here](#).

APC

- Under the NER 3.14.2(c), Administered Price Cap (APC) of \$300/MWh was applied to energy and market ancillary services after the cumulative price threshold was exceeded in all NEM regions.
- It was determined that market prices rose to levels that are likely to cause substantial financial stress.
- Australian Energy Market Commission (AEMC) determines the APC compensation payment amount for those affected by the APC.
- Compensation payments are recovered from market customers, in proportion to their adjusted gross energy in their cost recovery region.
- AEMC compensation guideline is published [here](#).
- AEMC status of claims are published [here](#).

June event payments

Process, magnitude and timing



June event payments*

NEM summary

	Generator direction	RERT	Suspension	APC
Process	AEMO, NER and independent experts	AEMO, NER and based on contracts	AEMO, NER and Independent experts	AEMC, NER
\$ processed	\$2.6m (wk 25/26)	\$80m (wk25)	\$7.2m (wk 25/26)	N/A (wk 25)
\$ not yet processed***	\$16m (claimed)	\$3.4m**	\$98.4m (claimed)	Not yet available****
Estimated timing	R2, pending AEMO/independent expert determination	\$2.0m in Wk25R1 \$1.4m in R1/R2	R1/R2, pending AEMO/independent expert determination	Potentially beyond R2, pending AEMC determination

*Figures include settlement weeks containing wk25-26 data

**\$2m in NSW and \$1.4m subject to metering and performance adjustments

***All the figures on this slide are indicative only and are subject to change by the time they are processed in settlements

****AEMC status of claims are published [here](#)

June event payments

\$ processed by region

Region	Generator direction	RERT	Suspension	Total
NSW	\$0.6m	\$76.2m	\$2.9m	\$79.7m
QLD	\$1.0m	\$3.7m	\$1.9m	\$6.7m
SA	\$0.7m	N/A	\$0.5m	\$1.7m
TAS	N/A	N/A	N/A	N/A
VIC	\$0.4m	N/A	\$1.9m	\$2.3m
NEM total	\$2.7m	\$79.9m	\$7.2m	\$90.4m

June event payments

\$ estimated* to be processed by region excluding APC

Region	Generator direction	RERT	Suspension	Total**
NSW	\$2.5m	\$3.3m	\$26.7m	\$32.4m
QLD	\$12.7m	\$0.1m	\$8.5m	\$21.3m
SA	\$0.6m	N/A	\$12.8m	\$13.4m
TAS	N/A	N/A	\$0.4m	\$0.4m
VIC	\$0.2m	N/A	\$50.0m	\$50.3m
NEM total	\$16m	\$3.4m	\$98.4m	\$114.8m

**all the figures on this slide are indicative only and are subject to change by the time they are processed in settlements*

***please note the totals exclude any potential APC compensation payment amounts as these are not yet known*

Impact estimate

Market suspension

- Market participants can estimate recoveries in proportion to their adjusted gross energy (AGE) for the additional June event payment amounts
- Example: Participant A is a retailer and only operates in NSW

Step 1 Calculate % energy share for Participant A

- a) Participant A's AGE* week 25 in NSW = 113,326 MWh
- b) Total AGE week 25 in NSW = 1,416,581 MWh
- c) Participant A's AGE proportion for week 25 in NSW = $a/b = 8\%$

**Data location are linked at the end of the slides pack*

Impact estimate

Market suspension

Step 2 Apply % energy share to estimated market suspension compensation payment recovery amount in that region

	MP A's % energy share in final statement	Estimated* market suspension compensation payment	MP A's estimated compensation payment recovery amount at R2
NSW	8%	\$26.7m	\$2.1m
QLD		\$8.5m	
SA		\$12.8m	
TAS		\$0.4m	
VIC		\$50.0m	
NEM total		\$98.4m	\$2.1m

** These figures are indicative only and are subject to change by the time they are processed in settlements*

APC compensation

what to expect

- AEMO Settlements will process APC payment and recoveries in proportion to their adjusted gross energy in their cost recovery region from affected billing week (Wk 25) even if the payment amount is processed after R2.
- Published within 25 business days of AEMC notifying AEMO and will be included in both relevant prelim and final statements.
- It is likely that AEMC will release payment amounts in multiple batches, so payments and recoveries may occur over multiple prelim/final statements.

APC compensation example on timing*

AEMC provides
APC Payment
amounts to AEMO
on 7 Nov 2022

AEMO publishes
APC payments on a
prelim statement on
18 Nov 2022

AEMO publishes
APC payments on a
final statement on
7 Dec 2022

Market participants
settle on APC
compensation
payment and
recoveries on
9 Dec 2022

**All the dates used on this slide are examples only*

Communication



- AEMO will continue to engage with settlement managers via settlement communication emails.
- AEMO intends to send out a settlement communication once AEMC provides APC compensation payment amounts. We will endeavour to include indicative timeframes and approximate cost so market participants can anticipate prudential and settlement impact.
- AEMO will communicate once all of the APC compensation payments have been processed for the June event.
- If any questions after today, always email support.hub@aemo.com.au

Useful links

- AEMO generator direction reports: <https://aemo.com.au/en/energy-systems/electricity/national-electricity-market-nem/nem-events-and-reports/market-event-reports>
- AEMO market suspension pricing schedule: <https://aemo.com.au/energy-systems/electricity/national-electricity-market-nem/data-nem/market-management-system-mms-data/market-suspension-pricing-schedule>
- AEMO market suspension compensation methodology: https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2020/wholesale-demand-response/final-stage/market-suspension-compensation-methodology.pdf?la=en&hash=4D9C7546C80F984B0808862E48871CD0
- AEMO market suspension FAQ: <https://aemo.com.au/-/media/files/electricity/nem/data/mms/2022/market-suspension-faqs-june-2022.pdf?la=en>
- AEMO June 2022 NEM Events: Compensation update (15 Aug 2022): <https://aemo.com.au/-/media/files/electricity/nem/data/mms/2022/compensation-update-15august22.pdf?la=en>
- AEMC compensation guideline: https://www.aemc.gov.au/sites/default/files/documents/final_amended_compensation_guidelines.pdf
- AEMC status of claims: <https://www.aemc.gov.au/our-work/apc-claims>

Data location

- APC Summary
 - SET APC COMPENSATION
 - SET APC RECOVERY
- RERT
 - BILLRESERVETRADERRECOVERY
- Directions
 - BILLING_DIRECTION_RECON_OTHER
- Market participant AGE
 - SETGENDATA
 - SETCPDATA
- Region AGE
 - SETCPDATAREGION
 - SETGENDATAREGION



