STTM EVENT – DELAYED ALLOCATION SUBMISSION – BRISBANE – 8 JULY 2016

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Contents

Glossary

Terms or Abbreviations	Explanation
AEMO	Australian Energy Market Operator
AEST	Australian Eastern Standard Time
CRN	Contract Registration Number which is a unique identifier for a Registered Facility Service generated by AEMO systems.
MIS	Market Information System
MOS	Market operator services
MSD	MOS step allocation data (daily file). Note MSD files are only submitted for pipelines.
NGR	National Gas Rules
PAD	Facility Allocation data (daily file). Note PAD files are submitted for all facilities.
RBP	Roma to Brisbane Pipeline
RTO	Real Time Operations
STTM	Short Term Trading Market
SWEX	STTM WebExchanger
SWEXIE	SWEX Interface Engine
VPN	Virtual Private Network

Any term with a defined meaning in Part 20 of the NGR or the STTM Procedures has the same meanings when used in this report.

1 Summary

On 8 July 2016, APA Group failed to submit STTM facility allocation for Roma to Brisbane Pipeline (RBP) for gas day 7 July 2016 by the 12:30 Australian Eastern Standard Time (AEST) cut-off time.

In accordance with the National Gas Rules (NGR) and STTM Procedures, a provisional ex post imbalance price was published at 12:30 AEST, the data submission window was extended to 16:30 AEST and calculation of the ex post imbalance price was delayed to 17:30 AEST.

APA successfully submitted its allocation notice before the extended cut-off time of 16:30 AEST. This new allocation notice was used as an input into calculation of the 'delayed' ex post imbalance price for the Brisbane hub. The provisional ex post imbalance price was $15.0000/GJ while the 'delayed' ex post imbalance was $15.0000/GJ.

There was no market impact.

APA has advised that it has conducted operator re-training to reinforce the process for file submission and secondary error checks.

2 Background

2.1 Event reporting requirements

This report has been prepared under Section 7.6 of the STTM Procedures to assess the actions taken by STTM facility operators and AEMO in relation to the event and the effect of the event on the operation of the STTM.

2.2 Allocation data and ex post imbalance price

By 12:30 AEST on each gas day for the Brisbane hub, the allocation agent for the relevant STTM facility is required to submit the STTM facility allocation for the previous gas day. For any STTM pipeline, the daily STTM facility allocation notice[1] consists of two files, a facility allocation file and a market operator service (MOS) step allocation file (also known as the PAD and MSD files respectively).

The STTM facility allocations provide AEMO with the delivered quantity of gas for the relevant gas day. The STTM facility allocations are used as an input into the calculation of the ex post imbalance price for the gas day in question. The ex post imbalance price is one of the prices used to determine a trading participant's deviation payment or charge.

If the STTM facility allocations are not submitted by 12:30 AEST, then AEMO systems trigger a warning and an extended period is automatically made available for the allocation agent to deliver the STTM facility allocations for the relevant facility by 16:30 AEST.

If the STTM facility allocations are not submitted by the 16:30 AEST extended window, AEMO will use default allocations for the relevant facility to calculate the ex post imbalance price.

3 Description of event

On 8 July 2016, APA Group failed to submit a STTM facility allocation for Roma to Brisbane Pipeline (RBP) for gas day 7 July 2016 by the 12:30 AEST cut-off time.

At the 12:30 AEST cut-off time for the Brisbane hub, the STTM systems checked for a PAD and MSD file. As there were none, the STTM systems defaulted the facility allocation for the RBP and triggered the delayed ex post price process. A provisional ex post imbalance price of $15.0000/GJ was determined.

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[1]   Refer to Appendix A for more detail on the allocation notice and related validations.

APA Group successfully submitted the PAD and MSD files for RBP at 12:51 AEST on 8 July, before the extended cut-off time of 16:30 AEST. The completed allocation notice was used as an input into the calculation of the ex post imbalance price for the Brisbane hub.

Chronology of event as detailed below:

At 12:30 AEST, the provisional ex-post schedule (PPOST) was completed for the Brisbane hub (BRI) with alarms advising of pipeline allocation data being missing from the PAD and MSD files.

At 12:37 AEST, a market notice was issued by AEMO informing participants of a delayed ex-post imbalance price for the Brisbane hub.

At 12:39 AEST, AEMO notified APA that the PAD and MSD files were not submitted.

