

Australian Energy Market Operator

Apparent breach of Retail Market Procedures (WA) 178 and 197 by Alinta Energy on gas day 1/12/2016 and 5/12/2016

Overview:

High Swing Service volumes were detected for gas days 1/12/2016 and 5/12/2016. AEMO has investigated this matter and found that:

- For gas day 01/12/2016, Alinta Energy put in a users' pipeline nomination amount ("UPNA") on the Parmelia Pipeline for the South Metro sub-network (1107) of 5.75TJ but its Users Allocation Instruction ("UAI") was 4TJ which contributed to 1.8TJ of Swing Service Spike.
- For gas day 05/12/2016, Alinta Energy put in a users' pipeline nomination amount ("UPNA") on the Parmelia Pipeline for the South Metro sub-network (1107) of 9.5TJ but its Users Allocation Instruction ("UAI") was 7.9TJ which contributed to 1.7TJ of Swing Service Spike.

These inputs have resulted in Swing Service Spikes on 1107 and appear to be a breach of the clauses 178 and 197 from Chapter 5 of the Retail Market Procedures WA (the "Procedures") by Alinta Energy.

Clauses 178 and 197 from Chapter 5 of the Procedures read as follows:

178. User to procure injections which match user's likely swing service repayment quantities and user's required withdrawals

A user must ensure that for each *sub-network* for each *gas day* it procures:

- (a) the *repayment* into the *sub-network* of the *user's swing service repayment quantities* for the *sub-network* for the *gas day*, and
- (b) the *injection* into the *sub-network* of an amount of gas equal to its good faith estimate as a *reasonable and prudent person* of its likely *user's required withdrawals* for the *sub-network* for the *gas day*.

197. User's pipeline nomination amount

- (1) For each *user* for each *gate point* for each *gas day*, a "**user's pipeline nomination amount**" is the sum of:
 - (a) the *user's amounts* of its *related shipper's nominations* for the *gate point* for the *gas day* (summed across all *related shippers* for the *gate point*) calculated under clause 196 of Chapter 5 of Retail Market Procedures; and
 - (b) the *user's swing service repayment quantities* for the *gate point* for the *gas day* as notified by AEMO under Retail Market Procedures clauses 300(4) or 300D(1)(b) (whichever is applicable).
- (2) For each gas day for each gate point, at least 18 hours before the start of the gas day, a user must notify AEMO of the user's pipeline nomination amount for the gate point.

Impact:

Alinta Energy's actions appear to have contributed to Swing Service Spikes on 1107 of 1.8TJ for gas day 01/12/2016 and 1.7TJ for gas day 05/12/2016.

Resolution:

Alinta Energy agrees that the Swing Service Spike for gas day 01/12/2016 was caused by duplicate UAI files being submitted to Gas Retail Market System (GRMS) simultaneously. As the latest file being processed was incorrect, this caused the mismatch between the UAI and UPNA.

For the Swing Service Spike for gas day 05/12/2016, Alinta Energy submitted the intraday nomination files correctly and in a timely manner (on 05/12/2016 around 10.58pm AEST). However the files were not acknowledged at the time of submission and were not processed until 11.01am on 06/12/2016. This is due to an issue from the patching activity carried out by AEMO on 05/12/2016 between 5.15pm and 8.15pm AEST. This has caused a failure in participant logging into the GRMS FTP server without the domain name. This issue was fixed around 11am AEST on 06/12/2016.

Proposed Further Actions:

Alinta is going to review the internal process to understand why duplicate files were created and submitted simultaneously to GRMS to avoid reoccurrence. In addition to that, Alinta is going to ensure that the submitted files are acknowledged successfully with no errors and report any issues to AEMO in the future.

AEMO has updated the process to test the login to ensure that there is no issue connecting to the GRMS FTP after a patching activity.

Invitation for submissions:

Before determining whether any further action is required, AEMO invites written submissions from participants as to:

- the effect that this incident has on their operations, and
- their view with regard to the determination, if any, AEMO should make under clause 329 of the Procedures in respect of the apparent breaches of the Retail Market Procedures.

Submissions are requested by no later than 5:00pm (AEST) **Friday 17 February 2017**. Submissions should be sent by e-mail to rmo@aemo.com.au.

Alternatively, submissions can be sent by post to AEMO at:

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If you have any questions regarding this matter, please contact Carol Poon on (03) 9609 8509.

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