Q&A

Or email support.hub@aemo.com.au



Global settlements post go live review

AEMO NEM Settlements

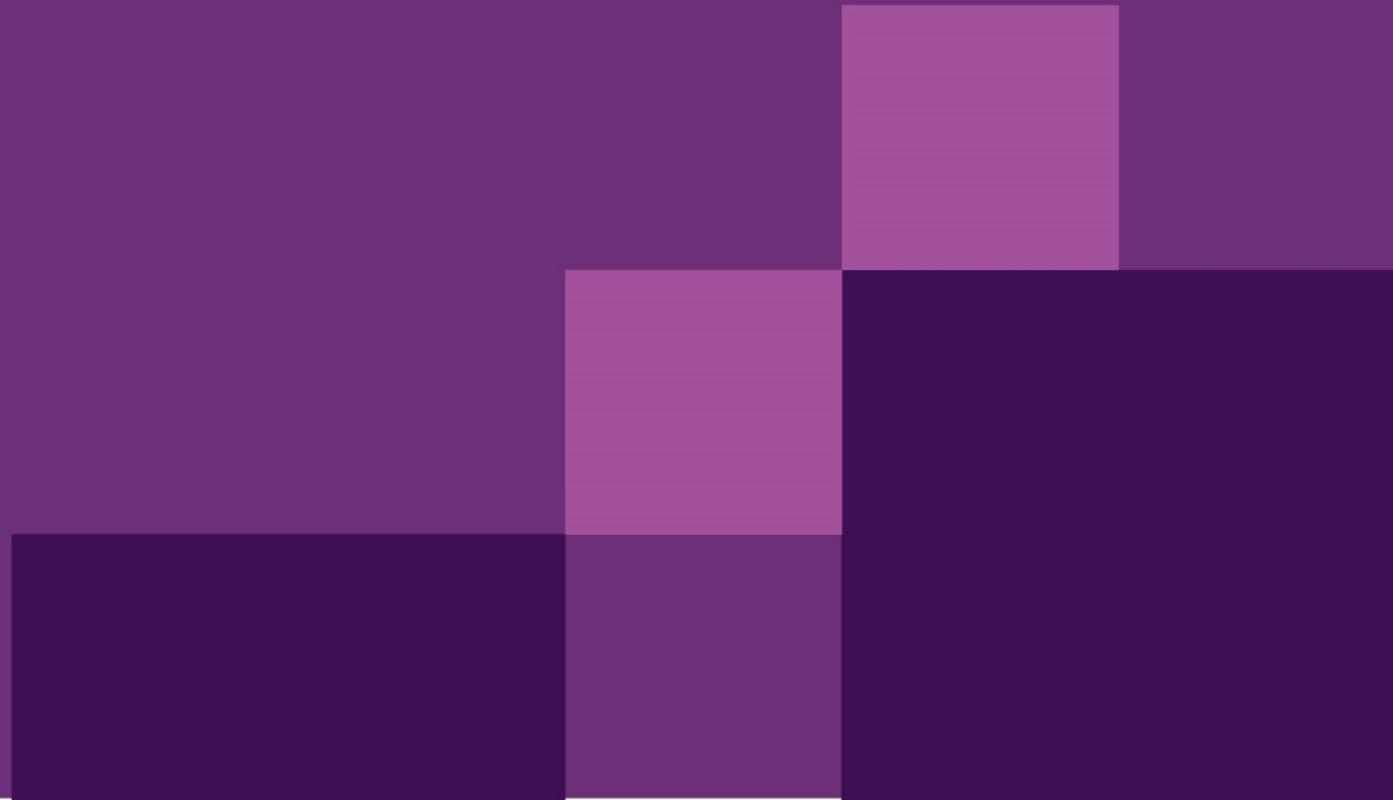


Agenda

- Global settlements go live
- Data quality issue impacts
- Emerging unaccounted for energy trends
- Q&A



Global settlements go live

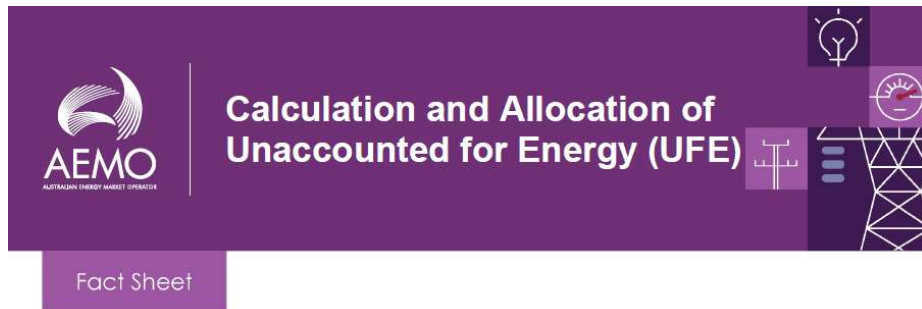


Global settlements



- Global settlements (GS) went live 1 May 2022
- Unaccounted for energy (UFE) is now shared across all retailers from settlement week 2022Wk19 onward
- Issues with data quality have occurred and there have also been some unexpected UFE outcomes, but the implementation is considered successful overall
- 20-Week Revision data is now available for the early weeks of GS, with some trends in UFE behavior emerging

GS/UFE fact sheet



The National Electricity Amendment (Global Settlements and Market Reconciliation) Rule 2018 requires AEMO to determine the amount of unaccounted for energy (UFE) for each distribution network local area.

This fact sheet provides a high-level overview of how UFE is calculated and can be used as a reference on how to allocate UFE to a market load.

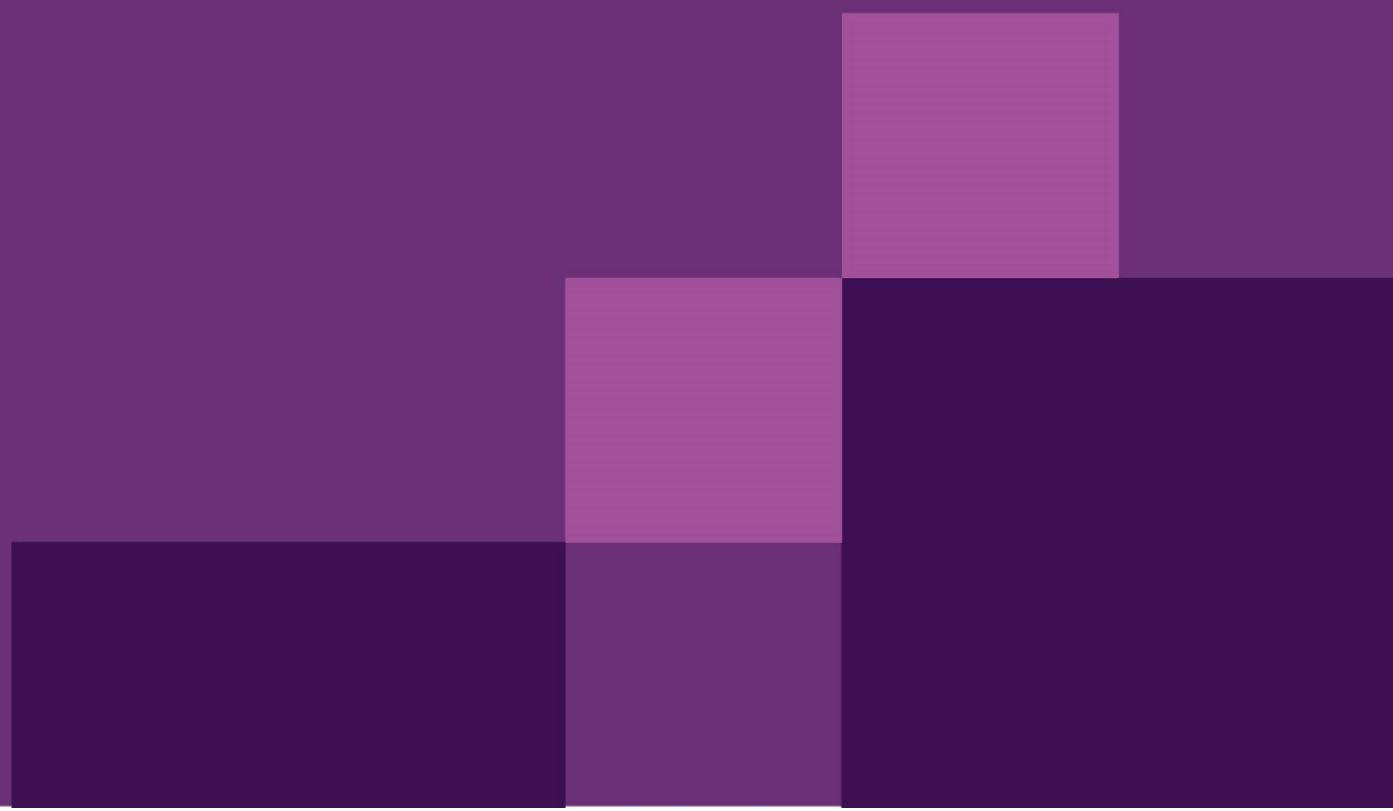
What is UFE?

UFE is the difference between all adjusted metered energy entering a local area, compared to all adjusted metered energy consumed within the local area.

These differences could be caused by energy theft, inaccurate or faulty meters, estimation errors associated with unmetered devices, profiling of reads to the trading interval (5 minute) level or errors in the distribution loss factor (DLF).

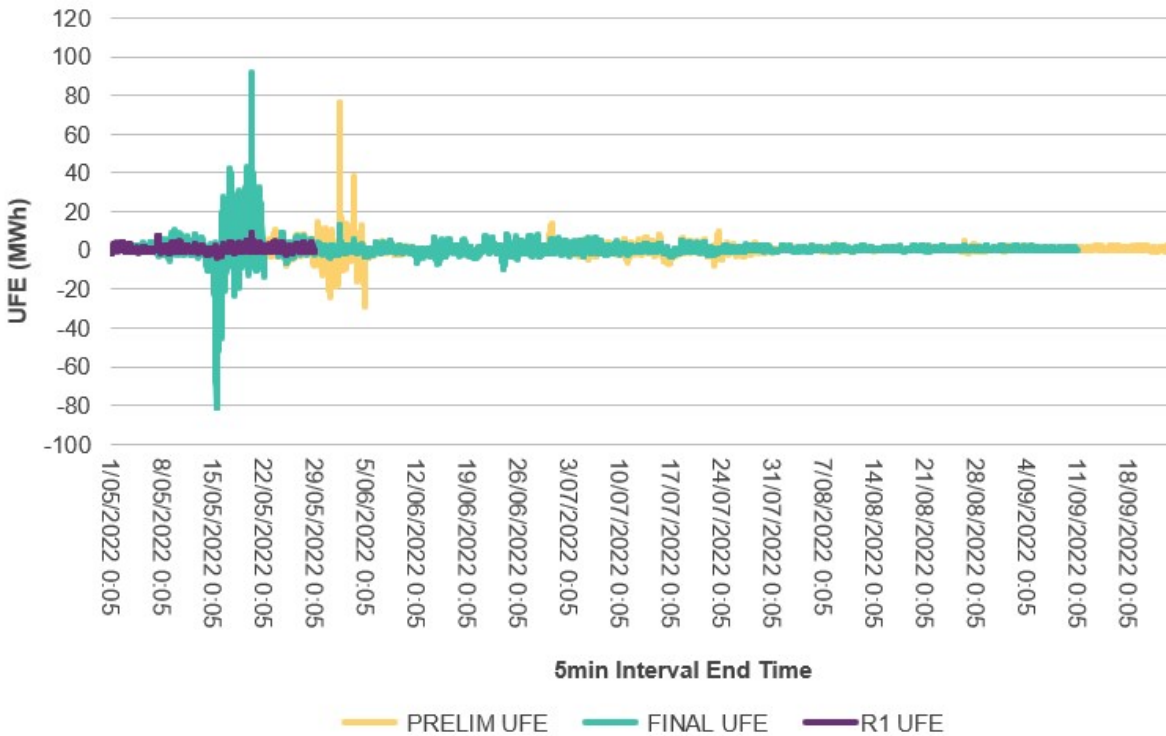
- A UFE fact sheet has now been compiled to answer some of the more common questions and consolidate previously provided information
- It includes the main formulas and example calculations for the GS variables, as well as the key data sources
- A copy of the fact sheet will be attached when this meeting presentation is distributed
- It will also be available on the AEMO website in the near future

