



AEMO GAS RETAIL MARKET COMPLIANCE QUARTERLY REPORT GAS RETAIL MARKET PROCEDURES

PREPARED BY: AEMO



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 panel¹.
- 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 material².

PURPOSE

This report includes immaterial breaches identified in the last quarter, i.e. between March and May 2022. 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	15 June 2022	Initial version

¹ 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), and should be read in conjunction with the WA Gas Retail Market Compliance Guidelines.

² 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
2015 till present	NSW- ACT	AEMO	A2.3(a2) and A2.3(b)(iv) of NSW-ACT RMP	<p><u>Description</u></p> <p>In preparing for a change of third party vendor to provide weather data to AEMO, further information emerged and revealed that AEMO is using calculated hourly sunshine hours for the Sydney Airport weather station to calculate NSW effective degree day (EDD) as described in clause A2.3(b) of NSW-ACT RMP as the third party vendor does not receive hourly sunshine hours for the Sydney Airport weather station from Bureau of Meteorology (BoM), instead daily sunshine hours are received from BoM. AEMO believes that the previous third party vendor uses the calculation of sunshine hours for ACT as described in clause A2.3(d) of NSW-ACT RMP to calculate the hourly sunshine hours for the Sydney Airport weather station.</p> <p>The Register of Weather Related Information specifies BoM as the service provider for the Sydney Airport weather station. AEMO receives weather observation data from the third party vendor and not directly from BoM. The source of weather observation data is from the BoM, however AEMO receives the weather data via the third party vendor.</p> <p>This caused a non-compliance with the NSW-ACT RMP relating to the sunshine hours for the Sydney Airport weather station to calculate NSW EDD.</p> <p><u>Cause</u></p>	<p>Immaterial</p> <p>AEMO’s non-compliance with clauses A2.3(a2) and A2.3(b)(iv) of the NSW-ACT RMP from 2015 till present had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>Based on AEMO’s assessment, the impact is minimal/immaterial:</p> <ul style="list-style-type: none"> The calculation specified in clause A2.3(b) of NSW-ACT RMP, sunshine hours play a small part in determining the EDD and so the impact should be minimal. As EDD is used for estimation and substitution, most of the metering data should be corrected in the Final/Revision settlement.

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				<p>NSW EDD is calculated by AEMO Metrix Demand Forecasting System (DFS). Weather observation data provided by the third party vendor is used in AEMO Metrix DFS.</p> <p>AEMO Metrix DFS requires hourly sunshine hours to calculate NSW EDD. As the third party vendor receives daily sunshine hours (and not hourly sunshine hours) for the Sydney Airport weather station from BoM, the third party vendor provides calculated hourly sunshine hours for the Sydney Airport weather station.</p> <p><u>Actions</u></p> <p>The new third party vendor will calculate hourly sunshine hours for the Sydney Airport weather station using the calculation of sunshine hours for ACT as described in clause A2.3(d) of NSW-ACT RMP and provide the calculated hourly sunshine hours to AEMO.</p> <p>AEMO Operational Forecasting team will update internal business documentation to ensure the location of the EDD calculations in AEMO Metrix DFS is documented and AEMO Gas Metering and Retail team is notified in advance of changes to AEMO Metrix DFS weather data.</p> <p>AEMO will review the definition of service provider in the Register of Weather Related Information in relation AEMO using third party vendor services and the sunshine hours used in the NSW EDD calculation in NSW-ACT RMP clause A2.3(b). A new Gas Market Issue (GMI) will be raised with the Gas Retail Market Forum (GRCF) which will detail the scope of works, consultation process timeline and a target effective date. AEMO will continue to use calculated hourly sunshine hours for the Sydney Airport</p>	<p>On 24 March, AEMO informed the NSW-ACT participants of this incident and requested participants to provide their feedback by 7 April.</p> <p>AEMO received feedback from Jemena indicated that Jemena in general concurs with AEMO's assessment that the impact is minimal/immaterial. Jemena notes that there will be a population of meter reads which will not be revised and will remain estimates. Subsequent actual readings collected would ameliorate these effects. Jemena also notes that if there is a step change in the way EDD is calculated, it will take 6 to 12 months for the change to permeate through the calculations and so there will be a temporary high or low bias introduced into the estimation and validation calculations. The potential variances can be in the same order of magnitude as Unaccounted for Gas.</p>

