

Wholesale Electricity Market Rule Change Proposal Submission

RC_2019_04 Administrative Improvements to Settlement

Submitted by

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Submissions on Rule Change Proposals can be sent by:

Email to: support@rcpwa.com.au

Post to: Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

1. Please provide your views on the proposal, including any objections or suggested revisions.

Synergy welcomes the opportunity to comment on 'RC_2019_04: Administrative Improvements to Settlement' and wishes to recommend the following revisions.

While Synergy agrees with the proposal to allow AEMO authority to update input data for the determination of settlement based on "any revised value that AEMO considers to be in compliance with these Market Rules and accurate", Synergy is unsure of how AEMO will validate the 'accuracy' of their changes. There is risk that AEMO may inadvertently amend data that was originally accurate.

Further, in the event that AEMO adjusts the Relevant Settlement Statement using revised data, there is currently no process to mandate AEMO to inform the Rule Participant of its changes. Synergy considers that it would be beneficial to Rule Participants if AEMO is required to consult the affected parties and issue information similar to that required on a Notice of Disagreement prior to implementation. This would reduce the administrative burden of investigating changes to inputs upon receiving the subsequent Settlement Statement. Given that over the last two years, only seven instances have occurred, Synergy anticipates that this obligation for consultation will be rare and not pose a significant burden to AEMO.

Synergy would also like to note that there are still existing issues with Disagreement Timelines. With the last disagreement deadlines occurring prior to the third adjustment, Rule Participants are exposed to the risk that the Settlement Statement may change substantially between the second and third adjustment, with no opportunity to contest. This issue may be mitigated if a threshold is imposed whereby the difference between the second and third adjustment should be within \$1, with the exception of approved variances resulting from submitted disagreement notices. Changes resulting in variances greater than \$1, outside of the exception, should not be incorporated.

2. Please provide an assessment whether the change will better facilitate the achievement of the Wholesale Market Objectives.

Synergy is supportive of the proposed changes which will provide increased opportunity for Rule Participants to enhance the accuracy of statements, better facilitating achievement of Wholesale Market Objective (a). In particular, Synergy is strongly supportive of the proposed changes that will now allow Rule Participants to correct errors in Settlement Statements at any point before AEMO makes the final adjustment.

However, Synergy considers that the Market Objectives may be better serviced by addressing the issues raised above in relation to adequate and timely consultation as well as mitigating the risk of significant changes between the second and third adjustment.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

Moderate changes to business processes will be required to reflect the proposed changes, however, these changes will be performed as part of business as usual (BAU).

No system changes are required.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.

The proposed changes can be implemented immediately.
