

# STTM EVENT REPORT – GAS DAY 28 AND 29 NOVEMBER 2011

PREPARED BY: Market Performance

DOCUMENT REF: STTM ER 11/005

DATE: 21 December 2011

## Contents

1	Summary.....	3
2	Event reporting requirements.....	3
3	Facility hub capacity and the ex ante market .....	3
4	Description of events.....	4
4.1	Facility Hub Capacity – Gas Day 28 November 2011 .....	4
4.2	Facility Hub Capacity – Gas Day 29 November 2011 .....	4
5	APA comments .....	4
6	AEMO's assessment of the actions taken .....	4
7	Market Impacts.....	5

## Glossary

Terms or Abbreviations	Explanation
AEMO	Australian Energy Market Operator
AEST	Australian Eastern Standard Time
MSP	Moomba to Sydney Pipeline
NGR	National Gas Rules
NSW	New South Wales
STTM	Short Term Trading Market

## 1 Summary

On 27 and 28 November 2011, APA Group's facility hub capacity submissions for the Moomba to Sydney pipeline (MSP) breached the lower warning limit and were not confirmed by the 9:30am AEST cut-off time for gas days 28 and 29 November 2011 respectively. As a result, the window for submission of the MSP data was extended to 11:00am AEST. On both occasions, APA was able to confirm that the facility hub capacities were the correct values by the extended cut-off time and these values were therefore used in the ex ante schedules run for those respective gas days.

This report reviews these events.

## 2 Event reporting requirements

On 16 June 2011, changes to the STTM validation and price setting processes became operational. The intent of these changes was to provide STTM facility operators<sup>1</sup> with an ability to rectify possible data errors or confirm that flagged data is correct before that data is used in the STTM scheduling and price setting process.

Section 7.6 of the STTM Procedures requires AEMO to publish a report<sup>2</sup> if:

- data submitted to AEMO by an STTM facility operator under rules 414 or 419 of the NGR fails validation, and has lead to confirmation or substitution of data; or
- an STTM facility operator fails to provide data under rule 414 and 419 and this has lead to the substitution of data.

AEMO must publish the report within 30 business days of the conclusion of the event.

## 3 Facility hub capacity and the ex ante market

STTM facility operators provide AEMO with daily estimates of the capacity that their STTM facility has available to deliver gas to the hub on the following three gas days. The hub capacity of the STTM facility limits the quantity of gas that the STTM will schedule for delivery to the hub from that facility on a gas day.

Because the facility hub capacity can have an effect on the resulting ex ante schedule, AEMO validates data submitted daily by the facility operators. If the data submitted by the facility operator breaches the validation thresholds or no data is submitted by the required cut-off time on D-1 (09:30 AEST for the Sydney hub), then the submission window is extended for a maximum of 1.5 hours to allow the facility operator time to either confirm that the submitted data is valid or submit new data.

If the facility operator fails to submit hub capacity data by the extended cut-off time, the provisional hub capacity information submitted on previous days for the relevant gas day will be used.

So, if the capacity for the gas day D is not submitted on D-1, then the capacity submitted on D-2 for Gas Day D is used. If the D-2 is not available, then D-3 is used. If that is not available then the default hub capacity (registered with AEMO) is used to generate the ex ante market schedule.

---

<sup>1</sup> An STTM facility operator is defined as the operator of an STTM pipeline, STTM storage facility, or an STTM production facility.

<sup>2</sup> Under clause 7.6 of the STTM Procedures, the report must include: a description of the event; AEMO's assessment of the actions taken by STTM facility operators and AEMO in relation to the event; AEMO's assessment of the effect of the event on the operation of the STTM; and any other matter than AEMO considers relevant.

## 4 Description of events

### 4.1 Facility Hub Capacity – Gas Day 28 November 2011

On 27 November 2011, APA submitted a facility hub capacity file for gas day 28 November 2011 which breached the lower capacity warning limit. The submitted capacity was 205 TJ and the lower warning threshold 228.7 TJ. Note that the lower warning threshold for the MSP increased on 28 November 2011 from a value of 165 TJ the day before.

The submission was not confirmed by the initial cut off time of 9:30am AEST. The AEMO systems notified the facility operator and the market that the lower warning limit had been breached.

An extended window was opened for APA to update or confirm the facility hub capacity by 11:00am AEST. At 9:36am AEST APA successfully confirmed the capacity figure.

The ex ante schedule ran as expected at 12:00pm with an ex ante market price of \$2.1907 / GJ. There were no constraints in scheduling.

