

STTM EVENT REPORT - GAS DAY 8 SEPTEMBER 2011

PREPARED BY: Market Performance

DOCUMENT REF: STTM ER 11/002

VERSION: 1

DATE: 28 September 2011

FINAL

Contents

1	Summary and purpose	3
2	Event reporting requirements	3
3	Event description.....	3
4	Jemena EGP comments	3
5	AEMO's assessment of the actions taken	4
6	Market Impacts.....	4

Glossary

Terms or Abbreviations	Explanation
AEMO	Australian Energy Market Operator
EGP	Eastern Gas Pipeline
NGR	National Gas Rules
STTM	Short Term Trading Market

1 Summary and purpose

On 9 September 2011, determination of the ex post imbalance price for gas day 8 September 2011 at the Short Term Trading Market (STTM) Sydney hub was delayed from 12:00noon to 4:00pm. The delayed determination of the ex post imbalance price was as a result of the STTM facility allocation file not being submitted for the Jemena Eastern Gas Pipeline (EGP) by the 11:00am submission cut-off time.

This report reviews the events that resulted in a delayed ex post imbalance price for gas day 8 September 2011.

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 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 if:

- data submitted to AEMO by an STTM facility operator under rules 414 or 419 of the National Gas Rules (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 substitution of data.

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;
 - the effect of the event on the operation of the STTM; and
- any other matter that AEMO considers relevant.

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

3 Event description

On 9 September 2011, Jemena EGP failed to submit an STTM facility allocation file by the required cut-off time of 11:00am. In accordance with rule 426 of the NGR, determination of the ex post imbalance price was delayed from 12:00noon to 4:00pm, and, by 12:00noon, AEMO produced a provisional ex post imbalance price of \$4.1400/GJ for the STTM Sydney hub, using default allocations for the EGP facility of 134,493 GJ.

At 12.15pm Jemena EGP submitted a valid facility allocation file with a delivered quantity to the hub of 137,239 GJ. That data was used by AEMO, together with the other STTM facility allocation data that had been submitted by 11:00am for the Moomba to Sydney pipeline and the Rosalind Park Production Facility, to produce an ex post imbalance price of \$4.3800/GJ for the STTM Sydney hub by 4:00pm.

4 Jemena EGP comments

Jemena EGP advised that it experienced difficulties obtaining meter data on the morning of 9 September 2011. The missing meter data was caused by a remote terminal unit (RTU) change over. Jemena EGP attempted to implement backup processes but these took longer than expected due to the non-standard nature of the request, meaning the 11:00am cut-off time was not met. Once the data issues were resolved the allocation was submitted.

Jemena EGP has since made changes in its control room to ensure that in the event of a similar issue the required meter data tags are readily available. Jemena EGP is also reviewing its STTM and business processes and will review learnings from this event to determine if further improvements can be made.

5 AEMO's assessment of the actions taken

Jemena EGP was unable to submit accurate allocation data in accordance with rule 419(1) by 11:00am. In accordance with section 7.2.1B of the STTM Procedures, Jemena EGP was able to update the missing STTM facility allocation file for gas day 8 September 2011 by 12:15pm on 9 September 2011, being well within the 3:00pm cut off time.

Market reporting of missing data operated as expected. Under Section 7.2.1A(b) of the STTM Procedures, AEMO must notify the allocation agent for an STTM facility if an allocation notice is not provided under rule 419(1). This was performed via SMS/email messages to facility operator data contacts that are registered in AEMO systems if no data is received by 11:00am.

Under Section 7.2.1C(d) of the STTM Procedures, AEMO must notify trading participants and others promptly after 11:00am if an STTM facility allocation notice is not provided, is rejected or fails validation; and promptly after 3:00pm of a confirmation or substitution made under section 7.2.1C. This was performed as follows:

- report INT689—Ex Post Facility Allocation Quantity which is published soon after 11:00am or 3:00pm as applicable—this report contains the total facility allocation quantity and the total facility allocation quantity data quality for each STTM facility, which has been received in the system by the time either of the ex post imbalance price, provisional ex post imbalance price or a delayed ex post imbalance price (as applicable) is determined.
- SMS/email messages to 24-hour contacts that are registered in AEMO systems for the affected hub.

AEMO systems operated as expected. A provisional ex post imbalance price was made available to trading participants by 12:00noon on 9 September 2011. Following submission of a late allocation file by Jemena EGP, AEMO was able to use that valid allocation file to set the ex post imbalance price by 4:00pm on 9 September 2011 for gas day 8 September 2011.

6 Market Impacts

As a consequence of the STTM facility allocation not being submitted before 11:00am, a provisional ex post imbalance price of \$4.1400/GJ was produced by 12:00noon using a default allocation for the EGP. A delayed ex post imbalance price of \$4.3800/GJ was produced by 4:00pm for the Sydney hub using the allocation notice submitted by Jemena EGP.

On this occasion there was a difference in price between the provisional ex post imbalance price and the delayed ex post imbalance price. Both the cumulative price for the next gas day and prudential monitoring conducted on 9 September 2011 for the period 1 September 2011 – 8 September 2011 used the provisional ex post imbalance price. This resulted in some differences in prudential monitoring outcomes than may otherwise have been expected. These differences totalled a \$2,500 underestimation of deviation charges, representing 4% of actual deviation charges. However, there has been no reported impact from any trading participant from the delay in publishing the ex post imbalance price.

Ex-post imbalance prices are published in INT657—Ex Post Market Data—which includes a schedule type to distinguish between a provisional ex post imbalance price and an ex post imbalance price. Note the approval date/time of the report must be used to identify an ex post imbalance price or delayed ex post imbalance price. This report and others are available from http://www.aemo.com.au/data_gas/sttm_data.html.

In summary, Jemena EGP has advised it has amended and is further reviewing its processes to mitigate against recurrences of this nature. There is no evidence to indicate to AEMO that there is a systemic issue in Jemena EGP's processes in this regard. The procedures for data validation, substitution and price setting appeared to work fully as intended under the rules, without material impact on market outcomes.