

AEMO COMPLIANCE QUARTERLY REPORT: GAS RETAIL MARKET PROCEDURES

PREPARED BY: Markets
VERSION: 1.0
RELEASE DATE: 26/03/2018

Introduction

Role of AEMO

Section 91MB(3) of the National Gas Law (NGL) requires that, if AEMO has reasonable grounds to suspect a breach of the Retail Market Procedures, it must, after making such inquiries and investigations as it considers appropriate, make a decision as to whether the breach is a material breach. AEMO must publish that decision and its reasons.

AEMO is required to assess the materiality of breaches of the Procedures and if it determines that the breach is material may direct a person suspected of a breach to take remedial action. AEMO is not required to undertake this assessment for breaches of the NGL and National Gas Rules (NGR).

Purpose

This report includes immaterial breaches identified in the last quarter, i.e. between December 2017 and February 2018. Breaches that have a material impact on market participants, the market as a whole, or end use customers are reported separately.

Quarterly Report – Immaterial Breaches

| Date and time of breach | Market | AEMO/Market Participant | Procedures and clause | Summary | Impact |
|-------------------------|----------------------|-------------------------|--|---|---|
| 09/12/2017 | SA Gas Retail Market | AEMO | Clause 11(1), 98(d) and 100(2)(d) of the SA Retail Market Procedures (RMP) | <p><u>Description</u> On 09/12/2017, 30 Transfer Confirmation Notification (TFR-CONF-NOTIF) transactions and 93 medium priority acknowledgements breached the transaction acknowledgement time of 270 minutes for medium priority transactions by 90 minutes and 2 hours respectively.</p> <p>This caused a non-compliance with the SA RMP relating to immediately notifying the relevant parties of a pending transfer request and acknowledging medium priority transactions within 270 minutes.</p> <p>The definition of ‘immediately’ references clause 11(1) of the SA RMP. Clause 11(1)(a) of the SA RMP references section 2.5.5 of the “FRC B2M-B2B Hub System Specifications” which specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u> This incident occurred as the database used by the application that processes AseXML transactions running out of available connections. This caused the Send AseXML service that sends out AseXML transactions to hang, blocking outgoing transactions from being sent out.</p> <p><u>Actions</u> AEMO restarted the application and services. Incoming and outgoing transactions were processed normally after the restart.</p> <p>AEMO investigated the cause of the exhaustion of the database connection pool and</p> | <p>Immaterial AEMO’s non-compliance with clause 11(1), 98(d) and 100(2)(d) of the SA RMP on 09/12/2017 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>Incoming and outgoing transactions were processed normally after the application and services restarted. AEMO did not receive any queries nor incidents raised by participants due to this incident.</p> |

| | | | | | |
|------------|----------------------|------|--|---|---|
| | | | | implemented a number of changes to the configuration of the gateway application and database to address the connection exhaustion issues. AEMO will continue to monitor the performance of the gateway application and database. | |
| 12/12/2017 | SA Gas Retail Market | AEMO | Clause 11(1), 98(d) and 100(2)(d) of the SA Retail Market Procedures (RMP) | <p><u>Description</u> On 12/12/2017, 132 Transfer Confirmation Notification (TFR-CONF-NOTIF) transactions breached the transaction acknowledgement time of 270 minutes for medium priority transactions by 107 minutes. 59 medium priority acknowledgements exceeded the transaction acknowledgement time of 270 minutes for medium priority transactions.</p> <p>This caused a non-compliance with the SA RMP relating to immediately notifying the relevant parties of a pending transfer request and acknowledging medium priority transactions within 270 minutes.</p> <p>The definition of ‘immediately’ references clause 11(1) of the SA RMP. Clause 11(1)(a) of the SA RMP references section 2.5.5 of the “FRC B2M-B2B Hub System Specifications” which specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u> This incident occurred as the database used by the application that processes AseXML transactions running out of available connections. This caused the Send AseXML service that sends out AseXML transactions to hang, blocking outgoing transactions from being sent out.</p> <p><u>Actions</u> AEMO restarted the application and services. Incoming and outgoing transactions were processed normally after the restart.</p> | <p>Immaterial AEMO’s non-compliance with clause 11(1), 98(d) and 100(2)(d) of the SA RMP on 12/12/2017 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>Incoming and outgoing transactions were processed normally after the application and service restarted. AEMO did not receive any queries nor incidents raised by participants due to this incident.</p> |

