

1 September 2021

Ms Anna Collyer
Chair
Australian Energy Market Commission
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Sydney South NSW 1235

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By online submission (AEMC ERC0331)

Dear Ms Collyer

Thank you for the opportunity to provide further information through a submission to the Australian Energy Market Commission (Commission) consultation relating to the contingency arrangements for five-minute settlement implementation.

Please find attached AEMO's 5MS Start Notice. The 5MS Start Notice recommends that the five-minute settlement rule and associated rules should commence as scheduled on 1 October 2021.

AEMO's recommendation to commence on 1 October 2021 as scheduled has been shared with industry participants through the 5MS Executive Forum held on 30 August 2021. Participants were asked if there were any objections to AEMO's recommendation. No objections were raised. 20 participants explicitly acknowledged that they supported AEMO's recommendation.

AEMO requests that AEMC accepts the 5MS start notice as advice that the proposed contingency arrangements for five-minute settlement commencement should not be enacted and that the five-minute settlement rule and associated rules should commence as scheduled on 1 October 2021. For enquiries on this matter, contact Kevin Ly, Group Manager – Regulation at kevin.ly@aemo.com.au.

Yours sincerely



Tony Chappel
Chief External Affairs Officer

Attachments: AEMO's 5MS Start Notice

5MS Start Notice

1 September 2021

On the basis of the 5MS readiness and risk assessment, AEMO has concluded that the NEM is ready to operate in accordance with the Five-Minute Settlement rule (including Global Settlement soft-start) as scheduled on 1 October 2021. Participants should prepare for the 5MS market start on 1 October 2021 accordingly.

Market Readiness Assessment

AEMO has completed its readiness assessment against the essential criteria required for the 5MS Start Notice.

The readiness assessment concluded that the market readiness criteria have been met and that the essential capability necessary for commencement of the Five-Minute Settlement market is ready. The readiness assessment noted risks to successful operation of the 5-minute market and identified mitigations and contingency plans for these risks.

On the basis of the readiness and risk assessment, AEMO concludes that the NEM is ready to operate in accordance with the Five-Minute Settlement rule (including Global Settlement soft-start) as scheduled on 1 October 2021.

Contingency Arrangements

AEMO notes the AEMC is considering a rule change in relation to Contingency arrangements for five-minute settlement implementation. As the readiness assessment did not identify any unexpected contingency issues, AEMO has concluded that the date change contingency arrangements set out in the Rule Change request do not need to be triggered. Accordingly, AEMO's advice to the AEMC is that the 5MS market should commence on 1 October 2021 as scheduled.

Further Information

The readiness assessment was informed by, and completed in consultation with, market participants through the 5MS working groups. The assessment was presented to the 5MS Industry Executive Forum and is available [here](#).

All market participants should prepare to operate in accordance with the National Electricity Amendment (Five-Minute Settlement) Rule 2017 No. 15 on 1 October 2021 as scheduled.

For more information, please see the [5MS webpages](#).