UFE data quality issues



Examples of resolved issues

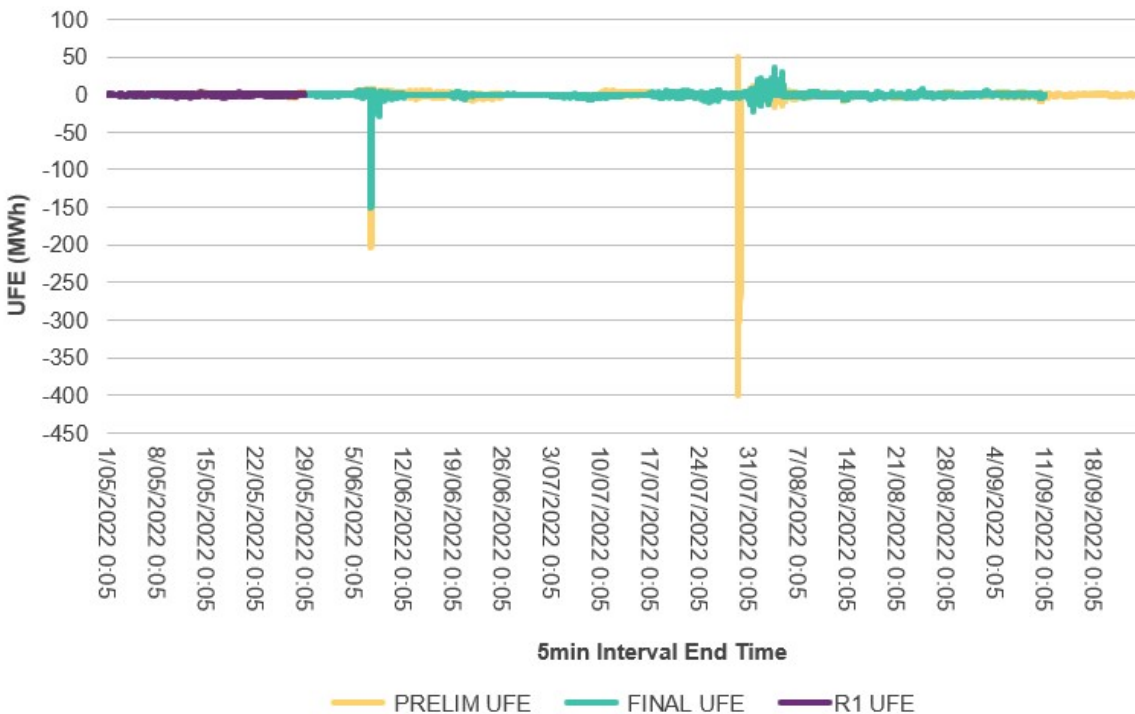
Chart of interval level UFE in the POWERCOR local area



- Problems with meter data or MSATS standing data can lead to large UFE outliers
- Wk23 issue in the Prelim was fixed in the Final statement
- Wk21 issue only appeared in the Final and was fixed in the 20-Week revision statement

Example of unresolved issues

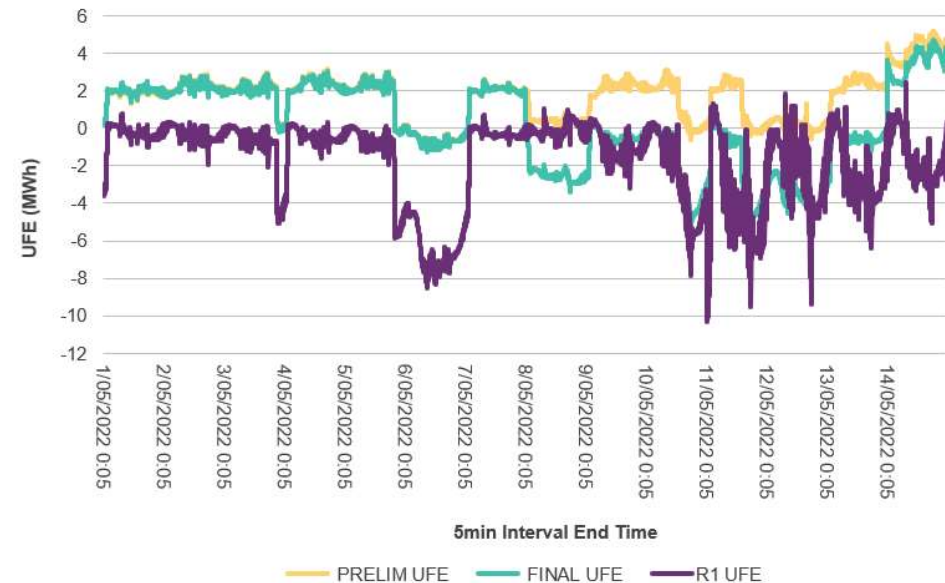
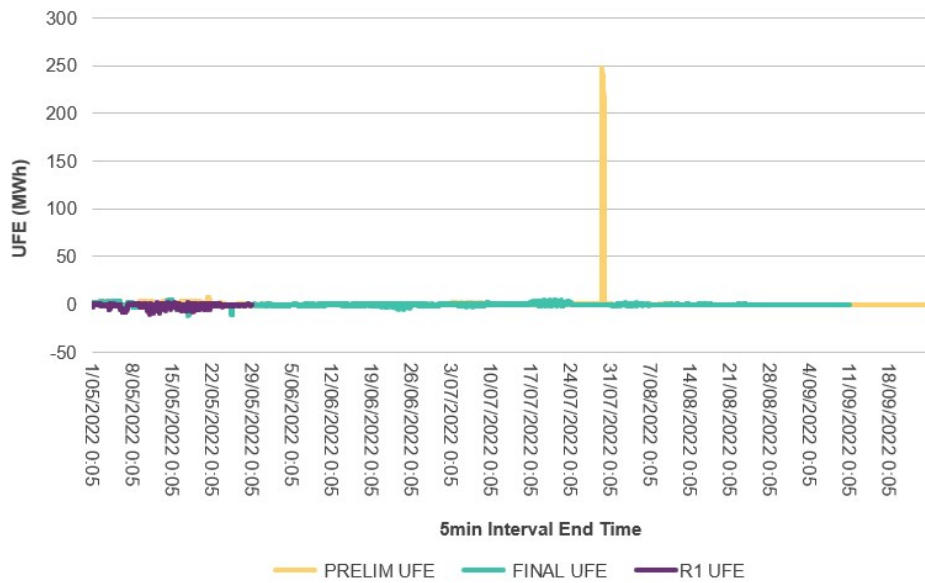
Chart of interval level UFE in the CITIPOWER local area



- Largest issue in Wk31 Prelim was resolved the Final statement
- Wk24 issue was only able to be slightly improved in the Final statement
- The MDP had provided correct data between runs, but then the issue reappeared and could not be resolved before Final posting
- This and the other smaller issue still seen in the Wk32 Final data are expected to be resolved in the 20-Week revision statement

