

# Market Settlement and Transfer Solution Powers Competition for Retail Electricity in Australia

**Capgemini helps NEMMCO to administer and manage domestic electricity to almost eight million customers**

## The Situation

With the introduction of Full Retail Competition in the Australian National Electricity Market (NEM) and the deregulated market expanding from 18,000 to a potential 7.7 million customers, NEMMCO's existing systems and processes were insufficient. The number of paper-based services would have placed a prohibitive cost on retailers and customers attempting to switch once Full Retail Competition commenced.

## The Solution

A project was launched to develop a Market Settlement and Transfer Solution (MSATS). After a rigorous selection process, NEMMCO entrusted Capgemini as its partner.

The project needed to be fully configurable, not only to support changes in business rules, but to allow each state to retain flexibility.

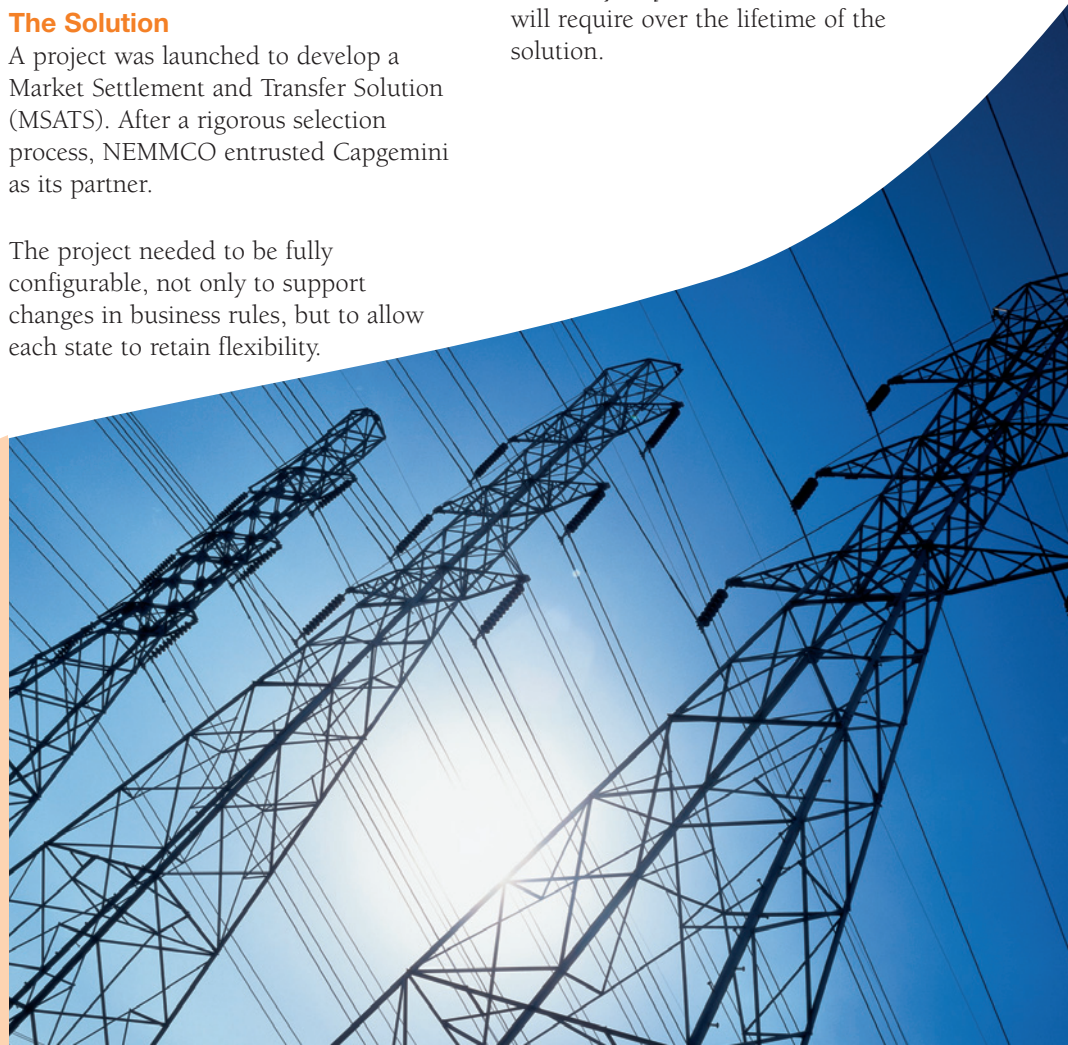
## The Result

Capgemini designed and built a highly-configurable system —MSATS. The project was delivered on-time, connecting 1,000 users in 100 separate organisations and involving an initial 4.7 million domestic customers. MSATS supports disparate rule-based requirements of multiple state-based jurisdictions.

The Meter Data Management (MDM) component provides NEMMCO with scalability requirements that the market will require over the lifetime of the solution.

**“** The timeframe was ambitious...and despite a significant scope increase in the middle of the project, Capgemini was able to bring in the project on time and budget. NEMMCO could not have picked a better partner. **”**

NEMMCO Spokesperson



### How NEMMCO and Capgemini Worked Together

The National Electricity Market Management Company Limited (NEMMCO) was established in 1996 to administer and manage the National Electricity Market (NEM). NEMMCO sought to develop, and continually improve, the market efficiency. It also maintains security of the power system and coordinates system planning.

The governments of Queensland, New South Wales, the Australian Capital Territory, Victoria, South Australia and Tasmania are members of NEMMCO. Each of these has a representative on the NEMMCO board.

In order to improve market efficiency, NEMMCO wanted to implement MSATS – a custom-built, J2EE-based hub facilitating communications and transactions between market participants.

As much of the scope of MSATS, in particular trading arrangements and customer transfer rules had not been finalised, Capgemini launched the project by leveraging its Accelerated Solutions Environment (ASE).

This brought together 70 participants and stakeholders in the Australian electricity market. It allowed Capgemini to rapidly build consensus around the design and drive finalisation of the functional specification.

Working in collaboration with all parties, the solution was then built at Capgemini's Advanced Development Centre (ADC) in Chicago. The ADC allowed the project to leverage existing in-house experts who had worked on similar projects in the US market and beyond.

Due to a legislated “go live” date and project profile, Capgemini agreed to aggressive contractual milestones. Following deployment, Capgemini provided Applications Management (AM) support for 2 years.

The MSATS communications hub contains business components to facilitate:

- switching customers from one retailer to another (CATS – Customer Administration & Transfer System)
- providing wholesale market settlement (via MDM) by managing metering data that supports each retailer's aggregate retail position.

Because MSATS can support multiple states, new jurisdictions can be added at any point. Also new rules for the jurisdiction can be loaded via a table or GUI interfaces. At its inception, the solution handled levels of complexity and volumes that had not yet been catered for in similar implementations elsewhere in the world.

A Key Performance Indicator (KPI) for NEMMCO is a measure of the number of market minutes lost (MML) that can be attributed to systems supporting the operation of the NEM. Capgemini put value-at-risk by committing to the Market Minutes Lost KPI that NEMMCO faced - and met the challenge!



### About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, called the Collaborative Business Experience.

Backed by over three decades of industry and service experience, the Collaborative Business Experience is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and

collaboration-focused methods and tools. Through commitment to mutual success and the achievement of tangible value, we help businesses implement growth strategies, leverage technology, and thrive through the power of collaboration.

Capgemini employs approximately 60,000 people worldwide and reported 2004 global revenues of 6.3 billion euros.

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