

AEMO COMPLIANCE QUARTERLY REPORT: GAS RETAIL MARKET PROCEDURES

PREPARED BY: Markets
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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 2016 and February 2017. 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
01/01/2017 to 03/01/2017	QLD Gas Retail Market	AEMO	Clause 6.10.2(a) of the QLD Retail Market Procedures	<p><u>Description</u> The QLD STTM distribution system allocations (DSA) for gas days 31/12/2016 to 02/01/2017 were not determined in a timely manner.</p> <p>Clause 6.10.2(a) of the QLD Retail Market Procedures (RMP) requires AEMO to determine the STTM DSA for the previous gas day by no later than 4.5 hours after the beginning of each gas day (i.e. 12.30pm).</p> <p>STTM DSA for gas day:</p> <ul style="list-style-type: none"> 31/12/2016 was determined at 2.54pm (market time) on 03/01/2017; 01/01/2017 was determined at 2.55pm (market time) on 03/01/2017; and 02/01/2017 was determined at 4.15pm (market time) on 03/01/2017. <p><u>Cause</u> The QLD STTM DSA process for gas days 31/12/2016 and 01/01/2017 failed due to a system defect in updating MIRN details.</p> <p>On 03/01/2017, the process determining the QLD STTM DSA for gas day 02/01/2017 failed due to a configuration issue for a participant – STTM capacity for the participant was end-dated incorrectly.</p> <p><u>Actions</u> On 03/01/2017:</p> <ul style="list-style-type: none"> AEMO manually updated the MIRN details in all the required systems. AEMO then ran the DSA job and the QLD STTM DSA for gas days 31/12/2016 and 01/01/2017 were 	<p>Immaterial</p> <p>AEMO's non-compliance with clause 6.10.2(a) of the QLD RMP on 01/01/2017 to 03/01/2017 had no material impact on any other market participants, the market as a whole, or end use customers as the data was available before the daily prudential run. There was no impact on the STTM daily prudential calculations and processing.</p> <p>On 01/01/2017 and 02/01/2017, AEMO was not required to run STTM daily prudential run as it was a public holiday. On 03/01/2017, STTM DSA data was generated successfully for all missing gas days before the STTM daily prudential was run.</p>

				<p>determined successfully at 2.54pm and 2.55pm respectively (market time).</p> <ul style="list-style-type: none"> AEMO confirmed with the participant that the STTM capacity was end-dated incorrectly and updated the end-date with the correct date. AEMO then ran the DSA job manually and the QLD STTM DSA for gas day 02/01/2017 was determined successfully at 4.15pm (market time). <p>AEMO has investigated the issues and updated the relevant business processes to avoid the reoccurrence of these issues.</p>	
Since the NARGP (NSW- ACT Retail Gas Project) implementation (02/05/2016)	NSW and ACT Gas Retail Market	AEMO	<p>Clause 8.9.4(d) and 8.11.5(d) of the NSW and ACT Retail Market Procedures</p> <p><u>Description</u> Clause 8.9.4 and 8.11.5 of the NSW-ACT RMP require the Network Operator to provide a “Base Load” value for all non-daily (Basic) meters via the Meter Fix Notification transaction. The “Base Load” value is an estimated daily consumption value for a newly created meter.</p> <p>Since the NARGP implementation, “Base Load” field of the Meter Fix Notification has not been processed by the system. The system currently uses the default value of 1000MJ instead of the “Base Load”.</p> <p><u>Cause</u> This new requirement was missed in the NARGP implementation.</p> <p><u>Actions</u> AEMO has informed all NSW-ACT market participants through GRCF about this issue and its plan to fix this issue. The fix was implemented to the production environment on 07/03/2017.</p>	<p>Immaterial</p> <p>AEMO’s non-compliance with clause 8.9.4(d) and 8.11.5(d) of the NSW- ACT RMP since the NARGP implementation in May 2016 (02/05/2016) had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>The “Base Load” value is used to determine the apportionment factor for a new non-daily metered delivery point. Instead of using the “Base Load” value in the Meter Fix Notification provided by the Network Operator, the system uses the default load base value of 1000MJ. The estimated daily consumption value (i.e. the “Base Load” value) for a newly created non-daily meter used to determine the apportionment factor can be higher or lower than default value.</p> <p>Based on AEMO’s analysis, the percentage of the number of new meters created over the total number</p>	

					<p>of meters for each participant since the start of NARGP implementation is less than 1% for each month.</p>
<p>12/02/2017</p>	<p>QLD Gas Retail Market</p>	<p>AEMO</p>	<p>Clause 6.10.2(a) of the QLD Retail Market Procedures</p>	<p><u>Description</u> The QLD STTM distribution system allocations (DSA) for gas day 11/02/2017 are not determined in a timely manner.</p> <p>Clause 6.10.2(a) of the QLD Retail Market Procedures (RMP) requires AEMO to determine the STTM DSA for the previous gas day by no later than 4.5 hours after the beginning of each gas day (i.e. 12.30pm).</p> <p>The STTM DSA for gas day 11/02/2017 was determined at 1.12pm (AEST) on 12/02/2017.</p> <p><u>Cause</u> The cause of the delay in the determination of the QLD STTM DSA for gas day 11/02/2017 was due to a scheduled system outage as a result of a scheduled site transfer performed between 10am and 2pm (AEST) on Sunday 12/02/2017. Note that the scheduled site transfer was performed during the agreed Industry Outage Window, which is between 10am and 2pm (AEST) on Sundays (refer to FRC Hub Participant User Guide).</p> <p><u>Actions</u> AEMO has revised its site transfer procedure to allow the internal system to come back up to run the DSA job independent of the FRC Hub cutover being completed to avoid the delay in determining the QLD STTM DSA.</p>	<p>Immaterial AEMO's non-compliance with clause 16.10.2(a) of the QLD RMP on 12/02/2017 had no material impact on any other market participants, the market as a whole, or end use customers as the data was available before the daily prudential run. There was no impact on the STTM daily prudential calculations and processing.</p> <p>On 12/02/2017, AEMO was not required to run STTM daily prudential run for gas day 11/02/2017 as it was not a business day.</p>