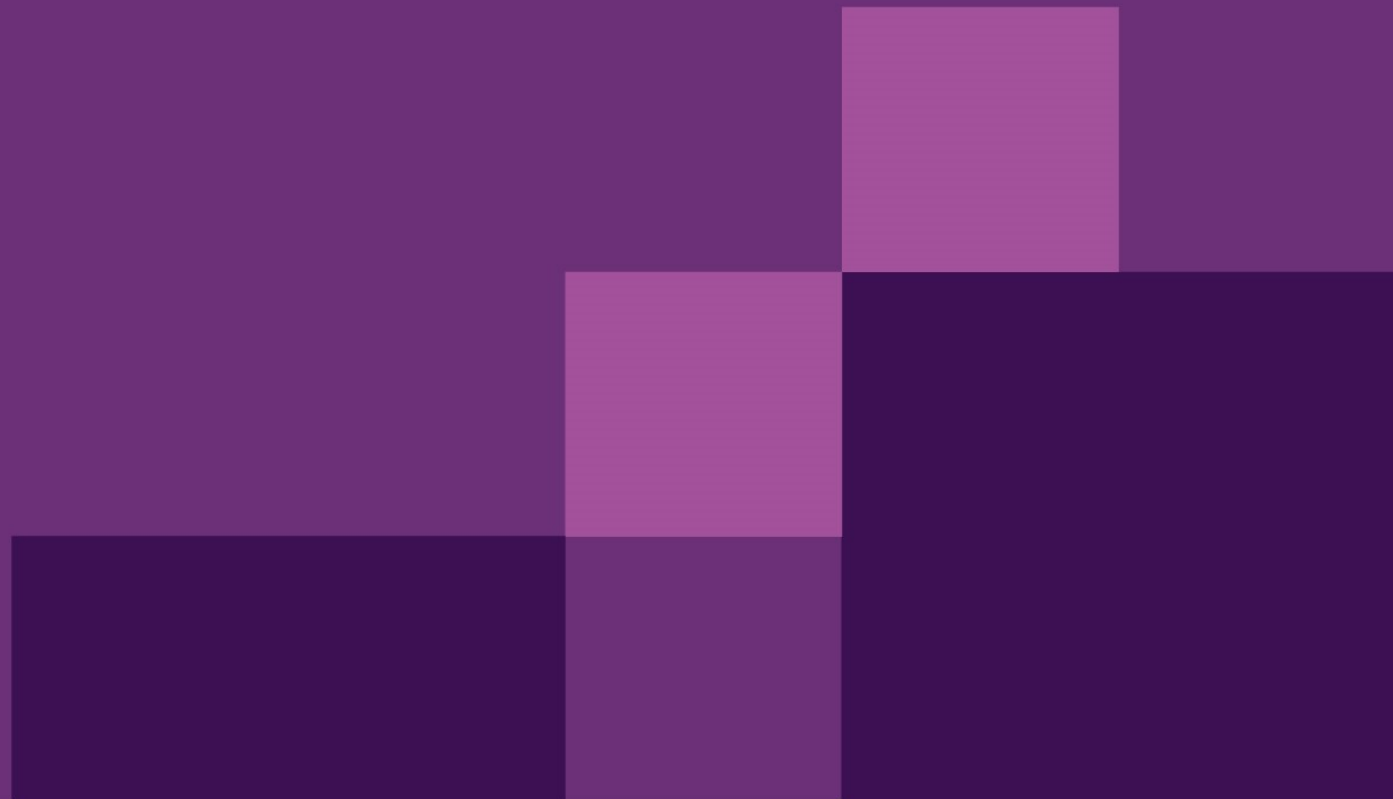
Further unresolved issues

Chart of interval level UFE in the UNITED local area, for entire GS period (left) and weeks 19/20 only (right)



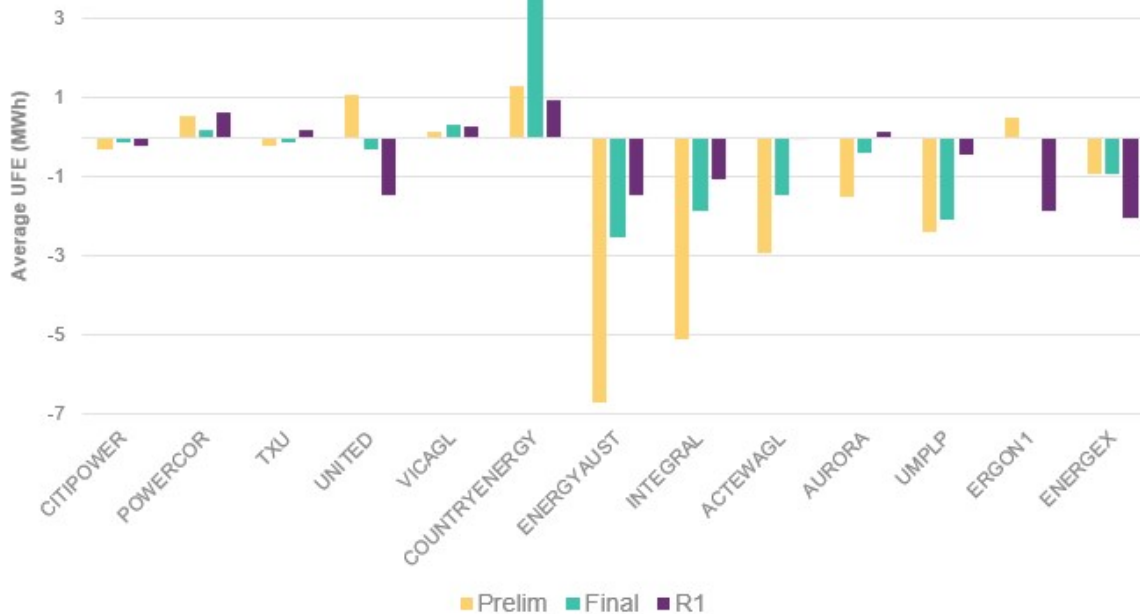
- Smaller potential issues still exist and at times have gotten worse in the data received for the R1
- Inconsistent shapes such as on May 6 continue to be investigated

UFE trends



Average UFE trend

Chart of average UFE across first 4 weeks of GS



- All local areas now have an average UFE of between -2 and +1 MWh per interval in the 20-Week revision data
- Victoria, with only a small population of manually read meters, sees lower variability
- NSW/ACT/SA saw significant decreases in average UFE in later statements
- Qld saw average UFE become more negative in the R1
- Majority of this change is assumed to be from estimated reads being replaced with actuals

Next steps

- Further analysis and trend identification will be completed after additional revision data is received
- While it is expected that the UFE in NSW, which turned from negative in May to strongly positive in June, should also be closer to zero in the June revisions, only the receipt of the 20-week revision data will confirm this
- Ongoing work is happening with the MDPs to confirm the cross boundary and bulk meter reads (particularly in Vic) and further refinement in these reads may continue to be received before the 30-week revisions
- AEMO is required under the rules to produce an annual report on UFE trends, the consultation on the reporting guidelines is currently underway

