



# Reduction of Prudential Exposure Working Group

16 November 2018

# Agenda

1. Project Overview
2. Phase 1 Changes to IRCR
3. Phase 1 System implementation of IRCR

# Project Overview

- The Reduction of Prudential Exposure (RoPE) project is to be implemented in 2 sequential phases:
- Phase 1: July 2018 – May 2019
  - Implementation of rule change RC\_2017\_06 which amends the Individual Reserve Capacity Requirement (IRCR) calculation, Capacity Credit Allocation and associated settlement & prudential processes.
- Phase 2: May 2019 – December 2019
  - Implementation of a change to Market Procedure: Prudential Requirements which aims to improve the responsiveness of the Outstanding Amount calculation and the efficiency and effectiveness of the prudential framework in the WEM.

# Phase 1 – Project Status

## Overall status



**Schedule** – slightly ahead

**Cost** – slightly ahead

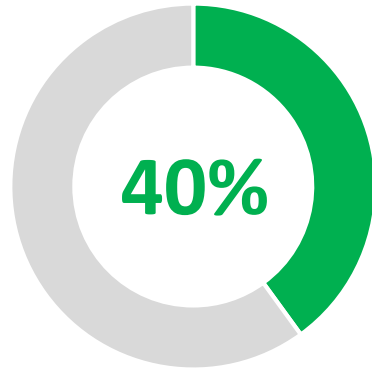
**Scope** – on track

**Resourcing** – on track

**Issues** – unchanged

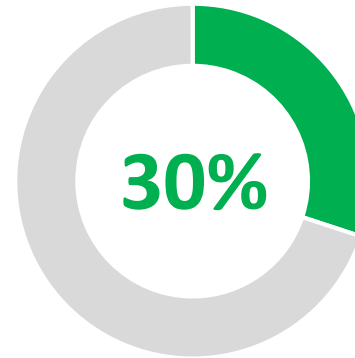
**Risk** – unchanged

## Progress



- Development is progressing on IRCR, RCM Settlements and Prudentials.
- Release 1 in Market Trial.
- Drafting of the Market Procedures is underway.