### 4.2 Facility Hub Capacity – Gas Day 29 November 2011

On 28 November 2011, APA submitted a facility hub capacity file for gas day 29 November 2011 which breached the lower capacity warning limit. The submitted capacity was 207 TJ and the lower warning threshold 228.7 TJ. APA confirmed this submission at 8:28am AEST.

A second facility hub capacity file, also for gas day 29 November 2011 and with a capacity of 207 TJ, was submitted at 8:58am AEST, breaching the lower warning threshold. APA has advised that their systems re-submit the facility hub capacity file when they perform the facility allocations for the 11:00am AEST cut-off. This meant that when APA submitted its facility allocation for gas day 27 November 2011, the facility hub capacity file was resubmitted. APA expects to replace their current systems in 2012, at which time this issue will be resolved. Following submission of the second facility hub capacity file, the AEMO systems notified the facility operator that the lower warning limit had been breached.

The facility operator did not confirm the second submitted facility hub capacity file by the 9:30am AEST cut-off time. Therefore, the AEMO systems notified the facility operator and the market that the lower warning limit had been breached.

An extended window was opened for APA to update or confirm the facility hub capacity by 11:00am AEST. At 9:34am AEST APA successfully confirmed the MSP hub capacity data.

The ex ante schedule ran as expected at 12:00pm with an ex ante market price of \$2.15 / GJ. There were no constraints in scheduling.

## 5 APA comments

Over the period in question APA was performing a maintenance and capacity upgrade programme on the MSP. Accordingly APA advised AEMO and lowered the default facility hub capacity and the upper and lower capacity warning limits in the STTM from 22 September 2011 until 27 November 2011.

The maintenance programme was not completed to schedule, and APA advised AEMO via email on 17 November 2011 that the capacity was to remain until further notice. This further advice was not reflected in the capacity recorded by AEMO.

## 6 AEMO's assessment of the actions taken

In accordance with rule 414(1), APA submitted capacity information for the MSP by 9:30am AEST. The capacity information was validated and breached the lower warning validation limits. In accordance with section 7.1.3B of the STTM Procedures, APA was able to confirm the flagged

STTM facility allocation file by 11:00am AEST on 27 November 2011 for gas day 28 November 2011, and by 11:00am AEST on 28 November 2011 for gas day 29 November 2011.

AEMO systems operated as expected, including through appropriate communication to facility operators and the market.

Following confirmation of the flagged data by APA, AEMO was able to use that confirmed capacity file to set the ex ante market price by 1:00pm AEST on 27 November 2011 for gas day 28 November 2011 and by 1:00pm AEST on 28 November 2011 for gas day 29 November 2011.

AEMO has also reviewed the process for updating facility information in light of these events.

On 17 November 2011 there were 3 separate requests from APA to change the end date of the reduced default hub capacity and the upper and lower capacity warning limits. This appears to have created confusion about when the reduced capacity was to apply to.

When facility operators wish to update the facility information (i.e. maximum hub capacity, default hub capacity and the upper and lower capacity warning limits), they are required to register their request by filling in the facility information form and send it to the AEMO registration desk. The form allows the facility operator to clearly specify the capacities for the facility information and the start and end dates for which that data applies. The intent of the form is to ensure that requests are clear and there is no room for interpretation or confusion around effective start and end dates of the data update requests. AEMO then uses that form as the basis to make the necessary changes to the facility information, and advises the facility operator when this is done. This is also reflected in a public report (INT 687 Facility Hub Capacity Data) which shows the capacity threshold and effective dates for any change to inform trading participants and facility operators.

In this particular instance, on two of the three occasions, the request for updating the facility information on 17 November 2011 did not come through the AEMO registration desk via the relevant forms. AEMO processed these requests, however misinterpreted the final request, which was an amendment via email. AEMO has reviewed its business process for updating facility information in light of these events, and to avoid similar issues arising in future will not process requests for updating facility information unless the relevant forms have been filled in. AEMO has also tightened its internal processes for checking and processing data changes.

## 7 Market Impacts

While the facility hub capacity for the MSP was not submitted and confirmed by the 09:30 AEST cut-off time, APA was able to confirm the data shortly after the first cut-off time but before the extended cut-off time of 11:00 AEST, consistent with the STTM Procedures. This confirmed data was used in the ex-ante scheduling process. As a consequence, the calculation of the ex ante market price was not affected.

AEMO considers that in this instance the revised process introduced in June 2011 which introduced amendments to the validation and price setting process has been effective in ensuring correct market outcomes.

The facility hub capacity is published in the INT653 Ex Ante Pipeline Data report and the ex-ante market price is published in the INT651 Ex-ante Market Price report.

These reports are available from the AEMO website at:

[http://www.aemo.com.au/data\\_gas/sttm\\_data.html](http://www.aemo.com.au/data_gas/sttm_data.html).