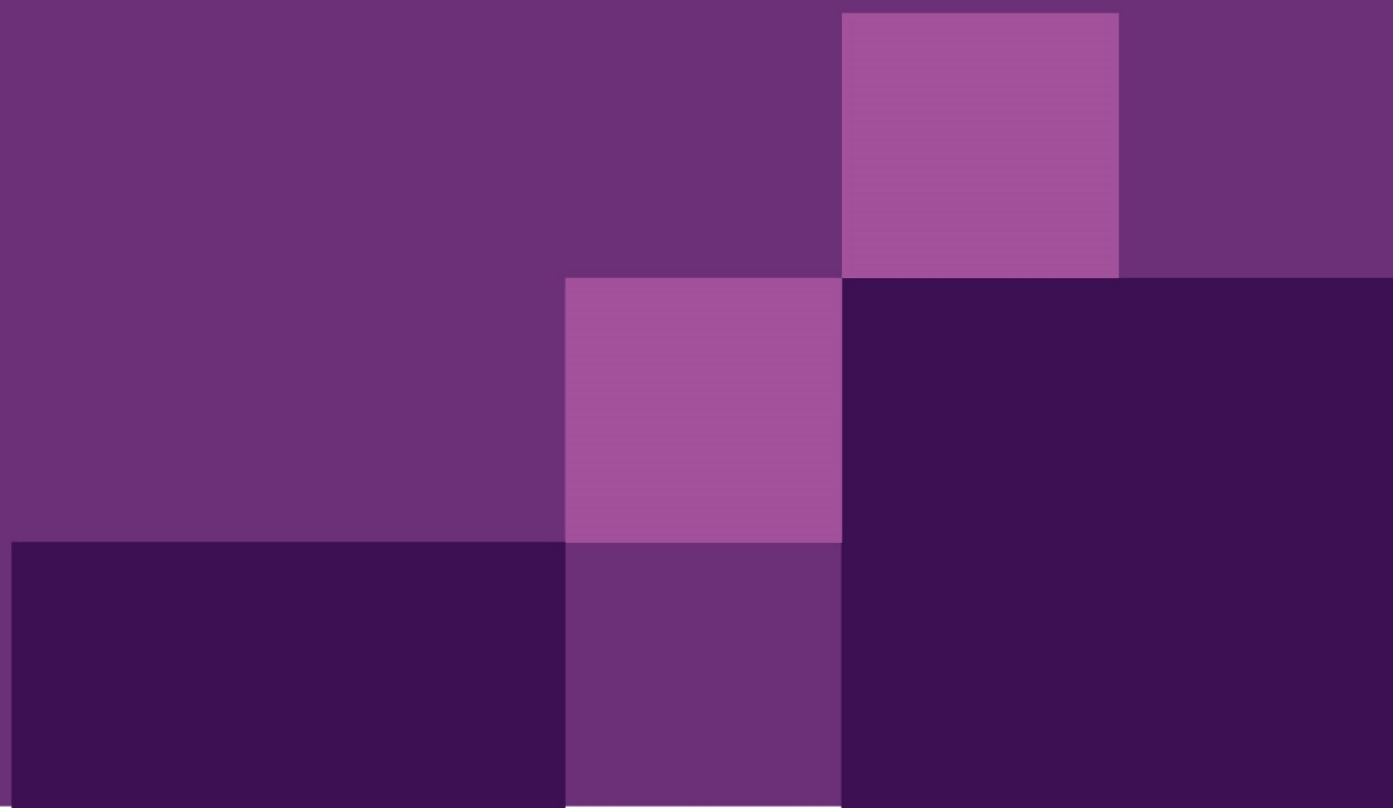


Q&A

Or email support.hub@aemo.com.au

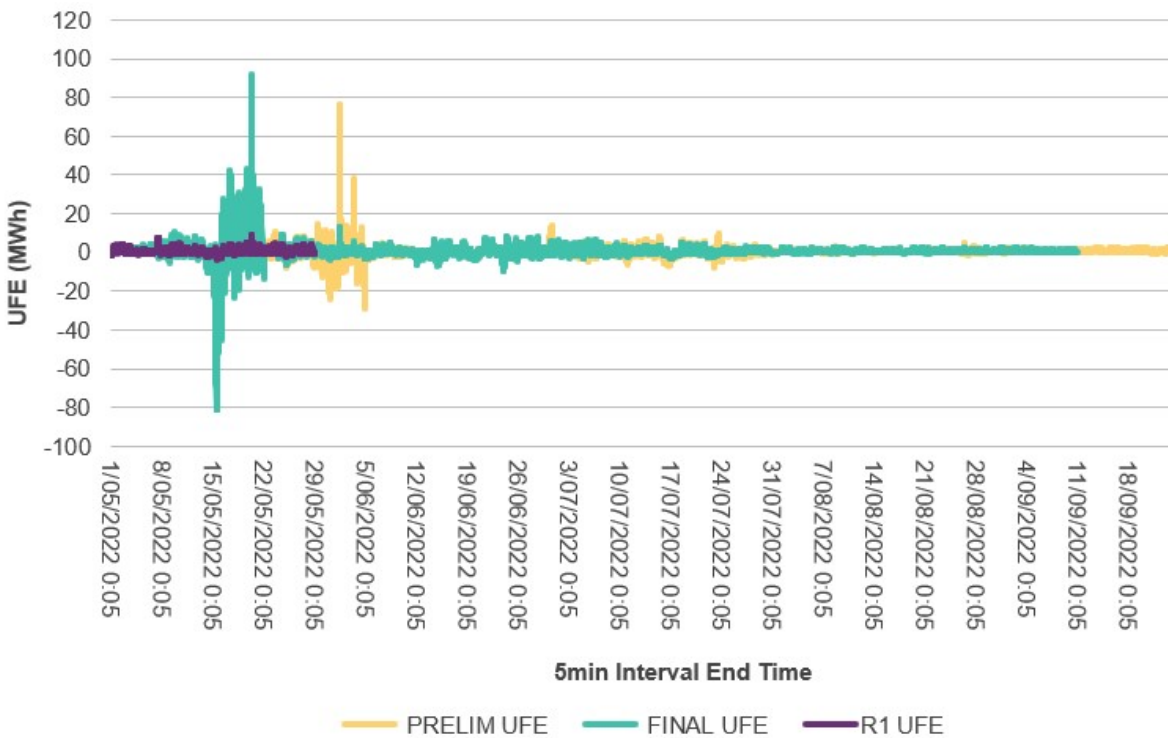
Appendix

UFE by region and local area



Victorian UFE: POWERCOR

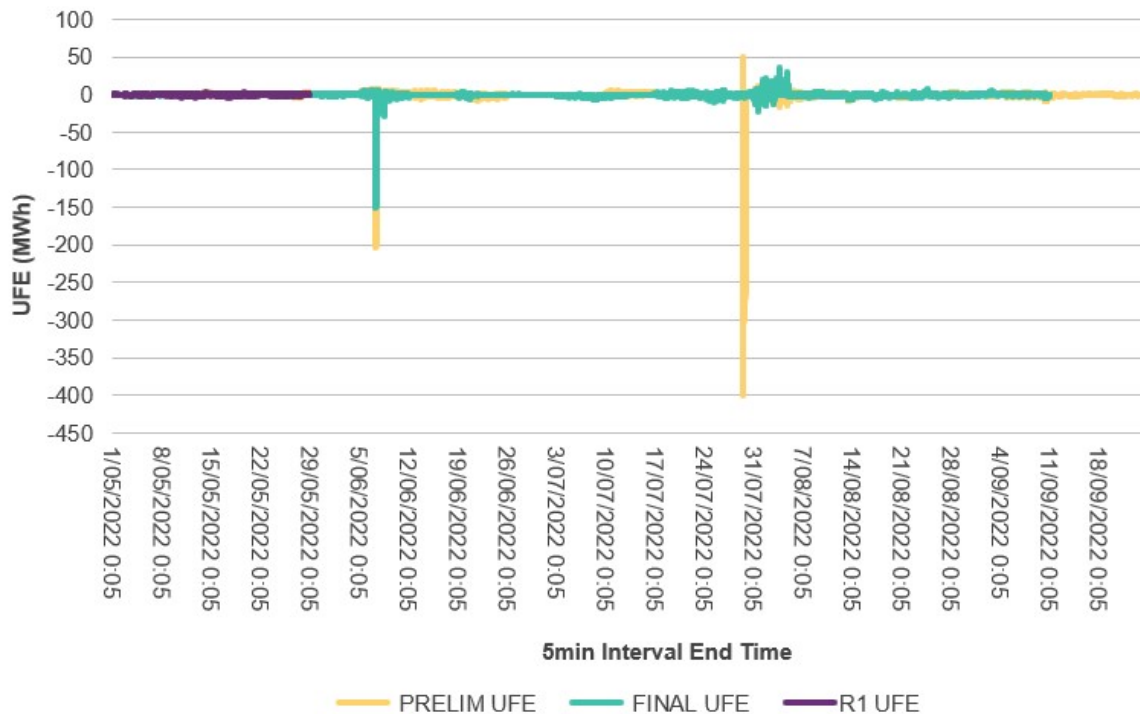
Chart of interval level UFE in the POWERCOR local area



- Problems with meter data or MSATS standing data can lead to large UFE outliers
- Wk23 issue in the Prelim was fixed in the Final statement
- Wk21 issue only appeared in the Final and was fixed in the 20-Week revision statement

Victorian UFE: CITIPOWER

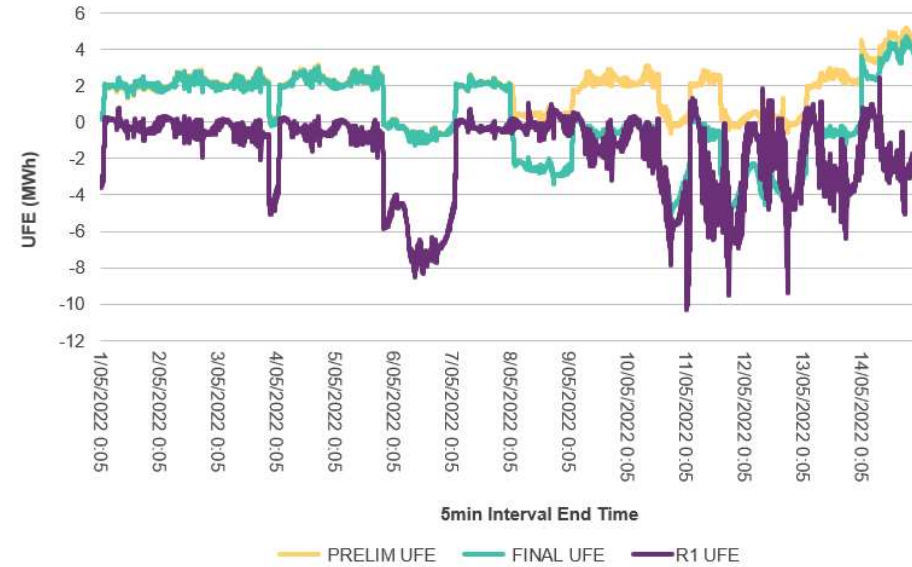
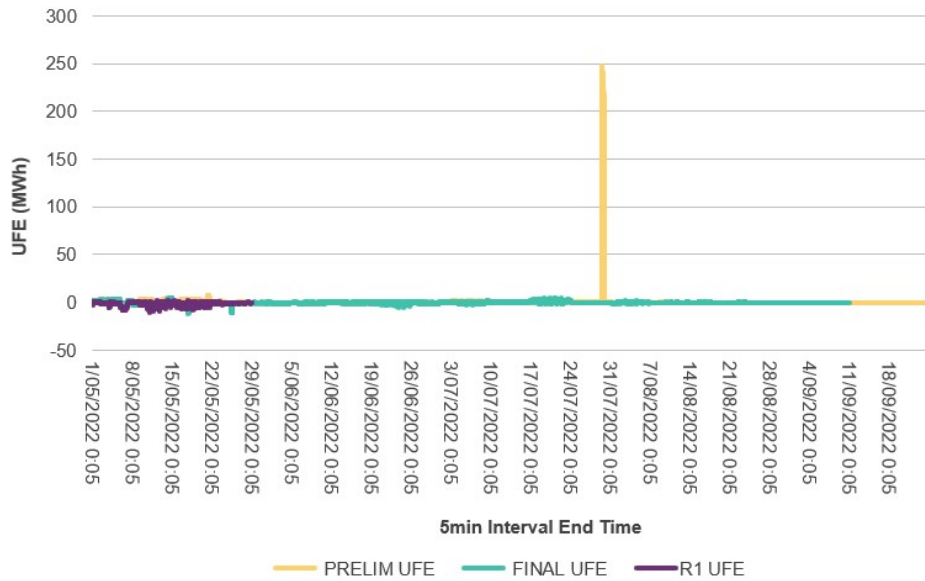
Chart of interval level UFE in the CITIPOWER local area



