# **Australian Energy Market Operator**

# **Apparent breach of Retail Market Procedures (WA) 178, 181 and 197 and Clause 10.3 of Interface Control Document by Synergy on gas day 22/09/16**

**Overview:**

High Swing Service volume was detected for gas day 22/09/16. AEMO has investigated this matter and found that:

* For gas day 22/09/16, Synergy put in a user’s pipeline nomination amount (“UPNA”) on the Parmelia Pipeline for the South Metro sub-network (1107) of 138.7GJ, but its user’s allocation instruction (“UAI”) for 1107P was 500GJ, which contributed to the Swing Service Spike of 1TJ on 1107 for gas day 22/09/16.
* For gas day 20/09/16, Synergy did not include the Swing Service Repayment Quantity (“SRQ”) in its UPNA, which contributed to the Swing Service Spike of 1TJ on 1107 for gas day 22/09/16.

These inputs have resulted in Swing Service Spikes on 1107 and appear to be a breach of clauses 178, 181 and 197 of Chapter 5 of the Retail Market Procedures WA (the “Procedures”); and clause 10.3 Allocation Instruction of the Interface Control Document (“ICD”) by Synergy on gas day 22/09/16.

Clauses 178, 181 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*.

181. User to minimise its contribution to swing service

A user must endeavour to minimise the extent to which it, and its related shippers or swing service providers (as applicable), contribute to the causation of swing service.

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).

Clause 10.3 of the Interface Control Document reads as follow:

10.3.1.5. User Allocation Instruction (UAI)

Each of the user allocation requests is validated separately against the following criteria:

* the ALLOCATION\_PRECEDENCE of the user allocation request has to be unique across the whole user allocation instruction (group). This also means that each of the user allocation requests has to have the ALLOCATION\_PRECEDENCE populated
* the SHIPPER\_GBO\_ID gets validated
* the shipper is validated against the shippers register
* the ALLOCATION\_TYPE is validated. It can be populated only to P-Percentage or Q-Quantity.
* The allocation precedence has to be a positive number
* The sum of the requests of type percentage has to be equal 100%.
* When the allocation type equals “Q” then the allocation must be greater than 0.

…

**Impact:**

Synergy’s actions appear to have contributed to the Swing Service spike of 1TJ on 1107 for gas day 22/09/16.

**Resolution:**

Synergy has acknowledged that the zero nomination was not consistent. Synergy traders were notified of the incident and advised to follow the standard gas trading procedure.

**Proposed Further Actions:**

Synergy will make system changes (targeting January/February 2017) to reduce the risk of human error when making future nominations. Synergy to refer to the ICD before submitting nominations as they cannot submit zero value when the allocation value is in Q-Quantity (as per clause 10.3 Allocation Instruction of the ICD).

**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, the Compliance Panel should make under clause 329 in respect of the apparent breaches of the Retail Market Procedures.

Submissions are requested by no later than 5:00pm (AEST) **Wednesday 4 January, 2017**. Submissions should be sent by e-mail to [rmo@aemo.com.au](mailto:remco_administration@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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