RoPE – Project Update

Presented to WA Electricity Consultative Forum

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Settlements Work Program

POMAX and RoPE

- The Reduction of Prudential Exposure (RoPE) project is part of AEMO's Settlements work program which was discussed in detail in AEMO's Allowable Revenue 5 submission.

RoPE Phase 1 – RC_2017_06

Implementation of rule change RC_2017_06 which amends the Individual Reserve Capacity Requirement (IRCR) calculation, Capacity Credit Allocation and associated settlement & prudential processes.

July 2018 – May 2019

RoPE Phase 2 – Outstanding Amount Improvements

Implement market procedure changes that:

- Delivers more accurate OA based on daily estimated settlements.
- Provides foundation for settlement system replacement.

June 2019 – August 2020

Settlement System Enhancements

Extend settlement calculation engine delivered under RoPE Phase 2 to decommission the POMAX Settlement application which is end of life and transition to an in house support model.

POMAX Metering Upgrade

As part of software asset lifecycle management upgrade product to ensure the currency of software.

2020 – 2021

WEM Reform

Improved settlement and prudential outcomes that will be delivered by ETIU and AEMO through the WEM Reform program.

2021 – 2022

Key Dates and Upcoming Activities

- RC_2017_06 Approved: 27 June 2018
- RoPE Phase 1 Commences: June 2018
- Allowable Revenue 5 Approved: June 2019
- RoPE Phase 1 Completes (Rules, Procedure and System Effective): 1 June 2019
- RoPE Phase 2 Commences: June 2019
- **Procedure:** Procedure Change Working Group: 21 May 2020
- **RoPE Working Group**: Showcase 12 June 2020
- **System:** Market Trial Deployment: 25 June 2020
- **System:** Production Deployment: 2 July 2020
- **System:** Participant Parallel Test: 3 July 2020 – 1 August 2020
- **Procedure:** APCWG consultation closes: 15 July 2020
- **Procedure:** Procedure Effective Date: 1 August 2020 (TBC)
- **System:** Application Go-Live Date: 1 August 2020 (TBC)

System

- New Prudential Services will be integrated into WEMS MPI as new menu item in Settlements.
- 4 week Participant Parallel Test will be provided in the production environment. During the parallel run,
  - Both the existing and new prudential reporting screens will be available in production.
  - This will allow Market Participants to see the new Outstanding Amount calculation working with actual market data prior to Procedure becoming effective.
  - Existing Prudential calculations will used for prudential management under the rules until Procedure effective date.

Procedure

- Consultation will occur in parallel with participant parallel run
- Market Procedure will become effective on Go-Live Date after consultation.

Go-Live

- Pending results from the Market Participant testing and Market Procedure consultation, System and Procedures will Go-Live.
- AEMO will use the new Prudential Service results for all Prudential Management.

Next Steps

Parallel Testing: Between 2 July and 31 July Market Participants to review results of the new calculation and investigate any required changes to their internal business practice.

Feedback: We look forward to receiving any feedback during the Parallel Test window. Identified issues and additional features will be prioritised into the development schedule.

Go-Live: Pending results from the Market Participant testing and Market Procedure consultation, AEMO proposes to go-live with the updated system and procedures on 1 August 2020

Future: As per participant feedback, AEMO will consider possible amendments to the Credit Limit methodology following a period of operation of the new Outstanding Amount calculation.

AEMO
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If you have any queries, issues, or feedback please email
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