

# STTM EVENT REPORT – GAS DAY 22 & 24 SEPTEMBER 2011

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## Glossary

<b>Terms or Abbreviations</b>	<b>Explanation</b>
AEMO	Australian Energy Market Operator
AEST	Australian Eastern Standard Time
AGL	AGL Upstream Investments
NGR	National Gas Rules
Rosalind Park	Rosalind Park Production Facility
STTM	Short Term Trading Market

## 1 Summary and purpose

During late September 2011, two events occurred in relation to the provision of the facility hub capacity by AGL Upstream Investments (AGL) for the Rosalind Park Production facility (Rosalind Park) at the Short Term Trading Market (STTM) Sydney hub.

- On 21 September 2011, the facility hub capacity for the Rosalind Park facility was not submitted by the 09:30 Australian Eastern Standard Time (AEST) cut-off time for gas day 22 September 2011.
- On 23 September 2011, the facility hub capacity for the Rosalind Park Facility was not submitted by the 09:30 AEST cut-off time for gas day 24 September 2011.

In accordance with the National Gas Rules (NGR) and STTM Procedures, the submission window, on both occasions, was extended to 11:00 AEST for AGL. On both occasions, AGL submitted the facility hub capacity for the Rosalind Park facility before the extended cut-off time of 11:00 AEST. This update notice was therefore used as an input into the Sydney hub ex ante market price for gas days 22 and 24 September 2011.

This report reviews the outcomes of these events.

## 2 Event reporting requirements

On 16 June 2011, changes to the STTM validation and price setting processes became operational. The intent of these changes was to provide STTM facility operators<sup>1</sup> with an ability to rectify possible data errors or confirm that flagged data is correct before that data is used in the STTM scheduling and price setting process.

Section 7.6 of the STTM Procedures requires AEMO to publish a report<sup>2</sup> if:

- data submitted to AEMO by an STTM facility operator under rules 414 or 419 of the NGR fails validation, and has lead to confirmation or substitution of data; or
- an STTM facility operator fails to provide data under rule 414 and 419 and this has lead to substitution of data.

AEMO must publish the report within 30 business days of the conclusion of the event.

## 3 Facility hub capacity and the ex ante market

STTM facility operators provide AEMO with daily estimates of the capacity that their STTM facility has available to deliver gas to the hub on the following three gas days. The hub capacity of the STTM facility limits the quantity of gas the STTM will schedule for delivery to the hub from that facility on a gas day.

Because the facility hub capacity can have an effect on the resulting ex ante schedule, AEMO validates data submitted daily by the facility operators. If the data submitted by the facility operator breaches the validation thresholds or no data is submitted by the required cut-off time on D-1 (09:30 AEST for the Adelaide and Sydney hubs), then the submission window will be extended for a maximum of 1.5 hours to allow the facility operator time to either confirm that the submitted data is valid or submit new data.

<sup>1</sup> An STTM facility operator is defined as the operator of an STTM pipeline, STTM storage facility, or an STTM production facility.

<sup>2</sup> Under clause 7.6 of the STTM Procedures, the report must include: a description of the event; AEMO's assessment of the actions taken by STTM facility operators and AEMO in relation to the event; AEMO's assessment of the effect of the event on the operation of the STTM; and any other matter than AEMO considers relevant.

If the facility operator fails to submit hub capacity data by the required time (which in the case of the ex ante schedule, can be extended), the provisional hub capacity information submitted on previous days for the relevant gas day will be used. If no data is available, then the registered default capacity of the STTM facility is used to generate the market schedule and provisional schedule.

## 4 Description of events

On 21 September 2011, AGL did not submit a facility hub capacity file for the Rosalind Park facility by the required cut-off time of 09:30 AEST for gas day 22 September 2011.

At 09:36 AEST AGL submitted a facility hub capacity file for the following gas day for the Rosalind Park facility. At 12:01 AEST, AEMO published the ex ante market price using the submitted data. The ex ante market price for the Sydney hub was \$3.2999/GJ.

On 23 September 2011, AGL did not submit a facility hub capacity file for the Rosalind Park facility by the required cut-off time of 09.30 AEST for gas day 24 September 2011.

At 09:34 AEST AGL provided a facility hub capacity file for the following gas day for the Rosalind Park facility. At 12:01 AEST, AEMO published the ex ante market price for the Sydney hub using the updated data. The ex ante market price was \$3.25 /GJ.

## 5 AGL comments

AGL advised that the facility hub capacity data is produced by an IT system but that the duty trader is responsible for confirming the data and submitting it to AEMO. During this period, AGL was training a number of new traders and the two late submissions of hub capacity were the result of human error by a trainee during this training period.

AGL is reviewing both their business processes and training materials, as well as the outcomes of these specific events, to determine if further improvements in processes and training can be made to reduce the likelihood of this type of event occurring again. AGL have also advised that they periodically review their business processes as a matter of course.

## 6 AEMO's assessment of the actions taken

AGL did not submit the facility hub capacity by the cut-off time (09:30 AEST for Sydney) in accordance with rule 414(1) on 21 and 23 September for gas days 22 and 24 September 2011 respectively. However, AGL was able to submit hub capacity information shortly after 09:30 AEST, which was before the extended cut-off (11.00 AEST for Sydney).

Market reports of missing data operated as expected. Under Section 7.1.3A of the STTM Procedures, AEMO must notify a facility operator of missing data under rule 414(2A). This was undertaken by SMS/e-mail messages to the facility operator contacts that are registered in the AEMO systems if no data is received by 09:30 AEST.

Under section 7.1.4 of the STTM Procedures, AEMO must make the capacity information available to trading participants. AEMO notified the trading participants by SMS/e-mail. This was performed as follows:

- Report INT653 – Ex Ante Pipeline Data report which is published just after 09:30 AEST showed the facility hub capacity the market would use for Rosalind Park facility for the upcoming gas day, which was the D-2 capacity in both cases. This report was updated again at 11:00 AEST and showed the hub capacity submitted by AGL for both gas days.
- SMS/e-mail messages were sent to 24-hour contacts that are registered in AEMO systems for the affected hub.

AEMO systems operated as expected. The ex ante market price and schedules for gas days 22 and 24 September 2011 were produced before 13:00 AEST for the Sydney hub using the AGL submitted hub capacity data for the Rosalind Park facility.

## 7 Market Impacts

While AGL did not submit the facility hub capacities for Rosalind Park by the 09:30 AEST cut-off time, they were delivered to AEMO before the extended cut-off time of 11:00 AEST, did not breach warning thresholds and were used in the ex-ante scheduling process. As a consequence, the calculation of the ex ante market price was not affected by the late submission.

There have been no reported impacts from any trading participant.

The facility hub capacity is published in the INT653 Ex Ante Pipeline Data report and the ex-ante market price is published in the INT651 Ex-ante Market Price report.

These reports are available from the AEMO website at:

[http://www.aemo.com.au/data\\_gas/sttm\\_data.html](http://www.aemo.com.au/data_gas/sttm_data.html).