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				weather station to calculate the NSW EDD until the Procedures change takes effect.	
24 June 2021	WA	Alinta Sales Pty Ltd (Alinta Energy)	79(1) of WA RMP	<p><u>Description</u></p> <p>The negative assurance audit as per clause 350(2) of the WA RMP for calendar year 2021 revealed Alinta Energy was in breach of clause 79(1) of the WA RMP on 24 June 2021. There was one instance, on 24 June 2021, a transfer request for a customer was lodged prior to obtaining the customer’s explicit informed consent (EIC).</p> <p>This is a breach of clause 79(1) of the WA RMP relating to obtaining a customer’s EIC prior to lodging a transfer request.</p> <p>Alinta Energy believes that there was no adverse impact on other market participants or customers.</p> <p><u>Cause</u></p> <p>The Customer Service Representative (CSR) who raised the transfer request was aware that EIC was not captured as the customer terminated the call prematurely, however mistakenly thought the transfer request would be cancelled. The error was recognised by a supervising officer and the customer’s EIC was obtained on 28 June 2021.</p> <p><u>Actions</u></p> <p>Alinta Energy has since provided refresher training to CSRs regarding the transfer cancellation process.</p>	<p>Immaterial</p> <p>On 29 March 2022, AEMO requested participants to provide their feedback on this breach by 12 April.</p> <p>AEMO received feedback from AGL confirming no impact.</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>
9 July 2021	WA	Electricity Generation and	166A(1) of WA RMP	<p><u>Description</u></p>	Immaterial

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
		Retail Corporation (Synergy)		<p>As part of the negative assurance audit as per clause 350(2) of the WA RMP for calendar year 2021, Synergy identified that it had not complied with clause 166A(1) of WA RMP on 9 July 2021. Synergy had not obtained the explicit informed consent (EIC) for a customer prior to Synergy requesting the network operator to provide historical metering data.</p> <p>This is a breach of clause 166A(1) of the WA RMP relating to obtaining a customer’s EIC prior to lodging a request with the network operator for historical metering data or historical meter reading data.</p> <p>Synergy believes that there was no adverse impact on other market participants or customers.</p> <p><u>Cause</u></p> <p>Synergy’s investigation and review of their standard operating procedures revealed that:</p> <ul style="list-style-type: none"> • Synergy’s standard EIC process to obtain historical metering data from the network operator was not fully adhered to; and • The customer was not provided with the EIC form prior to Synergy making the request with the network operator for historical metering data. <p><u>Actions</u></p> <p>All staff within the department will be required to undertake additional refresher training in relation to the EIC process.</p> <p>Synergy will update its standard operating procedures to highlight the step that staff is required to confirm a customer’s</p>	<p>On 30 March 2022, AEMO requested participants to provide their feedback on this breach by 13 April.</p> <p>AEMO received feedback from AGL confirming no impact.</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>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				EIC has been received before requesting the network operator to provide historical metering data.	
10 March 2022	WA	AEMO	228(2), 252(1), 252(2), 269(1)(a), 286, 287(1), 288(1), 299(1), 300(1) and 300(2) of WA RMP	<p><u>Description</u></p> <p>On 10 March 2022, the following WA market reports were delivered late to the participants by approximately 2 hours and 46 minutes:</p> <ul style="list-style-type: none"> • UETW reports • UHSA reports • SHGA reports • OMP-STATUS (first check) reports • BID-PUB reports • MCP-TSS reports • MCP-TANUSA reports • SRQ reports • SS reports • USS reports <p>This is a breach of clauses 228(2), 252(1), 252(2), 269(1)(a), 286, 287(1), 288(1), 299(1), 300(1) and 300(2) of the WA RMP.</p> <p><u>Cause</u></p> <p>On 10 March 2.10PM AEST, AEMO identified that WA gas day calculations had not completed due to the WA application in a hang state resulted in late delivery of market reports to participants.</p> <p>Following the incident on 10 March, AEMO investigations have identified that the WA application server was running at an unusually elevated CPU usage from around 15:33PM on 9 March until gas day calculations at 1.30PM on 10 March.</p>	<p>Immaterial</p> <p>On 15 March 2022, AEMO requested participants to provide their feedback on this breach by 29 March.</p> <p>AEMO received feedback from AGL confirming no impact. Origin Energy indicated that there had been minor operational impact to re-submit user's pipeline nomination amount (UPNA) and delayed internal reports.</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>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p><u>Actions</u></p> <p>On 10 March 2.40PM, AEMO restarted the application services. At 5.10PM, AEMO initiated a restart of the application server and services. Market reports were delivered to market participants at 7.16PM.</p> <p>When unusual situations arise during gas day calculations, AEMO will activate an escalation procedure to prioritise the delivery of the gas day calculation reports and on completion of those steps to monitor the system closely including monitoring of server CPU loading to confirm that normal processing has been restored.</p> <p>AEMO has reviewed the monitoring and alerting of WA market participants and updated its procedures to provide prompt notification to participants in the event of possible delay in the delivery of market reports to participants.</p>	
19 and 20 March 2022	QLD	AEMO	6.10.2(a) of QLD RMP	<p><u>Description</u></p> <p>On 19 and 20 March 2022, the provision of the network allocation daily (NAD) files for gas days 18 and 19 March for the QLD gas retail market to the STTM system were delayed by 1 hour 34 minutes on 19 March and 4 hours 32 minutes on 20 March.</p> <p>This caused a non-compliance with the QLD RMP relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u></p> <p>On 19 and 20 March, AEMO enterprise job scheduler stalled jobs around 4-5AM most likely due to high memory or CPU usage by other unrelated jobs. As a result, the jobs that retrieve and</p>	<p>Immaterial</p> <p>AEMO's non-compliance with clause 6.10.2(a) of the QLD RMP on 19 and 20 March 2022 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>AEMO does not run STTM daily prudential on weekends and public holidays.</p>