| | | | | | |
|------------|----------------------|------|---|--|---|
| | | | | <p>AEMO investigated the cause of the exhaustion of the database connection pool and implemented a number of changes to the configuration of the gateway application and database to address the connection exhaustion issues. AEMO will continue to monitor the performance of the gateway application and database.</p> | |
| 13/12/2017 | SA Gas Retail Market | AEMO | Clause 11(1) of the SA Retail Market Procedures (RMP) | <p><u>Description</u> On 13/12/2017, 11 medium priority transactions breached the transaction acknowledgement time of 270 minutes for medium priority transactions by 20 minutes.</p> <p>This caused a non-compliance with the SA RMP relating to acknowledging medium priority transactions within 270 minutes.</p> <p>Clause 11(1) of the SA RMP specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u> This incident occurred as the gateway database connection pool became exhausted which resulted in the SA Gas Retail Market System (GRMS) not being able to send the medium priority acknowledgements.</p> <p><u>Actions</u> AEMO restarted the gateway application and normal processing resumed.</p> <p>AEMO investigated the cause of the exhaustion of the database connection pool and implemented a number of changes to the configuration of the gateway application and database to address the connection exhaustion issues. AEMO will continue to monitor the performance of the gateway application and</p> | <p>Immaterial AEMO's non-compliance with clause 11(1) of the SA RMP on 13/12/2017 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>Normal processing resumed after gateway application restarted. AEMO did not receive any queries nor incidents raised by participants due to this incident.</p> |

| | | | | | |
|-------------------|-----------------------------|-------------|---|---|---|
| <p>11/01/2018</p> | <p>SA Gas Retail Market</p> | <p>AEMO</p> | <p>Clause 11(1), 98(d) and 100(2)(d) of the SA Retail Market Procedures (RMP)</p> | <p>database.</p> <p><u>Description</u> On 11/01/2018, 108 Transfer Confirmation Notification (TFR-CONF-NOTIF) transactions and 3 medium priority transactions breached the transaction acknowledgement time of 270 minutes for medium priority transactions by 90 minutes.</p> <p>This caused a non-compliance with the SA RMP relating to immediately notifying the relevant parties of a pending transfer request and acknowledging the medium priority transactions within 270 minutes.</p> <p>The definition of 'immediately' references clause 11(1) of the SA RMP. Clause 11(1)(a) of the SA RMP references section 2.5.5 of the "FRC B2M-B2B Hub System Specifications" which specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u> This incident occurred as the database connection pool used by the application that processes AseXML transactions became exhausted as a result of a large number of incoming messages being allocated connections from the database connection pool. This prevented the allocation of the database connections to the processing of the outgoing messages.</p> <p><u>Actions</u> AEMO increased the database connection pool count and restarted the application and services. Incoming and outgoing transactions were processed normally after the restart.</p> <p>AEMO investigated the cause of the exhaustion of the database connection pool and</p> | <p>Immaterial</p> <p>AEMO's non-compliance with clause 11(1), 98(d) and 100(2)(d) of the SA RMP on 11/01/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>Incoming and outgoing transactions were processed normally after the application and services restarted. AEMO did not receive any queries nor incidents raised by participants due to this incident.</p> |
|-------------------|-----------------------------|-------------|---|---|---|

| | | | | | |
|----------------|----------------------|------|---|---|---|
| | | | | implemented a number of changes to the configuration of the gateway application and database to address the connection exhaustion issues. AEMO will continue to monitor the performance of the gateway application and database. | |
| 15/01/2018 | SA Gas Retail Market | AEMO | 204(4) of the SA Retail Market Procedures (RMP) | <p><u>Description</u> On 15/01/2018, the following SA market reports were delayed by between 10 and 15 minutes:</p> <ul style="list-style-type: none"> • 16 Heating Degree Day (HDD) reports • 48 Sub-network Profiled Forecast (NPF) reports • 54 Participant Profile Forecast (PPF) reports • 14 User Profile Forecast (UPF) reports <p>This caused a non-compliance with the SA RMP relating to the timely provision of the user profiled forecast data and the heating degree day (HDD) to the user.</p> <p><u>Cause</u> This incident occurred as the gateway database connection pool became exhausted which resulted in the SA Gas Retail Market System (GRMS) not being able to send the CSV reports to the participants' folders.</p> <p><u>Actions</u> AEMO restarted the gateway database and normal processing resumed.</p> <p>AEMO investigated the cause of the exhaustion of the database connection pool and implemented a number of changes to the configuration of the gateway application and database to address the connection exhaustion issues. AEMO will continue to monitor the performance of the gateway application and database.</p> | <p>Immaterial AEMO's non-compliance with clause 204(4) of the SA RMP on 15/01/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>Normal processing resumed after the gateway database restarted. AEMO did not receive any queries nor incidents raised by participants due to this incident.</p> |
| 09/01/2018 and | SA Gas | AEMO | Clause 11(1) of the | <u>Description</u> | Immaterial |

