



Retail Energy Market Company

Apparent breach of Rule 197 and 178 of the Retail Market Rules by Alinta Energy on gas day 22/04/16

Overview:

The Pipeline Operator for the Parmelia Pipeline (“APA”) commissioned its new interconnection between the Parmelia Pipeline and the South-Metro sub-network (1107P) on 22/04/16. APA and Alinta Energy (“Alinta”) agreed that Alinta would nominate 2 TJ of gas on 1107P on 22/04/16 to facilitate this commissioning.

However, on 22/04/16, Alinta instead provided a User Pipeline Nomination Amount (“UPNA”) for the Parmelia Pipeline gateway to the North-Metro sub-network (1106P) that reflected a 2 TJ nomination and its 744 MJ Swing Repayment Quantity (“SRQ”). Alinta did not provide a matching User Allocation Instruction (“UAI”) to REMCo for 1106P to ship the 2 TJ on the Parmelia Pipeline. This resulted in a Swing Service spike on the North-Metro sub-network (1106), and appears to be a breach of Rules 197 and 178 of the Retail Market Rules (the “Rules”) by Alinta. Rules 197 and 178 read as follows:

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 rule 196; and
 - (b) the *user’s swing service repayment quantities* for the *gate point* for the *gas day* as notified by *REMC* under rule 300(4) or rule 300D(1)(b) (whichever is applicable).

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*.

Impact:

Alinta’s nominations on 1106P on 22/04/16 appear to have resulted in a 1.785 TJ Swing Service spike on 1106.

Resolution:

Alinta’s automated system did not pick up the correct nomination for a matching UAI for 1106P for 22/04/16. Alinta’s automated processes are currently being reviewed to ensure they are appropriate for the new interconnection. Manual checks will also be applied in the short term.

Proposed Further Actions:

This appears to be an issue related to the commissioning of the new interconnection between the Parmelia Pipeline and the South-Metro sub-network. Alinta generally provides proper nominations, and will take steps to ensure this continues in the future.

Invitation for submissions:

Before determining whether any further action is required, REMCo 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, REMCo should make under Rule 329 in respect of the apparent Rule breaches.

Submissions are requested by no later than 5pm (AEST) **Monday 23 May 2016**. Submissions should be sent by e-mail to remco_administration@aemo.com.au.

Alternatively, submissions can be sent by post to REMCo 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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