- Largest issue in Wk31 Prelim was resolved the Final statement
- Wk24 issue was only able to be slightly improved in the Final statement
- The MDP had provided correct data between runs, but then the issue reappeared and could not be resolved before Final posting
- This and the other smaller issue still seen in the Wk32 Final data are expected to be resolved in the 20-Week revision statement

Victorian UFE: UNITED

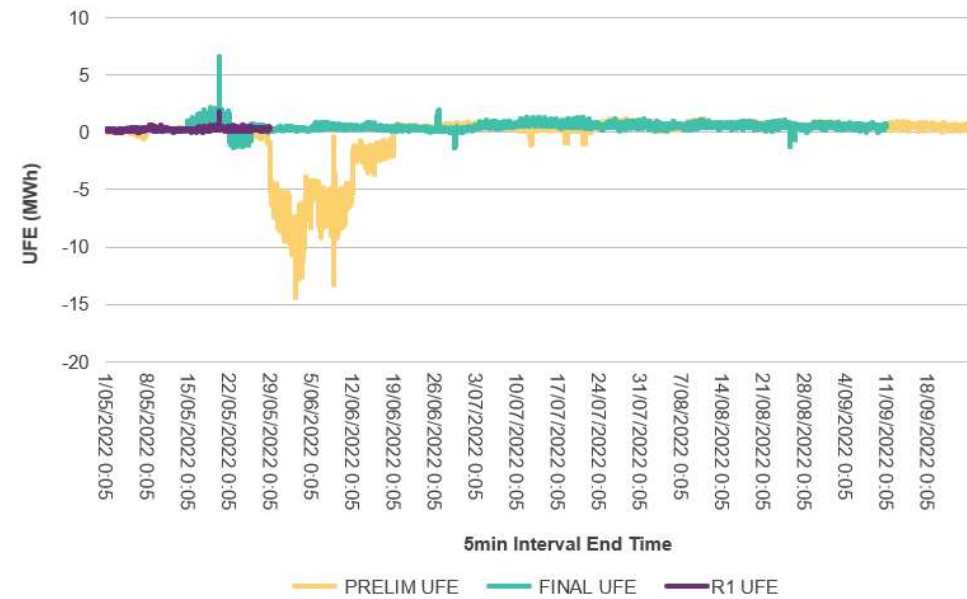
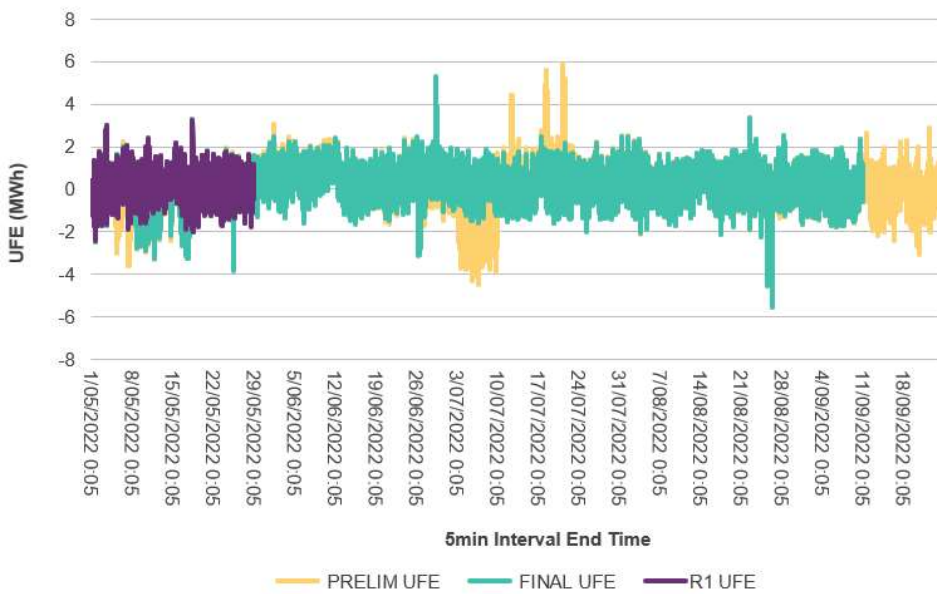
Chart of interval level UFE in the UNITED local area, for entire GS period (left) and weeks 19/20 only (right)



- Smaller potential issues still exist and at times have gotten worse in the data received for the R1
- Inconsistent shapes such as on May 6 continue to be investigated