| | | | | | |
|------------|-------------------------------|------|---|---|---|
| 17/01/2018 | Retail Market | | SA Retail Market Procedures (RMP) | <p>On 09/01/2018, 7 medium priority acknowledgements exceeded the transaction acknowledgement time of 270 minutes by 50 minutes.</p> <p>On 17/01/2018, 1 medium priority acknowledgements exceeded the transaction acknowledgement time of 270 minutes by 6 hours and 34 minutes.</p> <p>This caused a non-compliance with the SA RMP relating to acknowledging the medium priority transactions within 270 minutes.</p> <p>Clause 11(1) of the SA RMP specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u> This incident occurred as the database connection pool became exhausted causing delay for sending the acknowledgements for the medium priority transactions.</p> <p><u>Actions</u> AEMO restarted the gateway application and normal processing resumed.</p> <p>AEMO investigated the cause of the exhaustion of the database connection pool and implemented a number of changes to the configuration of the gateway application and database to address the connection exhaustion issues. AEMO will continue to monitor the performance of the gateway application and database.</p> | <p>AEMO's non-compliance with clause 11(1) of the SA RMP on 09/01/2018 and 17/01/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>Normal processing resumed after the gateway application restarted. AEMO did not receive any queries nor incidents raised by participants due to this incident.</p> |
| 09/02/2018 | VIC and QLD Gas Retail Market | AEMO | Clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP | <p><u>Description</u> On 09/02/2018, 130 medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes by between 10 minutes and 5 hours.</p> | <p>Immaterial AEMO's non-compliance with clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP on 09/02/2018 had no material impact on any other</p> |

| | | | | |
|--|--|--|--|--|
| | | | <p>This is a breach of clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP. Clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP references the Gas Interface Protocol and section 2.5 of the “Participant Build Pack 3 FRC B2B System Specifications” specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p>This caused a non-compliance with the VIC and QLD RMP relating to acknowledging the medium priority transactions within 270 minutes.</p> <p><u>Cause</u> This incident was caused by an application defect prevented the Gas FRC application from moving to a non-affected area when an IT infrastructure hardware failure occurred. Because of that, the Gas FRC application stopped delivering transaction acknowledgements to the market participants.</p> <p><u>Actions</u> AEMO restarted the Gas FRC application manually which forced the application to move to an un-affected infrastructure. Both incoming and outgoing messages were processed normally on 09/02/2018 at 4.19pm AEDT.</p> <p>AEMO has implemented additional monitoring to capture the event quicker and has updated the incident management process to capture the incident quicker.</p> <p>The application defect, that has prevented the Gas FRC application from moving to a non-affected area when an IT infrastructure hardware failure occurred, was escalated to the application vendor to ensure that the application moves to a functional hardware automatically if a</p> | <p>market participants, the market as a whole, or end use customers.</p> <p>Normal processing resumed after the Gas FRC application restarted. AEMO did not receive any queries nor incidents raised by participants due to this incident.</p> |
|--|--|--|--|--|

