

STTM EVENT – DELAYED ALLOCATION SUBMISSION AND ADMINISTERED EX POST PRICE – ADELAIDE – 5 AUGUST 2013

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Glossary

Terms or Abbreviations	Explanation
AEMO	Australian Energy Market Operator
AEST	Australian Eastern Standard Time
IMT	Information Management and Technology
MAP	Moomba to Adelaide Pipeline
MIS	Market Information System
NGR	National Gas Rules
RTO	Real Time Operations
STTM	Short Term Trading Market
SWEX	STTM WebExchanger
SWEXIE	SWEX Interface Engine

1 Summary

On 5 August 2013, Epic Energy was unable to submit the STTM facility allocations for gas day 4 August 2013 by the 11:00 AEST cut-off time. In accordance with the NGR and STTM Procedures, a provisional ex post imbalance price was published at 11:00 AEST, the data submission window was extended to 15:00 AEST and the calculation of the ex post imbalance price was delayed to 16:00 AEST.

AEMO incorrectly determined that an administered ex post pricing state applied under rule 429 of the National Gas Rules (NGR), after investigating the cause of the provisional ex post imbalance price being triggered.

There was no market impact from the use of the administered ex post imbalance price because it was the same as it would have been had the administered ex post pricing state not applied.

Epic Energy was not able to successfully submit its allocation notice for gas day 4 August 2013 until the 6 August. Epic Energy has advised that it has taken steps to address the process issues encountered with data submission and completed identified mitigation actions.

AEMO has reviewed its processes and taken steps since the event to mitigate a re-occurrence of incorrectly applying an administered ex post pricing state.

2 Background

2.1 Event reporting requirements

This report has been prepared under Rule 497 of the NGR (for a reviewable¹ event) and Section 7.6 of the STTM Procedures to assess the actions taken by STTM facility operators and AEMO in relation to the event and the effect of the event on the operation of the STTM.

2.2 Allocation data and ex post imbalance price

By 11:00 AEST on each gas day, the allocation agent for the relevant STTM facility is required to submit the STTM facility allocation for the previous gas day.

The STTM facility allocations provide AEMO with the delivered quantity of gas for the relevant gas day. The STTM facility allocations are used as an input into the calculation of the ex post imbalance price for the gas day in question. The ex post imbalance price is one of the prices used to determine a trading participant's deviation payment or charge.

If the STTM facility allocations are not submitted by 11:00 AEST, then AEMO systems trigger a warning and an extended period is automatically made available for the allocation agent to deliver the STTM facility allocations for the relevant facility by 15:00 AEST.

If the STTM facility allocations are not submitted by the 15:00 AEST extended window, AEMO will use default allocations for the relevant facility to calculate the ex post imbalance price.

3 Description of events

3.1 Facility Allocation data

On 5 August 2013, Epic Energy was unable to submit the STTM facility allocations for gas day 4 August 2013 by the 11:00 AEST cut-off time. AEMO systems notified the facility operator and the market that the STTM facility allocation data for the Moomba to Adelaide Pipeline (MAP) had not been submitted.

¹ For the purposes of this report, the reviewable event is the administered ex post pricing state that applied at Adelaide.

In accordance with the NGR and STTM Procedures, a provisional ex post imbalance price was calculated by AEMO systems and published by 12:00 AEST, the submission window for allocations was extended to 15:00 AEST, and the calculation of the ex post imbalance price was delayed to 16:00 AEST.

Epic Energy was not able to successfully submit its allocation notice for gas day 4 August 2013 until the 6 August (which was after the extended period). Without allocations by 15:00 AEST, AEMO would have used default allocations for MAP to calculate the 'delayed' ex post imbalance price for gas day 4 August had it not determined that an administered ex post pricing state applied.

3.2 Administered ex post pricing state

Following the 11:00 AEST system generated warning, AEMO investigated the cause of the provisional ex post imbalance price being triggered and, as a result of human error, incorrectly concluded that it was due to an AEMO market systems issue. Consequently, AEMO incorrectly determined that an administered ex post pricing state applied under rule 429 of the National Gas Rules (NGR).

At 12:15 AEST AEMO issued a Market Notice advising that an administered ex post pricing state had been determined and that it had disapproved the provisional ex post imbalance price. The administered ex post imbalance price was set to \$4.9601. .

4 Epic Energy's comments in relation to the data submission

Epic Energy has advised AEMO as follows. Note that the context of 'redundant' in Epic Energy's comments is in relation to their back-up processes.

"Epic Energy South Australia (EESA) operates the Moomba to Adelaide Pipeline System (MAPS), and is a Market Participant of the Short Term Trading Market (STTM). EESA operates a Customer Reporting System (termed CRS) that is used to facilitate 'semi-automatic' processing of its daily reporting to the market.

As is required of Market Participants, EESA undertakes a daily verification process for data submitted to AEMO to allow for any resubmission of data before the cut off times. Whilst undertaking this verification process on 5 August 2013, EESA operators identified that CRS had failed to operate correctly and that the delivery/receipt data had not actually been submitted to the market.

EESA's STTM procedures include a redundant reporting procedure utilising a manual spreadsheet tool. This procedure was instigated and the resulting manual uploading of files was completed by 0927AEST.

At 1110AEST, EESA was advised via the AEMO automated process that the MOS Step Allocation data and Pipeline Allocation data had not been received by the nominated cut off time of 1100AEST. Contact was immediately made with AEMO to confirm receipt of the manually uploaded files and ascertain the reason for AEMO's notification.

