

Five Minute Settlements Project: High-Level Impact Assessment

Document Title	NEM Direction Compensation Recovery		
Rule Consultation Req.	No	Priority	Medium
Prepared by	Leslie Chai	Business Owner	Settlements
Consultation Group	PWG	Consultation Package	Settlements – Miscellaneous
Link	https://www.aemo.com.au/-/media/Files/PDF/Direction-Recovery-Reconciliation-File-v13.pdf		

Description of Document	<p>The document provides an overview of types of direction compensation payable, and the recovery of compensation from <i>Market Participants</i>. The types of direction, and its recovery methodologies, covered in the document are:</p> <ul style="list-style-type: none"> • Energy • Market Ancillary Service • Other Service (or System Security) <p>In addition, the document describes the NEM Summary Data provided to <i>Market Participant</i> to assist in reconciling billing amounts related to direction recovery.</p>		
Precedent Procedures / External Document	N/A	Dependent Procedures / External Document	N/A
Summary of Changes – Five Minute Settlements	<ul style="list-style-type: none"> • Update broken links • Cosmetic changes to update the current document to the new AEMO external template 		
Summary of Potential Changes – Global Settlements	No changes have been identified.		
External Stakeholder Impacted	<i>Market Participant</i>	AEMO Business Units Impacted	Settlements
Issues for Stakeholder Consultation	<p>Principle for calculation of the direction recovery will remain as it is; recovery is aggregated over all the trading intervals where a direction applied.</p> <p>No other changes are impacted by 5MS.</p>		
System Impact	<p>Directions issued prior to 1 July 2021 will be entered and recovered in Settlements' system as summed usage of 30-minute trading intervals. Directions issued post 1 July 2021 will be entered and recovered as summed usage of 5-minute trading intervals.</p>		