At 12:51 AEST, APA submitted the PAD and MSD files which were validated and accepted.

At 12:55 AEST, APA called AEMO to confirm that PAD and MSD files have been accepted.

At 16:32 AEST, The delayed ex-post pricing schedule for the Brisbane hub was completed as expected. The completed allocation notice was used as an input into the calculation of the ex post imbalance price for the Brisbane hub.

4 APA Group's comments in relation to the data submission

APA Group has advised AEMO as follows:

"Background

- 30 June 2016 – a Shipper's contract ended and this was changed within APA systems. This included ending of all CRNs for STTM services from this date

- 30 June - 08 July 2016 – one CRN had been left instantiated in the AEMO system, rather than being deactivated effective 30 June. This CRN had been ended within APA Systems, resulting in a mismatch of CRNs between APA and AEMO systems. This resulted in system processing issues; consequently APA selected to make manual submissions until resolution

Details of Occurrence

- 08 July 2016 – with CRNs not aligned, the decision was made at 10:15am to publish STTM files manually

- STTM File Submission Spreadsheet was checked with a '4-eyes' process, ensuring that data to be supplied was correct

- When manually uploading the files into SWEXIE, the APA Officer posted the FHC, CTD, NAD and MSD files, missing the PAD file (the MSD file also failed as the prior PAD file had not been submitted)

- Secondary validation checking of MCK and ACK missed the error from the MSD submission

- Notifications were received by APA staff at 12:30pm that file information had not been successfully submitted

- All files were resubmitted between 12:49-52pm

Contributing Factors to Occurrence

- CRN mismatches between AEMO and APA systems meant that manual file submissions were required, even though all data was in place and accurate at the time of file submission

<u>Remedial Actions</u>

- APA has carried operator re-training to reinforce the process for file submission and secondary error checks"

5   AEMO's comment in relation to terminating a CRN

AEMO notes APA's comments in relation to one CRN which had been left instantiated in AEMO system rather than being deactivated effective 30 June.

There is no direct means to terminate a Registered Facility Service through the market systems by counterparties – AEMO must do this manually. If a party wants to terminate a Service within the market systems, then they require the agreement of the other party to the facility contract and should then send a request to AEMO Support Hub via email. Participants should allow 5 business days for their request to be processed. This process is described in Section 3.4.8 in the STTM Web Exchanger User Guide[2].

Contract details such as its end date and whether it is active are available from MIS reports such as *INT720A - Active Facility Operator Registered Services* for Facility Operators and *INT705 - Trading Participant Registered Services* for Shippers.

Until the Service is end dated, the facility operator will still need to continue to provide allocation data (albeit zero) for that Service as it remains active in AEMO systems.

In this case, 4 out of 5 shipper's contracts, had an end date of 30 June 2016. As AEMO had not received a request to end date that one contract, the contract was active in AEMO system and this caused the mismatch between APA and AEMO systems.

On 4 July, AEMO received a request from APA, the Contract Issuer, to end date the contract. Once confirmation was provided by the Contract Holder on 4 July, the contract was end dated with an effective date of 8 July 2016.

6   Assessment of the event

APA did not submit the STTM facility allocation for RBP by 12:30 AEST. This lead to an extended period being made available for data submission, allowing until 16:30 AEST for allocation notice submissions. APA completed its submission of a valid facility allocation notice at 12:51 AEST as allowed under section 7.2.1B of the STTM Procedures.

A provisional ex post market imbalance price was produced just after 12:30 AEST in accordance with the rules. The STTM systems determined the delayed ex-post imbalance price just after 16:30 AEST in accordance with section 7.2.1C of the STTM Procedures.

Market reporting operated as expected.

- MIS Report INT 675 - Default Allocation Notice Report for the RBP was published just after 12:30 AEST because a valid STTM facility allocation notice had not been received by the 12:30 AEST cut-off time.

- MIS Report INT 657 - Ex Post Market Data Report which is published just after 12:30 AEST showed the provisional ex-post price as $15.0000/GJ. The same report published just after 16:30 AEST showed the 'delayed' ex-post price as $15.0000/GJ.

- MIS Report INT 689 - Ex Post Allocation Quantity Report which is published just after 12:30 AEST showed the default allocation data used in the provisional ex post schedule. The same report published just after 16:30 AEST showed the actual allocation data used for the ex-post imbalance price.

An SMS/email message was sent to the market at 12:37 AEST advising a provisional ex post imbalance price had been published due to a missing PAD file.