AEMO confirmed that the files had been received at 0927, but in the incorrect order and hence rejected. AEMO advised that the files were required to be submitted in a specific order (MOS Step Allocation data file prior to the Pipeline Allocation data file).

As the rejection was unknown to EESA personnel until being notified at 1110 (after the deadline), EESA was unable to rectify the situation in a timely fashion. After the discussion with AEMO, the two data files were resubmitted. (Now by 1315AEST)

However, this resubmission also turned out to be unsuccessful. The MOS Step Allocation data file was rejected due to a fault with the file naming convention. A new file name was provided by AEMO and Epic re-submitted the file at 1457AEST 6 August 2013.

Contributing Factors to Occurrence:

1. Epic Energy had been acquired by APA in December 2012 and EESA subsequently split off. EESA took over STTM reporting obligations from APA on 1 July 2013 and was operating under new procedures and with new systems. Whilst EESA operators had been trained, and were gaining corporate knowledge, the organisation is still new;
2. A password within CRS expired, resulting in that system not being able to transmit files to AEMO. The pending expiry of this password within CRS was not properly conveyed during the handover from APA; and
3. EESA's redundant process for submission of data to the STTM was a new process utilising a new tool, however the procedures associated with this process did not define the order in which the files should be submitted nor the detail around file naming conventions, the importance of which was not understood at the time by EESA personnel.

Remedial Actions:

The following actions have been undertaken by EESA to mitigate against possible occurrences:

1. A system has been implemented to track the expiry of CRS Passwords;
2. EESA's procedures for the use of the redundant data submission system have been updated to include directions on the order in which files should be submitted and on the correct naming conventions; and
3. EESA is conducting training in the use of the redundant procedures to ensure all operators are familiar with the procedural requirements. ”

5 Assessment of the incomplete allocation data submission event

As a result of the incomplete STTM facility allocations, a warning was triggered in the AEMO market systems and a notice was sent to Epic Energy at 11:10 AEST. Consequently, Epic Energy contacted AEMO to resolve the issue shortly afterwards.

AEMO found that Epic Energy had attempted to manually submit STTM facility allocations via SWEX at 9:30 AEST. The two files which make up the STTM facility allocations were submitted in the wrong order which resulted in the first one being rejected thereby making the submission an incomplete STTM facility allocations notice. Acknowledgement (error) messages were generated, automatically placed in their SWEXIE folder. The status of submissions (ie. acknowledgement (error) messages) could be viewed via a table view in SWEX². However, Epic Energy operators were not aware of this functionality.

Once AEMO concluded its investigation, it advised Epic Energy (at 12:50 AEST) of its findings and the correct process for submitting allocation files. After a number of attempts, Epic Energy successfully submitted the files the next day (which was after the extended allocation submission period for gas day 4 August).

Based on Epic Energy's comments above, it would appear that it has identified gaps in its own processes and has undertaken actions to mitigate re-occurrences. In addition, AEMO has provided training to Epic on the use of SWEX.

AEMO systems operated correctly. A provisional ex post imbalance market price was produced just after 11:00 AEST

² SWEX functionality is described in the STTM WebExchanger User Guide.

Market reporting operated as expected.

- MIS Report INT 675 - Default Allocation Notice Report for the MAP was published just after 11:00 AEST because a valid STTM facility allocation notice had not been received by the 11:00 AEST cut-off time.
- Report INT 657 - Ex Post Market Data Report which is published just after 11:00 AEST showed the provisional ex-post price as \$4.9601/GJ.
- MIS Report INT 689 - Ex Post Allocation Quantity Report which is published just after 11:00 AEST showed the default allocation data used in the provisional ex post schedule.

Market Notices were issued as required advising that an administered ex post pricing state had been determined.

6 Assessment of the administered ex post pricing state event

6.1 Market Impacts

The administered ex post imbalance price for 4 August is \$4.9601 (being administered at the ex ante market price). If the administered ex post pricing state had not applied, the ex post imbalance price would have been the same as the market was long by 2,180 GJ (i.e. gas scheduled to the hub was 85,562 GJ and gas delivered was 83,382 GJ). Consequently, there was no market impact from the use of administered ex post imbalance price.

AEMO is not aware of any participant otherwise impacted by this event.

6.2 Actions taken by participants, facility operators, and AEMO

AEMO's assessment is that Epic Energy did not contribute to the event.

On the day, AEMO investigated the cause of the provisional ex post imbalance price being triggered and, as a result of human error incorrectly concluded based on an initial assessment that it was due to an AEMO market systems issue and subsequently determined that an administered ex post pricing state applied.

Since then, AEMO has revised its operational processes to ensure that the delayed ex post imbalance price process is allowed to continue until the initial assessment that it has resulted from an AEMO IT systems issue is confirmed – at which stage the administered ex post pricing state would be correctly applied. AEMO has also conducted additional training to internal staff on allocation submission processes in order to mitigate a re-occurrence.

6.1 The effect of the reviewable event on the operation of the STTM

For the purposes of this report, the reviewable³ event is the administered ex post pricing state that applied at Adelaide.

Since there was no market impact from the use of administered ex post imbalance price, there would appear to be no effect on the operation of the STTM.

6.2 Whether the provisions of Part 20 of the NGR were adequate to address the reviewable event

No assessment can be made in this instance as AEMO incorrectly determined that an administered ex post pricing state applied under rule 429 of the National Gas Rules (NGR).

³ Rule 497(2)(a) of the NGR includes an administered ex post pricing state as a reviewable event.