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# AEMO GAS RETAIL MARKET COMPLIANCE QUARTERLY REPORT GAS RETAIL MARKET PROCEDURES

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PREPARED BY: AEMO

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# Introduction

## ROLE OF AEMO

For New South Wales (NSW), Australian Capital Territory (ACT), South Australia (SA), Victoria (VIC) and Queensland (QLD) gas retail markets, 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 (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).

For Western Australia (WA) gas retail market, Chapter 6 of the WA Retail Market Procedures deals with Compliance and Interpretation and places a number of obligations on AEMO. AEMO's role under Chapter 6 of the WA Retail Market Procedures includes:

- To create a Compliance Panel and support that panel<sup>1</sup>.
- To make determinations on whether to refer Procedure compliance and interpretation matters to the Compliance Panel.

The Compliance Panel makes all decisions under Chapter 6, except that it may delegate authority to AEMO to make determinations on whether a Procedure breach is material<sup>2</sup>.

## PURPOSE

This report includes immaterial breaches identified in the last quarter, i.e. between December 2019 and February 2020. Breaches that have a material impact on market participants, the market as a whole, or end use customers are reported separately.

For WA gas retail market, any breaches that are referred to the Economic Regulation Authority (ERA) or have material impact on any other market participants, the market as a whole, or end use customers are reported separately and are included as a line item in this report for completeness.

## VERSION CONTROL

| Version | Release date  | Changes         |
|---------|---------------|-----------------|
| 1.0     | 25 March 2020 | Initial version |

<sup>1</sup> The Compliance Panel has established the "WA Gas Retail Market Compliance Panel Guidelines" to set out its governance and administrative arrangements, as required by clause 338 of the Procedures. The WA Gas Retail Market Compliance Panel Guidelines are available on the AEMO website ([www.aemo.com.au](http://www.aemo.com.au)), and should be read in conjunction with the WA Gas Retail Market Compliance Guidelines.

<sup>2</sup> Clause 343(3) of the WA Retail Market Procedures.

## QUARTERLY REPORT – IMMATERIAL BREACHES

| Date of breach      | Market | AEMO/Market participant              | Procedures and clause        | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Impact                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------|--------|--------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15 -17 January 2020 | WA     | Alinta Sales Pty Ltd (Alinta Energy) | 181 and 197(1) of the WA RMP | <p><u>Description</u></p> <p>High swing service volumes were detected for gas days 15 to 17 January 2020 on the South Metro (1107) sub-networks. AEMO investigated this matter and found that Alinta Energy's user's pipeline nomination amount (UPNA) was higher than the user's deemed withdrawal (UDW) for the Parmelia pipeline for gas days 15 to 17 January. This contributed to the swing service volume of 1.3 TJ for gas day 15 Jan, 6.47 TJ for gas day 16 Jan and 4.66 TJ for gas day 17 Jan for 1107.</p> <p>This is a breach of clauses 181 and 197(1) of the WA RMP relating to a user minimising its contribution to swing service.</p> <p><u>Cause</u></p> <p>This incident was caused by an internal demand forecast error.</p> <p><u>Actions</u></p> <p>Alinta Energy will review the demand forecasting process to minimise this occurring in the future.</p> | <p>Immaterial</p> <p>On 29 January 2020, AEMO requested participants to provide their feedback on this breach by 12 February.</p> <p>AEMO received feedback from AGL confirming no comment.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p> |
| 01-18 January 2020  | WA     | AGL Sales Pty Ltd (AGL)              | 181 and 197(1) of the WA RMP | <p><u>Description</u></p> <p>Between 01 and 18 January, AGL submitted incorrect withdrawal information for the South Metro (1107) and North Metro (1106) sub-networks. This contributed to the swing service for gas days 01 to 18 January on 1107 and 1106.</p> <p>This is a breach of clauses 181 and 197(1) of the WA RMP relating to a user minimising its contribution to swing service.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Immaterial</p> <p>On 25 February 2020, AEMO requested participants to provide their feedback on this breach by 10 March.</p> <p>AEMO did not receive feedback from participants.</p>                                                                                                                                                                                                                       |

| Date of breach                | Market      | AEMO/Market participant | Procedures and clause                         | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Impact                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------|-------------|-------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               |             |                         |                                               | <p><u>Cause</u></p> <p>This incident was due to newly contracted sites being allocated to the incorrect sub-network in the AGL forecasting system, which led to incorrect nominations. AGL has reviewed the cause of the issue and determined that there was a problem in the process used to allocate MIRNs to the sub-networks.</p> <p><u>Actions</u></p> <p>The identified sites have been corrected manually and the process error which led to this issue has also been corrected.</p> <p>AGL has sourced additional information to enable additional check in the process to confirm that MIRNs are allocated to the correct sub-networks.</p>                                                                                                                                                                                                                                                                                   | <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>                                                                                                                                                            |
| 30 January - 11 February 2020 | VIC and QLD | AEMO                    | 1.2.4 of the VIC RMP and 1.3.3 of the QLD RMP | <p><u>Description</u></p> <p>On 30 January 2020, AEMO identified connectivity issues with the AEMO gateway that impacted the processing of some transactions submitted for the VIC and QLD gas retail markets. 621 medium priority inbound customer transfer transactions and 172 inbound transactions provided by the Distributors were impacted and were delayed in processing until 11 February. This issue was first identified as impacting gas file submissions and was not identified as impacting the transactions until 6 February. A resolution was identified and implemented on 10 February. Pending transactions were processed on 11 February.</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 1.3.3 of the QLD RMP both reference that AEMO is bound by the Gas Interface Protocol in respect of the delivery of notices. The Gas Interface</p> | <p>Immaterial</p> <p>AEMO's non-compliance with clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP between 30 January and 11 February had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>This incident had some operational impact on participants due to delayed processing of transactions. The</p> |

| Date of breach | Market | AEMO/Market participant | Procedures and clause | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Impact                                                                                                                                                                                                                                                                                                               |
|----------------|--------|-------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |        |                         |                       | <p>Protocol and section 2.5 of the Participant Build Pack 3 - FRC B2B System Specifications specifies that all medium priority transactions should be acknowledged within 270 minutes and all low priority transaction should be acknowledged by 5PM on the subsequent day.</p> <p><u>Cause</u></p> <p>This incident was caused by connectivity issues with the AEMO gateway resulting in delayed processing of the transactions.</p> <p><u>Actions</u></p> <p>On 30 January, when the connectivity issues were initially identified, immediate actions were taken to resolve the file submissions issue by triggering the reprocessing of the file submissions. Connection pools were restarted to resolve the connectivity issues with the AEMO gateway.</p> <p>Following identification of the impact on the transactions, a resolution was identified and implemented on 10 February. On 11 February, all pending transactions were successfully processed.</p> <p>AEMO will investigate if a change could be made to the daily resubmission verification script to detect repeated failures in processing to avoid such reoccurrence.</p> | <p>impact was minimal and immaterial.</p> <p>Market participants did not receive transaction acknowledgements until 11 February and so should be aware that the transactions were not processed prior to this. All impacted transactions were successfully processed once the issue was resolved on 11 February.</p> |