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[2] Available at http://aemo.com.au/Gas/Short-Term-Trading-Market-STTM/-/media/B7947EC160E04BFDA97F9828831B1862.ashx60E04BFDA97F9828831B1862.ashx

The market reports are available from the AEMO website at http://aemo.com.au/Gas/Short-Term-Trading-Market-STTM/Data.

7   Market Impacts

As a consequence of the STTM facility allocations not being submitted by 12:30 AEST, a provisional ex post imbalance price of $15.0000/GJ was produced using a default allocation for the RBP. A delayed ex post imbalance price of $15.0000/GJ was produced by 16:32 AEST for the Brisbane hub using the allocation notice submitted by APA Group.

On this occasion, there was no difference between the provisional ex post imbalance price and the delayed ex post imbalance price, noting that the market short quantity changed from 0 to 1,704 GJ. As there was no difference between the provisional and delayed ex post prices, the cumulative price calculated after each price was determined to be the same.

Prudentials monitoring outcomes were unaffected since the provisional ex-post imbalance price was used to determine trading participants' exposure was the same as the 'delayed' ex post imbalance price.

8   Conclusion

The delayed ex-post imbalance price on 8 July 2016 was due to an operator error where the PAD and MSD files were not successfully submitted by 12:30 AEST.

There were no market impacts resulting from the event.

Based on APA Group's comments above, they have conducted operator re-training to reinforce the process for file submission and secondary error checks.

AEMO processes for data validation, substitution and price setting fully operated as intended under the rules, with no impact on market outcomes.

APPENDIX A: Facility Allocation data and the ex post imbalance price

By 4.5 hours after the start of each gas day, the allocation agent for the relevant STTM facility is required to submit the STTM facility allocation for the previous gas day. The gas day starts at 6:30am at the Sydney and Adelaide hubs, and 8:00am for the Brisbane hub.

The STTM facility allocations provide AEMO with the final delivered quantity of gas for the relevant gas day. The STTM facility allocations are used as an input into the calculation of the ex post imbalance price for the gas day in question. The ex post imbalance price is one of the prices used to determine a trading participant's deviation payment or charge.

If the STTM facility allocations are not submitted by 4.5 hours after the start of the gas day, an extended period is made available for the allocation agent to deliver the STTM facility allocations for the relevant facility by 8.5 hours after the start of the gas day.

If the STTM facility allocations are not submitted by 8.5 hours after the start of the gas day, AEMO will use default allocations for the relevant facility to generate the ex post imbalance price by 9.5 hours after the start of the gas day.

For any STTM pipeline, the daily STTM facility allocation notice consists of two files, a facility allocation file and a market operator service (MOS) step allocation file (also known[3] as the PAD and MSD files respectively). For each STTM facility allocation notice, the PAD file is required to be submitted before the MSD file and the two files are typically submitted a few minutes apart by the pipeline operators. Validations by the AEMO STTM systems are performed as follows:

- *Individual PAD and MSD validations*—validations are performed individually on the facility allocations (PAD) and MOS step allocation file (MSD) for each pipeline facility at the time the pipeline operator submits each file;

- *The PAD/MSD matching check*—a validation is run to check that the total MOS quantities (excluding overrun MOS) in both the facility allocation file and MOS step allocation file for each pipeline match. This is run at the time the MOS step allocation file is submitted. The MSD submission is rejected if it fails this test.

- *The PAD/MSD cut-off check*—in case the PAD and MSD sequence[4] is not followed, the STTM system also performs a daily check, at the D+1[5] allocation submission cut-off time, that there is a valid matching pair of facility allocations and MOS step allocation files for each STTM pipeline. Accordingly, this is required to be run at 11:00am for the Sydney and Adelaide hubs and 12:30pm for the Brisbane hub. In the absence of a matching pair of valid allocation files, default allocations for the relevant STTM pipeline are applied and used as an input into the calculation of the provisional or ex post imbalance price.

As far as the NGR and STTM Procedures are concerned these two files are treated as one allocation notice and neither can be considered to be validly submitted without the other.

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[3] Refer to STTM participant build pack and STTM participant build pack business validations addendum at http://aemo.com.au/Gas/Short-Term-Trading-Market-STTM/Policies-and-procedures

[4] For example, a second PAD file could be submitted which doesn't match the first MSD file.

[5] D+1 refers to the day after the respective gas day D.