## Cost



### Notes:

- Progress is ahead of budget

## Count Down

### Release 1

83

days to go-live

### Release 2

223

days to go-live



### Milestones:

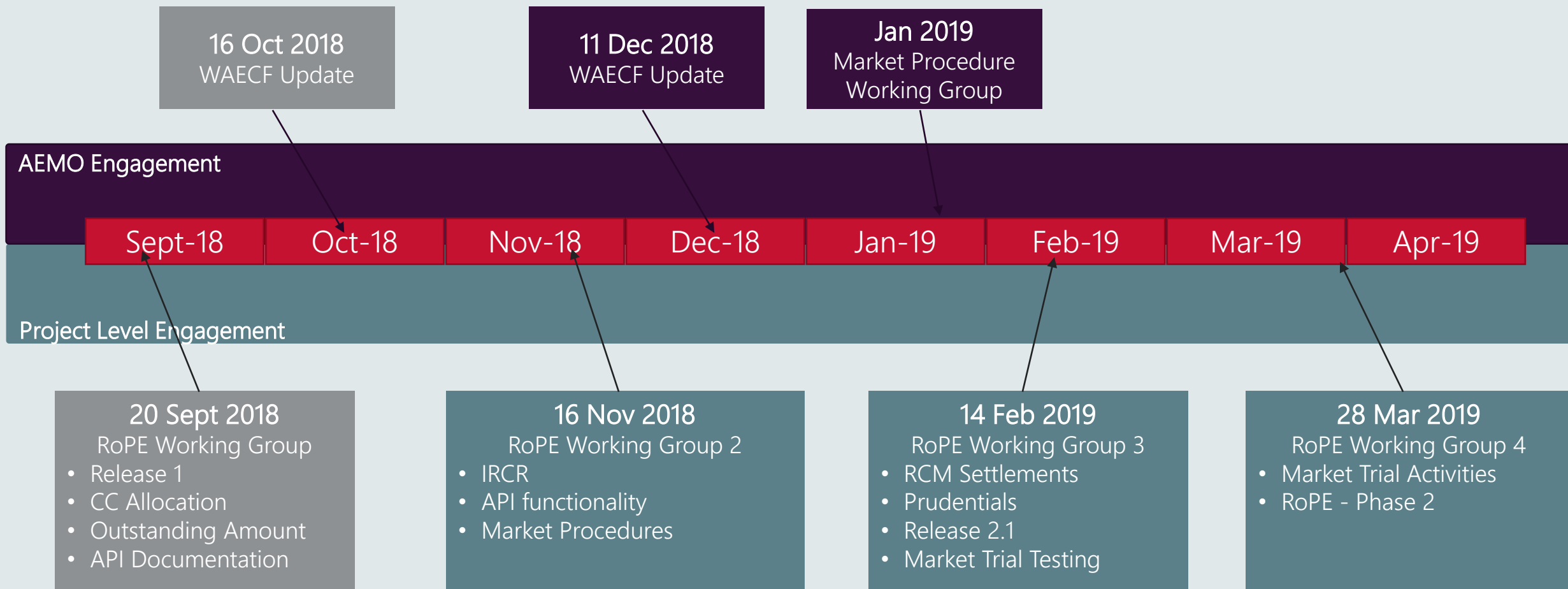
#### Release 1

- UAT Testing: 3 Sep
- SIT Testing: 15 Oct
- Market Trial: 15 Nov
- Go-Live: 29 Nov

#### Release 2

- SIT: 28 Jan 2019
- Market Trial: 8 Apr 2019
- Go-Live: 24 Apr 2019

# Phase 1 - Stakeholder Engagement



# Phase 1 - Market Procedure Timeline

- The Market Procedures or Guidelines impacted by RC\_2017\_06 are:

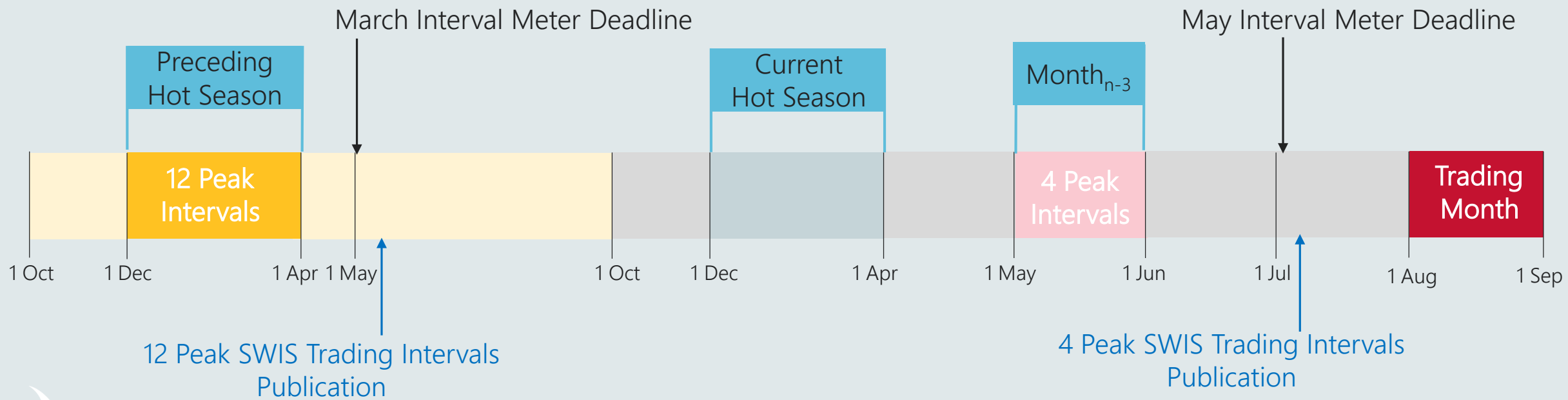
Market Procedure	Proposed Effective Date
Capacity Credit Allocation	01 May 2019
IRCR	01 May 2019
Prudential Requirements	27 June 2019
(Settlement Cycle Timeline)	01 April 2019

- Consultation:
  - Draft Market Procedures are currently progressing through AEMOs internal processes.
  - Market Procedures will be presented at a Market Procedure Change Working Group in January 2019.