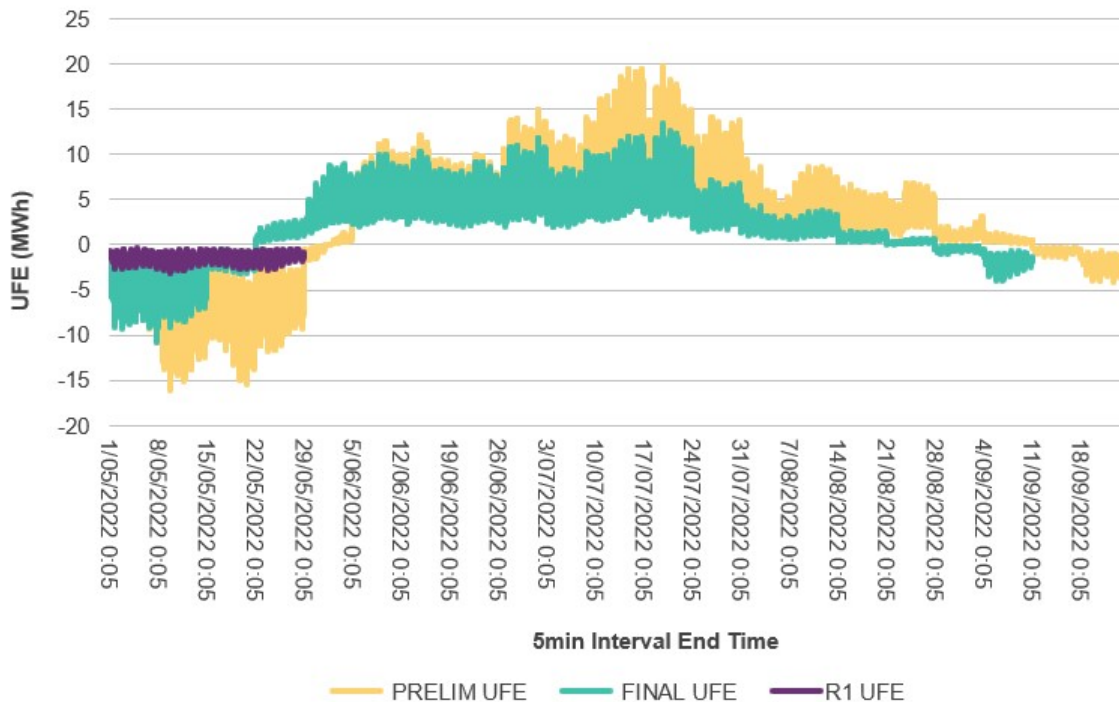
Victorian UFE: TXU and VICAGL

Charts of interval level UFE in the TXU (left) and VICAGL (right) local areas



NSW UFE: ENERGYAUSTRALIA

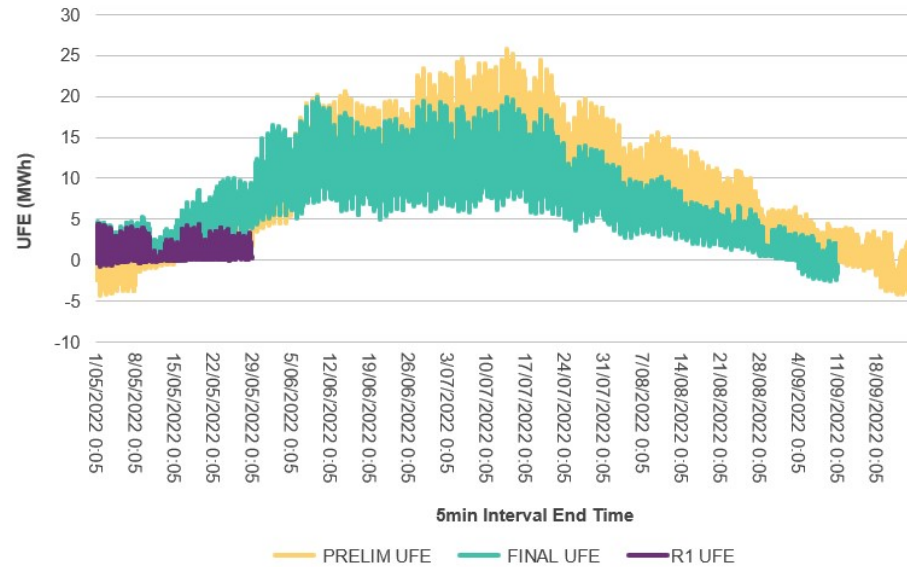
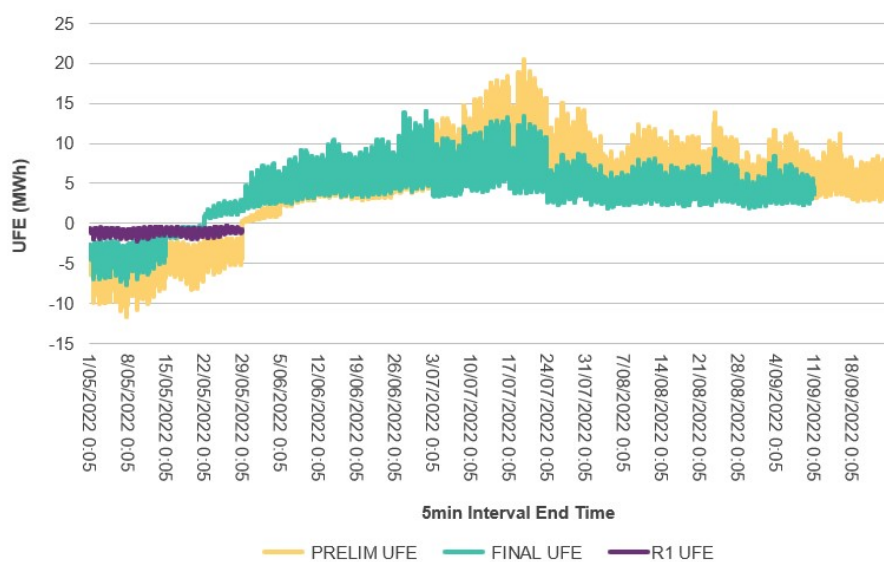
Chart of interval level UFE in the ENERGYAUSTRALIA local area



- Negative Prelim/Final UFE in May turn strongly positive in June
- Possibly this is a seasonal effect or an impact of a colder than normal winter this year
- As estimated reads are replaced by actuals in the coming R1's, it may be that the strongly positive values also end up much closer to zero

NSW UFE: INTEGRAL and COUNTRY

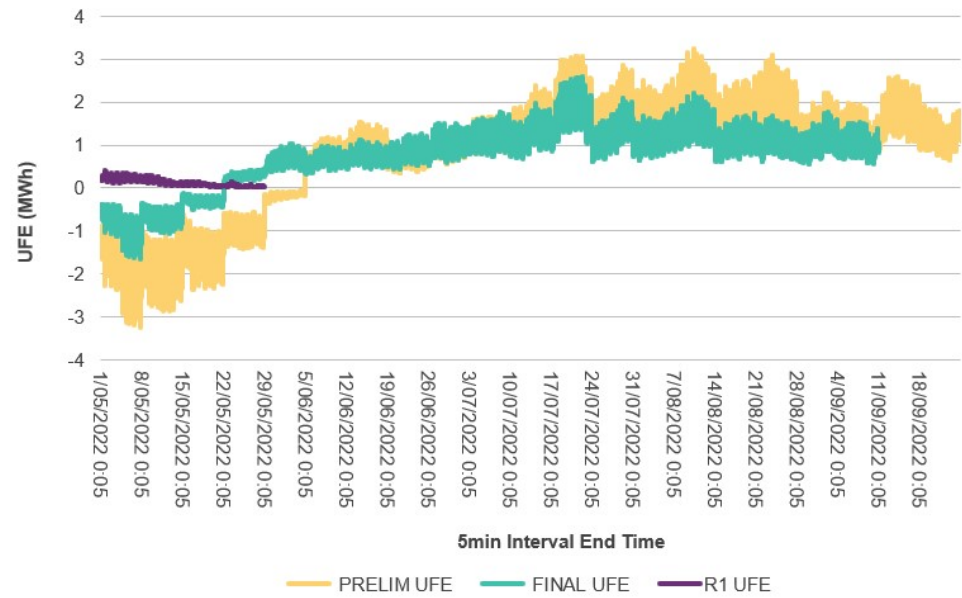
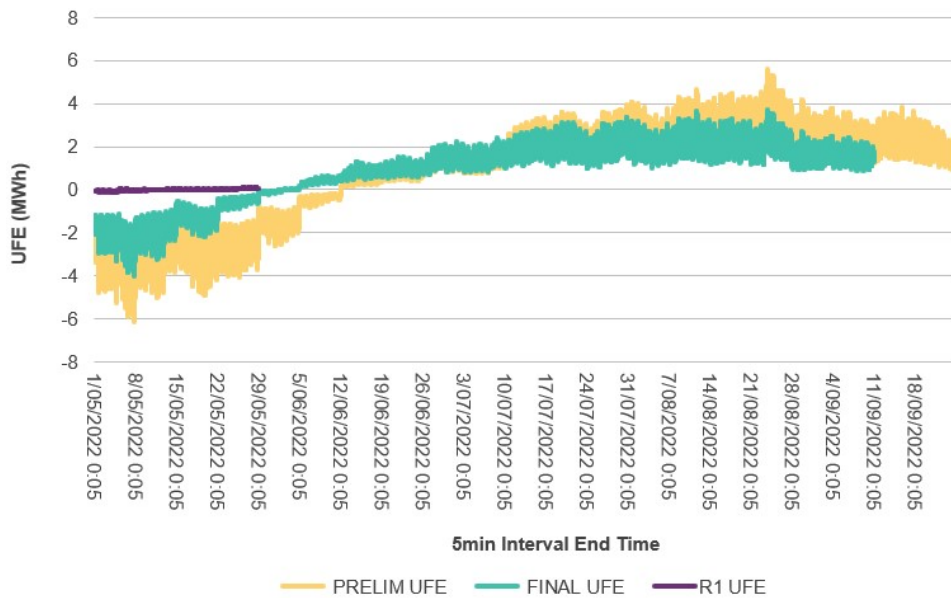
Charts of interval level UFE in the INTEGRAL (left) and COUNTRYENERGY (right) local areas



- Similar behavior between PRELIM/FINAL/R1 across NSW
- COUNTRYENERGY differs slightly in that the R1 UFE has ended up positive and slightly wider ranging