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				<p>transfer NSL data were not executed at the normal time (at 9.40AM).</p> <p>AEMO cancelled and re-triggered the failed jobs. The jobs completed successfully and the QLD NAD files were generated at 12.04PM on 19 March and 3.02PM on 20 March.</p> <p>On 20 March, the response time was later as AEMO did not receive an alert which is usually triggered at 10AM. The alerting tool did not send the alert because of the issue happened on two consecutive days and the alerting tool did not reset automatically.</p> <p><u>Actions</u></p> <p>On 19 and 20 March, AEMO cancelled and re-triggered the failed jobs. Failed jobs completed successfully and the QLD NAD file was generated at 12.04PM on 19 March and 3.02PM on 20 March.</p> <p>AEMO added additional resources to the server and updated the alerting tool to refresh automatically on a daily basis.</p>	
22 March 2022	WA	AEMO	252(1) and 252(2) of WA RMP	<p><u>Description</u></p> <p>On 22 March 2022, UHSA and SHGA market reports were delivered late to the participants by 3 hours and 38 minutes. This is a breach of clauses 252(1) and 252(2) of the WA RMP.</p> <p><u>Cause</u></p> <p>AEMO has not determined the exact cause of this incident. AEMO is investigating the possibility of a similar cause as the incident in the WA gas retail market on 10 March 2022 that impacted the WA gas day calculations. Examinations of system</p>	<p>Immaterial</p> <p>On 28 March 2022, AEMO requested participants to provide their feedback on this breach by 11 April.</p> <p>AEMO received feedback from AGL indicated that delay in providing the reports will lead to delay in AGL submitting</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>performance and log files at the time of the incident have not provided any contributing fact.</p> <p><u>Actions</u></p> <p>On 22 March at 4.17PM AEST, AEMO initiated a restart of the application server and services but the workflows that generate the UHSA and SHGA reports did not run after the restart. At 7.03PM, AEMO re-triggered the workflows and the workflows completed successfully. Market reports were delivered to market participants at 7.08PM.</p> <p>AEMO will ensure that there are no terminal processes running on the WA system at the end of a business day. AEMO will implement a process that will terminate all terminal processes that have remained inactive after 4 hours. This will ensure that there are no unintended processes running and consuming system resources. AEMO will monitor the impact of this change.</p> <p>AEMO will actively monitor the WA gas day calculations on a daily basis for an initial two weeks to keep a record of the timings of the commencement times of the WA gas day calculations.</p> <p>In the event of a similar incident in the WA gas retail market, application and infrastructure subject matter expert will be contacted to perform an investigation of the system and application environment prior to any actions being taken to attempt to resolve the incident.</p>	<p>swing nominations. AGL may reconsider a proposed change initiated a few years ago to minimise swing service and enable on the day re-nominations, but it was put aside due to other priorities, to mitigate the impact of any further delays.</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>
22 April 2022	WA	AEMO	286, 287(1), 288(1), 299(1), 300(1) and	<p><u>Description</u></p> <p>On 22 April 2022, the following WA market reports were delivered late to participants by 2 minutes:</p>	<p>Immaterial</p> <p>On 2 May 2022, AEMO requested participants to</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
			300(2 of WA RMP	<ul style="list-style-type: none"> • BID-PUB • MCP-TSS • MCP-TANUSA • SRQ • SS • USS <p>This is a breach of clauses 286, 287(1), 288(1), 299(1), 300(1) and 300(2) of the WA RMP.</p> <p><u>Cause</u></p> <p>AEMO identified that the gas day calculations workflow was progressing slowly due to an extended processing time. The extended processing time was caused by the number of hourly data records that has increased considerably over time.</p> <p><u>Actions</u></p> <p>On 22 April at 3.17PM AEST, AEMO confirmed that the gas day calculations workflow completed successfully and reports were generated.</p> <p>AEMO will look at purging the hourly data records in the database, retaining only recent records required for successfully gas day calculations.</p> <p>AEMO has reinforced to support staff to provide prompt notification to participants in the event of possible delay in the delivery of market reports to participants.</p>	<p>provide their feedback on this breach by 16 May.</p> <p>AEMO received feedback from AGL confirming no issues. AEMO noted feedback from DBNGP that DBNGP requires data in the reports prior to 1PM WST to allow DBNGP to fulfil contractual obligations to the Shippers. In the event AEMO foresees a delay in the provision of the reports, it would be beneficial if a notification could be sent earlier (before the 1PM WST deadline) to enable DBNGP to advise their Shippers.</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>