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

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| Document Title | Intervention Pricing Methodology |
| Rule Consultation Req. | Yes | Priority | Medium |
| Prepared by | Michael Sanders | Business Owner | EMM |
| Consultation Group | Dispatch | Consultation Package | Dispatch – Pricing |
| Link | <http://www.aemo.com.au/-/media/Files/PDF/Intervention-Pricing-Methodology-October-2014.pdf>  |

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| Description of Document | Specifies how AEMO will set prices when AEMO intervenes in the market by issuing directions or activating Reliability and Emergency Reserve Trader (RERT) contracts. |
| Precedent Procedures / External Document | N/A | Dependent Procedures / External Document | Operation of the Intervention Pricing Provisions in the NEM |
| Summary of Changes – Five Minute Settlements  | AEMO is currently consulting on the Intervention Pricing Methodology independent of five-minute settlement. Any changes to the Intervention Pricing Methodology will be consistent with the planned shift to five-minute settlement.Consultation details are available at <http://www.aemo.com.au/Stakeholder-Consultation/Consultations/Intervention-Pricing-Methodology-Consultation?Convenor=AEMO%20NEM>.The probable end date of the consultation is October 2018. |
| Summary of Potential Changes – Global Settlements  | N/A |
| External Stakeholder Impacted | No | AEMO Business Units Impacted | EMM, EMMS |
| Issues for Stakeholder Consultation | The consultation proposes changing the existing Intervention Pricing Methodology to:1. Use telemetered generator outputs and interconnector flows to calculate the RHS of feedback constraints
2. Identify generators that have tripped
3. Identify generators whose energy output is trapped by an FCAS trapezium
4. Use telemetered outputs for generators with zero ramp rates
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| System Impact | Yes |