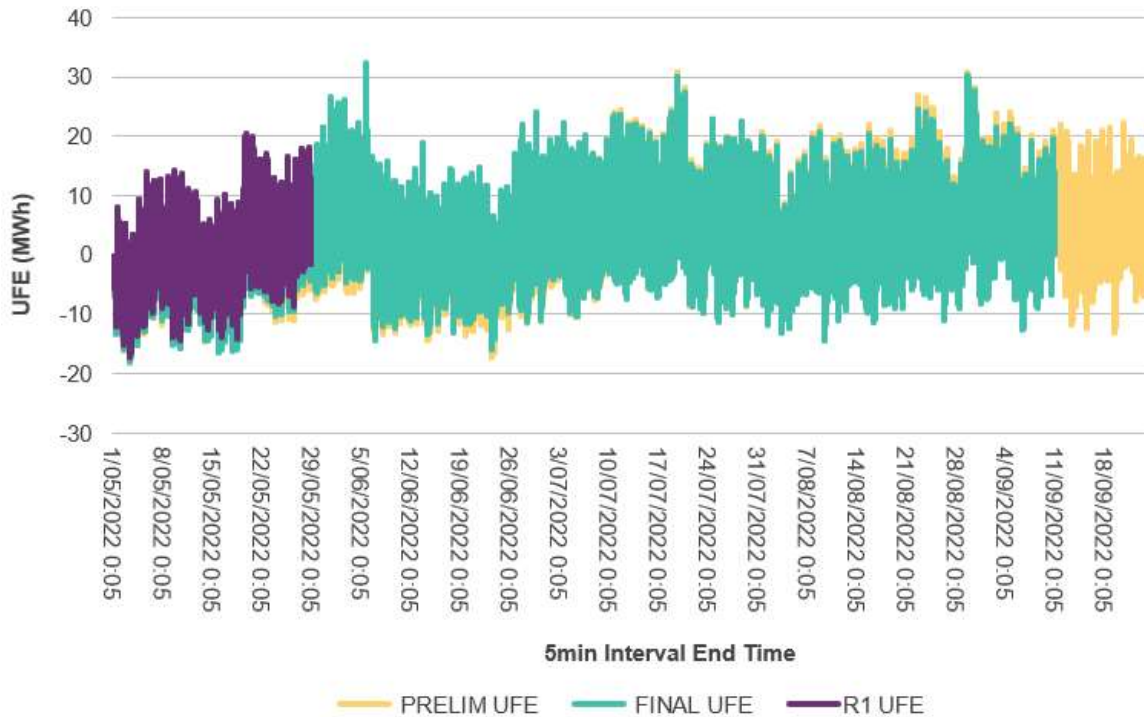
ACT and Tasmanian UFE

Charts of interval UFE in the ACTEWAGL (left) and AURORA (right) local areas



South Australian UFE: UMPLP

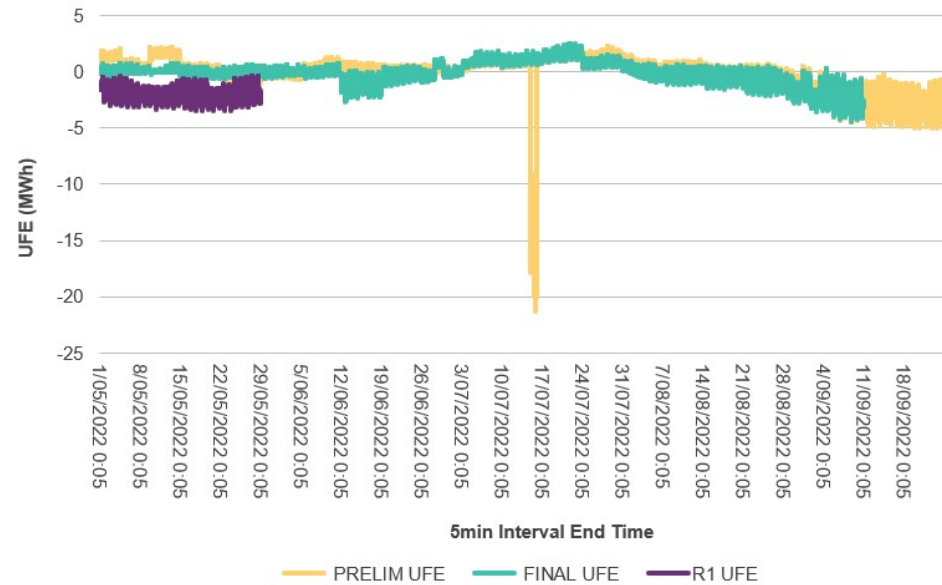
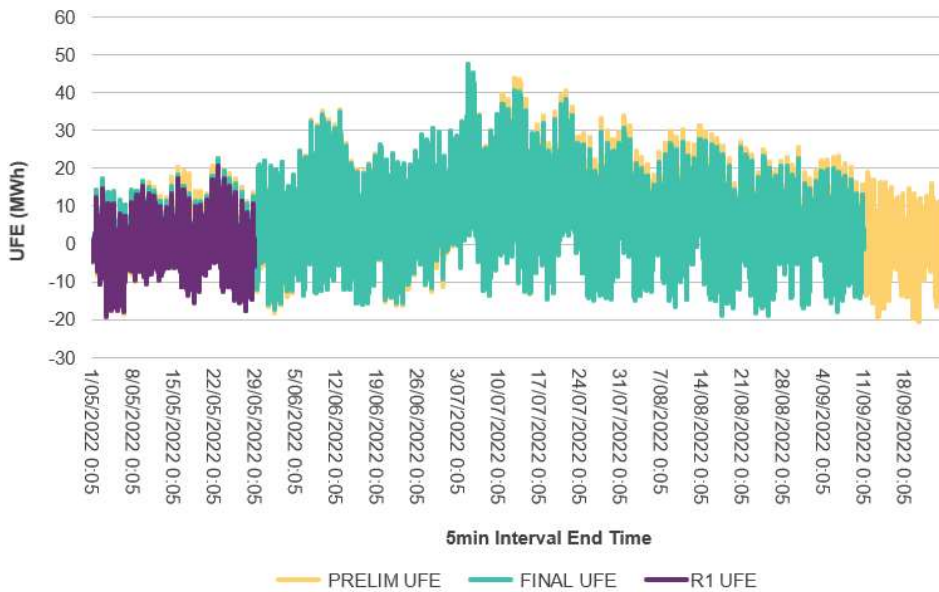
Chart of interval UFE in the UMPLP local area



- SA UMPLP and Qld ENERGEX local areas required weights to be applied to work around the 5MLP spike issue
- The weights may be the cause of the continued variability of the UFE across each day, which in most other states reduced as the estimated reads were replaced by actuals

Qld UFE: ENERGEX and ERGON

Charts of interval level UFE in the ENERGEX (left) and ERGON (right) local areas





Gas Prepayment Instructions Templates



New prepayment instructions

- We are attempting to make it easier to use for participants
- Personalised emails that will have customised text for your company
 - Some of the prepopulated text are market, settlement date, company Name, ABN, among others
- Started last month for STTM.
- Next month will be introduced for DWGM
- NEM and GSH to be rolled out soon
- Option 4 is now official
- Some feedback received already, we are looking to implement for the next time we send the request
- We want to know of any technical difficulties, i.e. links disabled
- We encourage everyone to click on these new options, rather than use old emails from previous months

To [Participant_Name],

AEMO is seeking your prepayment instructions for the [STTM_DWGM] billing period due for settlement on [SETTLE_DATE]. Please select an option below and submit by 12:00 PM (Sydney time) [Reply_By_Date].

Click on your preferred option below:

[Option 1 \(Apply all\)](#): Apply your total prepayment amount to the final statement of the billing period currently due for settlement.

[Option 2 \(Renew all\)](#): Defer your total prepayment amount to the next billing and settlement cycle.

[Option 3 \(Apply portion\)](#): Nominate and apply a specified prepayment amount to the final statement of the billing period currently due for settlement and defer the remaining prepayment amount to the next billing and settlement cycle.

[Option 4 \(Apply total settlement amount\)](#): Apply the total settlement amount due (sum of final statement and revised statement/s amounts) to the final statement of the billing cycle currently due for settlement and defer the remaining prepayment amount to the next billing and settlement cycle.

Note: If your prepayment instructions are not received prior to the specified deadline, Option 4 will be automatically executed.

Disclaimer

This email does not constitute legal or business advice, and should not be relied on as a substitute for obtaining detailed advice about the Law, the Rules, or any other applicable laws, procedures or policies. This email, including all attachments, is confidential and for the sole use of the intended recipient(s). If you are not the intended recipient, you are prohibited from disclosing, copying, distributing, or in any other way using it. If you have received this email in error, please notify me by return email, or contact the AEMO Client Services Team on 1300 236 600, and then delete this email from your system.

Response templates samples



- Option 1 after clicking

Send From Pedro.Riveros@aemo.com.au To Prudentials Cc Bcc Subject [STTM_DWGM] Prepayment Instruction [SETTLE_DATE] - Apply All - [Parti

Dear AEMO Prudentials,

Please apply [Participant_Name], ABN [_ABN_] total prepayment balance to the [STTM_DWGM] final statement due for settlement on [SETTLE_DATE]

If the prepayment amount is less than the total settlement amount (sum of final statement and revised statement/s amounts), it is acknowledged the remainder must be paid to AEMO via Austraclear on the settlement payment date by 12:00 pm.

Yours sincerely,
<PARTICIPANT STAFF MEMBER>
<POSITION TITLE>
<CONTACT NUMBER>

- Option 3 after clicking

Send From Pedro.Riveros@aemo.com.au To Prudentials Cc Bcc Subject [STTM_DWGM] Prepayment Instruction [SETTLE_DATE] - Apply Portion - [

Dear AEMO Prudentials,

[Participant_Name], ABN [_ABN_] would like to apply <PLACEHOLDER_FOR_DOLLAR_AMOUNT> of its prepayment amount against the [STTM_DWGM] final statement due for settlement on [SETTLE_DATE] and apply any remaining prepayment balance to the next billing and settlement cycle.

If the nominated prepayment amount for this settlement is less than total settlement amount due for payment (sum of final statement and revised statement/s amounts), it is acknowledged the remainder must be paid to AEMO via Austraclear on the settlement payment date by 12:00 pm.

Yours sincerely,
<PARTICIPANT STAFF MEMBER>
<POSITION TITLE>
<CONTACT NUMBER>



For more information visit

aemo.com.au