| | | | | | |
|---------------------------------|------------------------------|-------------|---------------------------------------|--|--|
| <p>15/02/2018 to 18/02/2018</p> | <p>VIC Gas Retail Market</p> | <p>AEMO</p> | <p>Clause 1.1.2(b) of the VIC RMP</p> | <p>reoccurrence happens.</p> <p><u>Description</u> On 19/02/2018, AEMO noticed the average daily flow weighted heating value for gas day 14/02/2018 was not published in the Market Information Bulleting Board (MIBB) report INT139 Declared Daily State Heating Value.</p> <p>This caused a non-compliance with the VIC RMP relating to the publication of the average daily flow weighted heating value by 5pm for a gas day on the MIBB.</p> <p><u>Cause</u> This incident was caused by a latent software defect in the market systems. The software defect surfaced while transitioning to a new market process introduced by the heating value model implementation. The software defect caused a processing failure resulting in missing input data for the heating value calculation. The missing input data caused the calculated average daily flow weighted heating value to fail the MIBB report INT139 validation limits for publishing.</p> <p><u>Actions</u> On 19/03/2018, AEMO re-processed the missing input data and re-ran the heating value calculation. The calculated average daily flow weighted heating value for gas day 14/02/2018 passed the validation limits and published to the MIBB report INT139.</p> <p>AEMO have identified the following actions:</p> <ul style="list-style-type: none"> • Review the current monitoring process to send out notifications to the relevant parties when the calculated average daily flow weighted heating value fails the validation limits. • Review and update the current validation limits for the MIBB report INT139. | <p>Immaterial</p> <p>AEMO's non-compliance with clause 1.1.2(b) of the VIC RMP between 15/02/2018 and 18/02/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>As per clause 2.6.1(b) of the VIC RMP, where the average daily flow weighted heating value for a day is not available, Distributor must use the average daily flow weighted heating value for the previous day.</p> <p>AEMO did not receive any queries nor incidents raised by participants due to this incident.</p> |
|---------------------------------|------------------------------|-------------|---------------------------------------|--|--|

| | | | | | |
|---|----------------------------------|-------------|--|---|---|
| <p>17/02/2018</p> | <p>NSW-ACT Gas Retail Market</p> | <p>AEMO</p> | <p>Clause 8.11.9 of the NSW-ACT RMP</p> | <p><u>Description</u> On 17/02/2018, the provision of the NAD file for the NSW-ACT Gas Retail Market to the STTM system was delayed by 42 minutes.</p> <p>This caused a non-compliance with the NSW-ACT RMP relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u> The late NAD file was due to a large number of monthly RoLR (Retailer of Last Resort) files (T900) to be processed by the Gas Retail Market System (GRMBS) preventing the daily calculations job being kicked off on time. The build-up of the T900 files in GRMBS was associated with the inability of GRMBS to delete a User's T900 file since December 2017.</p> <p><u>Actions</u> Granted delete access to GRMBS to delete the User's T900 files.</p> <p>AEMO will confirm the requirements to grant GRMBS delete access to all Users' T900 files including new participants.</p> | <p>Immaterial AEMO's non-compliance with clause 8.11.9 of the NSW-ACT RMP on 17/02/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>AEMO is not required to run STTM daily prudential on non-business days (including weekends).</p> |
| <p>Since the first issue of the SA Retail Market Procedures in October 2009</p> | <p>SA Gas Retail Market</p> | <p>AEMO</p> | <p>Clause 209 of the SA Retail Market Procedures (RMP)</p> | <p><u>Description</u> Clause 209 of the SA RMP requires AEMO to, from time to time, determine and publish guidelines for the profiles to be used in Division 5.4.2 of the SA RMP. It is noted that AEMO has not ever published the profile guidelines.</p> <p>This is a breach of clause 209 of the SA RMP by AEMO as AEMO has not fulfilled the obligations as per clause 209 of the SA RMP.</p> <p><u>Cause</u> AEMO has not ever published the profile guidelines since the first issue of the SA RMP in October 2009.</p> | <p>Immaterial AEMO's non-compliance with clause 209 of the SA RMP since the first issue of the SA RMP in October 2009 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>On 09/03/2018, AEMO requested participants to provide their feedback on this breach by 16/03/2018. One feedback was received from AGL confirming there was no impact to them.</p> |

| | | | | | |
|--|--|--|--|---|--|
| | | | | <p><u>Actions</u> AEMO to remove the obligations from the SA RMP as part of the SA RMP harmonisation project that is currently run by the AEMO Regulatory Change team.</p> | |
|--|--|--|--|---|--|

Note: The immaterial breaches on 09/12/2017, 12/12/2017, 13/12/2017, 11/01/2018, 15/01/2018, 09/01/2018 and 17/01/2018 in the SA Gas Retail Market were all caused by the exhaustion of the database connection pool. AEMO investigated the cause of the exhaustion of the database connection pool and implemented a number of changes to the configuration of the gateway application and database to address the connection exhaustion issues. There was no further connection exhaustion incident after the changes were implemented. AEMO will continue to monitor the performance of the gateway application and database.