

# OFA – ACCESS SETTLEMENT

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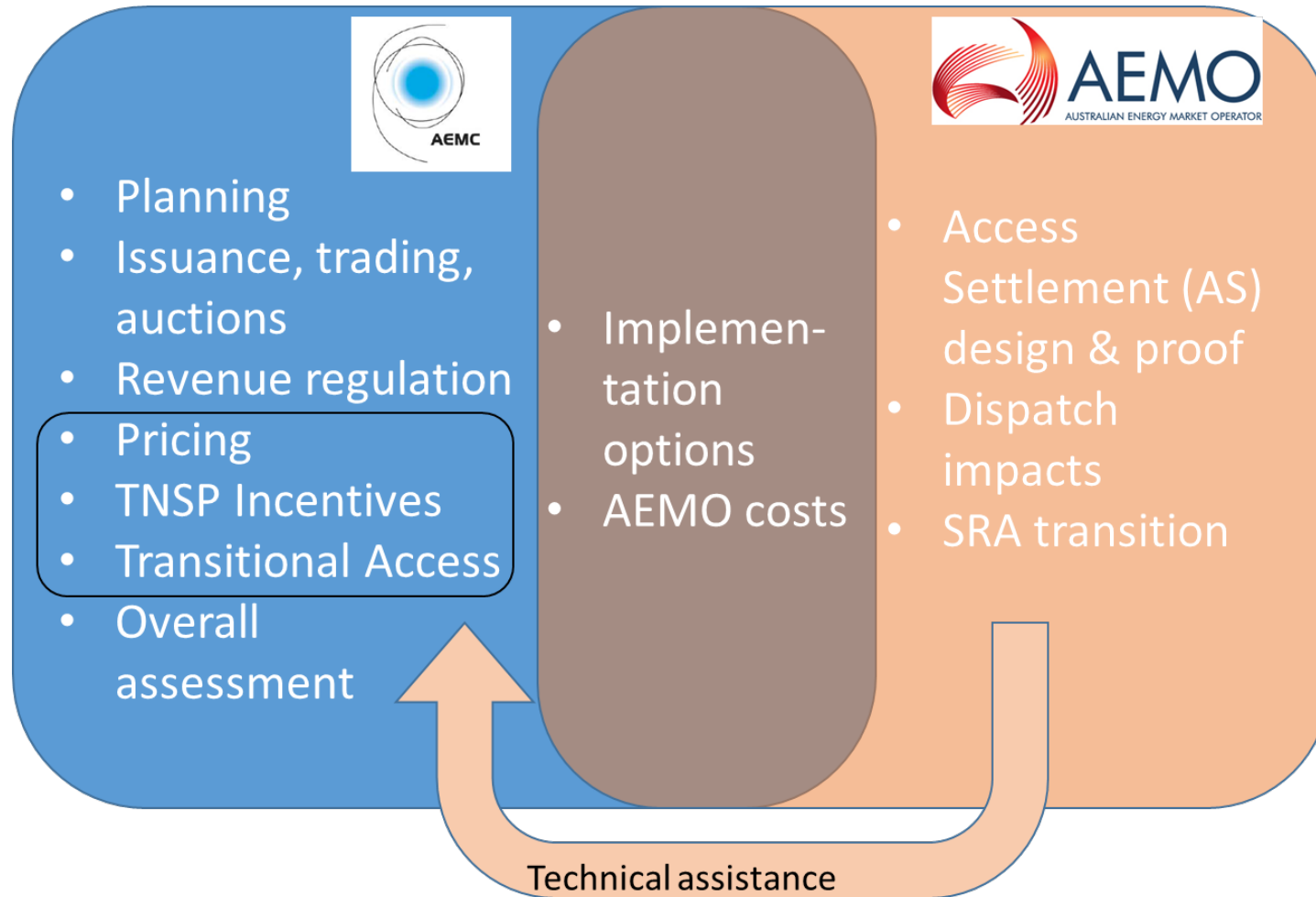
# OVERVIEW

1. Terms of Reference
2. AEMO's approach to the work
3. Collaboration with AEMC
4. First interim report
5. AEMO's broader interest in OFA



- Received from SCER Feb 2014
- Focus on Access Settlement (AS)
  - Critical component of the OFA mechanism
  - Functional design of AS, consistent with AEMC design parameters
- Key deliverables
  - Modelling to assess benefits of AS
    - To what extent would it facilitate more efficient outcomes?
  - Design variations required to facilitate staged implementation
    - Could AS stand alone ?
  - Design variations required to facilitate implementation in some jurisdictions ahead of others (geographic staging)
  - Implementation plan for AS, as agreed with AEMC:
    - Reflecting the most efficient option for staged implementation
    - Rule change proposal if appropriate

# SCOPE INTERACTS WITH AEMO



- Consolidation of AS design in conjunction with AEMC
  - Has resulted in a number of material refinements
- Identification of necessary changes to other market arrangements eg SRA, information disclosure
- Modelling of AS to assess its implications
  - Market / power system
  - Historical congestion / rebidding events
- Collaboration with AEMC
  - Technical input to AEMC work-stream
  - AS design largely drawn from full OFA design
  - Economic assessment of implementation options by AEMC
  - Sharing a number of stakeholder interfaces

- Published 24 July 2014
- Early status report covering:
  - AEMO's approach to meeting its ToR
  - Progress to date
- Initial discussion on where AS might / might not be effective
  - Past congestion / rebidding events often complicated by factors other than congestion
  - To be understood further through modelling and consultation
- High-level discussion on SRA, geographic staging
- Stakeholder comments invited by Thursday 4 September
- Second Interim Report – late 2014
  - Findings from modelling in relation to Access Settlements
  - Implications for staging, SRA

- National planning functions
  - Broader interest in transmission planning and pricing
- TNSP for the state of Victoria
- AEMO's input on these broader matters is being managed separately from delivery of the ToR
  - Some of this input could be in the form of public submissions.