# Rule Change Overview

## Peak Interval Publication

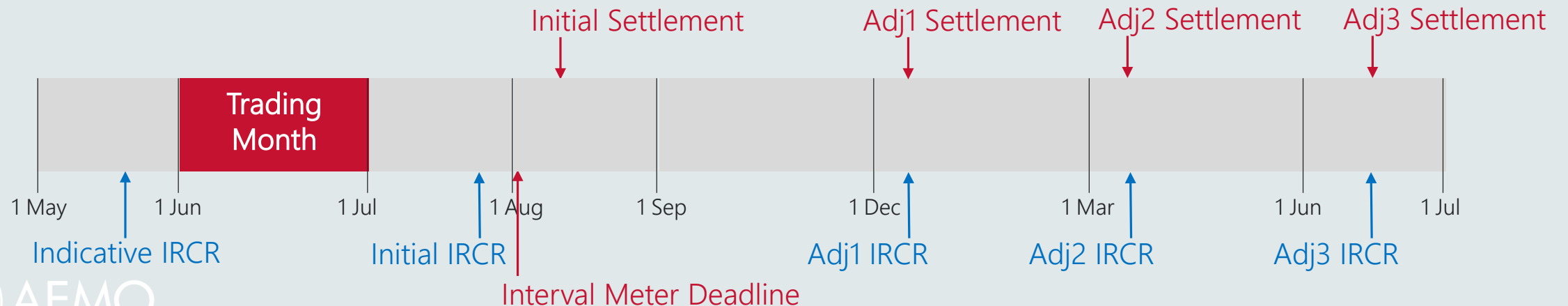
#	Item	Current Rules	Proposed Change	Rules
1	Publication of 12 Peak SWIS Trading Intervals	Publish with IRCR	Determine and Publish the 12 Peak SWIS Trading Intervals within 5 Business Days after the Interval Meter Deadline for the last Trading Month in the relevant Hot Season.	1.26.4, 4.1.23A (June 2019 Rules)
2	Publication of 4 Peak SWIS Trading Intervals	Publish with IRCR	Determine and Publish the 4 Peak SWIS Trading Intervals within 5 Business Days after the Interval Meter Deadline for the relevant Trading Month.	1.26.5, 4.1.23B (June 2019 Rules)



# Rule Change Overview

## IRCR Determination and Publication

#	Item	Current Rules	Proposed Change	Rules
3	New Indicative IRCR for Trade Month	none	Determine and Publish the Indicative IRCR by 10 Business Days prior to the start of the relevant Trading Month(n).	4.1.23C
4	Modified Timeline for IRCR Determination	n-1	Determine and Publish the Initial IRCR by 5 Business Days prior to the Interval Meter Deadline for the relevant Trading Month(n).	4.1.24
5	Recalculation of IRCR	IRCR is not adjusted.	When undertaking the Adjustment Process for a Trading Month, AEMO must Recalculate and Publish the IRCR for the Trading Month.	4.28.11A, 9.16.3





# IRCR

## Changes to artefacts

- AEMO provides information to Market Participants to assist in the reconciliation of the IRCR calculation.
  - IRCR Log which details the contribution of the participants NMIs; and
  - IRCR PIR which details the results of the IRCR calculation.
- Changes implemented as part of the RoPE project will now provide these files within the IRCR section of RCM.
  - This change will be included in the May 2019 release.
  - The WEMS Settlement Portal will contain the historic files prior to Trade Month June 2019

# IRCR

## Changes to artefacts

- The May release of RoPE will present the IRCR artefacts to the user via the RCM system, as indicated below:

Home	CRC Application	Security	Trade Declaration	CDA	NTDL	Capacity Allocation	<b>IRCR</b>	Peak Intervals
2014 - 2015	2015 - 2016	2016 - 2017	<b>2017 - 2018</b>	2018 - 2019	2019 - 2020			

IRCR				↓	↓	↓
Trading Month ⇅	Run ID ⇅	Run Date ⇅	Run Type ⇅			
November 2017	3	23/10/2017 15:47		Summary PIR LOG		
December 2017	7	22/11/2017 11:36		Summary PIR LOG		
January 2018	8	20/12/2017 11:12		Summary PIR LOG		
February 2018	9	24/01/2018 11:29		Summary PIR LOG		

# IRCR

## Changes to artefacts

AEMO will generate an IRCR Log file for every IRCR Run (Indicative, Initial, Adjustment 1/2/3) and publish this information via RCM.

- The filename will indicate the run type
  - IRCR Log:
    - RCR\_ALCOA\_2018-06-30(16)\_Indicative.csv
    - RCR\_ALCOA\_2018-06-30(20)\_Initial.csv
    - RCR\_ALCOA\_2018-06-30(38)\_Adj2.csv
  - IRCR PIR:
    - IRCR\_PIR\_ALCOA\_F\_2019-06-30(16)\_Indicative.csv
    - IRCR\_PIR\_ALCOA\_F\_2019-06-30(20)\_Initial.csv
    - IRCR\_PIR\_ALCOA\_F\_2019-06-30(38)\_Adj2.csv

The format of the file contents will not change from current.

# IRCR

## Changes to artefacts

- The IRCR calculation contains some minor changes which are reflected as new variables in the output IRCR PIR file.
- AEMO has tried to maintain same variables names where possible.
- Some variables have been added, removed or re-ordered to reflect the changes to Appendix 5.
- All changes have been documented in the IRCR-CSS spreadsheet making use of the “Effective Date” columns.

# Application Showcase

IRCR information reports

# Phase 1 - API Documentation

- The RCM system introduced new APIs for Market Participants
- AEMO will provide new / updated APIs to Market Participants in the RoPE project.
- The detail of these APIs is documented in swagger.
  - <https://wems.aemo.com.au/rcm/api/docs/>
- RoPE – Phase 1 will introduce new and modified web service APIs for external consumption.
  - RCM (REST)
    - Peak Intervals
    - Capacity Credit Allocations
    - IRCR
  - WEMS (Soap)
    - Prudential Risk Indication

# IRCR

## New API functionality

- For Trading Months June 2019 onwards new API functionality will be available to return the contents of the IRCR PIR and Log file.
  - API will be REST style secured by existing certificate

IrcrRuns					Show/Hide	List Operations	Expand Operations
GET	/api/v1/CapacityYears/{capacityYearId}/Ircr/{tradingMonth}				Allows a User to retrieve IRCR PIR and LOG report data		
Parameters					Response Messages		
Parameter	Value	Description	Parameter Type	Data Type	HTTP Status Code	Reason	
capacityYearId	<input type="text" value="(required)"/>		path	integer	400	Bad Request	
tradingMonth	<input type="text" value="(required)"/>		path	string	403	Forbidden	
participantId	<input type="text"/>	This is automatically populated from the authenticated certificate	query	string			
ircrType	<input type="text"/>	The Ircr Run Type ie. 'Indicative', 'Initial', 'Adjustment1', 'Adjustment2', 'Adjustment3'	query	string			
document	<input type="text"/>	The type of document ie. 'PIR', 'LOG'	query	string			

# Application Showcase

IRCR – Swagger documentation



# What's next in Phase 1?

## Changes to RCM Settlements

- Process Changes
  - Settle Market Customer over-allocations at Monthly Reserve Capacity Price
- System Changes
  - Modification to settlement calculations
  - New variables in PIR files
  - New RCM Settlement PCS

## Changes to Prudentials

- System Changes
  - Prudential report changes

## Market Trial

- Overview of System Changes
- Scheduled deployment dates
- Sample output files
- Participant Testing

Next RoPE Working Group – 14 February 2019

# Questions and Feedback

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