

# STTM EVENT REPORT - GAS DAY 2 JANUARY 2012

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## Glossary

Terms or Abbreviations	Explanation
AEMO	Australian Energy Market Operator
AEST	Australian Eastern Standard Time
Epic	Epic Energy
MAP	Moomba to Adelaide Pipeline
NGR	National Gas Rules
STTM	Short Term Trading Market
S-WEX	STTM Web exchanger

## 1 Summary and purpose

On 3 January 2012, Epic Energy (Epic) was unable to successfully submit the STTM facility allocations for the Moomba to Adelaide Pipeline (MAP) for gas day 2 January 2012 by the 11:00am cut-off time. In accordance with the National Gas Rules (NGR) and STTM Procedures, the submission window was extended to 3:00pm and the calculation of the ex post imbalance price was delayed to 4:00pm. Epic successfully submitted its allocation notice before the extended cut-off time. This allocation notice was used as an input into the calculation of the ex post imbalance for the Adelaide hub.

This report reviews these events.

Please note that all times in this report are expressed in Australian Eastern Standard Time (AEST).

## 2 Background

### 2.1 Event reporting requirements

Section 7.6 of the STTM Procedures requires AEMO to publish a report if an STTM facility operator fails to provide data by the time specified in rule 419 of the NGR and this leads to the substitution of data.

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;
- the effect of the event on the operation of the STTM; and
- any other matter that AEMO considers relevant.

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

### 2.2 Allocation data and the ex post imbalance price

By 4.5 hours after the start of 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 gas day starts at 6:30am at the Sydney and Adelaide hubs, and 8:00am for the Brisbane hub.

The STTM facility allocations provide AEMO with the final 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 4.5 hours after the start of the gas day, an extended period is made available for the allocation agent to deliver the STTM facility allocations for the relevant facility by 8.5 hours after the start of the gas day.

If the STTM facility allocations are not submitted by 8.5 hours after the start of the gas day, AEMO will use default allocations for the relevant facility to generate the ex post imbalance price by 9.5 hours after the start of the gas day.

## 3 Event description

On 3 January 2011, Epic submitted an STTM facility allocation for gas day 2 January 2011 on the MAP at 9:10am. This allocation was rejected due to the presence of inactive registered facility services in the allocation file.

Epic manually intervened and resubmitted the corrected allocation notice via SWEX (the STTM Web Exchanger) at 9:29am. The allocation notice was rejected due to the file extension being

labelled .csv instead of .CSV; and a message acknowledgment advising of this rejection was delivered to Epic's SWEXIE FTP folder.

Epic contacted the AEMO Helpdesk at 9.34am to enquire whether the files had been received. There were a number of emails and phone calls between the AEMO Helpdesk and Epic over the next 90 minutes trying to ascertain the issue.

At the request of the Helpdesk, Epic resubmitted the allocation notice at 10:50am. This notice was also rejected due to the same extension error.

At 11:00am, as there was no valid allocation notice, the AEMO systems notified the facility operator and the market that the STTM facility allocation data for the MAP had not been submitted. A provisional ex post imbalance price of \$3.40 / GJ was published shortly after 11:00am.

An extended window was opened for Epic to deliver the STTM facility allocations by 3:00pm.

The problem with the allocation notice was determined shortly after the first cut-off time and Epic was able to successfully deliver the STTM facility allocation data at 11:19am. This updated data was used as an input into the calculation of the ex post imbalance price.

At 3.02pm an ex post imbalance price of \$3.72 /GJ was published for gas day 2 January 2012 at the Adelaide hub.

## 4 Epic comments

On 1 January 2012, new contracts (CRNs) were implemented for an STTM shipper on the MAP, and the corresponding old contracts ended in Epic systems. This was the first time this process had been carried out on the MAP since the start of the market.

During the pre-STTM market trial, Epic encountered issues where files were rejected in scenarios where Epic ended contracts in its systems. For this reason the decision was made to leave the old CRNs in the daily reports for the public holidays – gas days 1 and 2 January, but to have personnel present at Epic on 2 January 2012 and 3 January 2012 to allow immediate corrections and communication if the reports rejected. Epic has just under a two hour window from when gas day information is finalised and the reports are sent, until the 11:00am deadline.

On 2 January 2012 (for gas day 1 January 2012), the allocation files were rejected due to the presence of the inactive contracts (CRNs). The files were updated and manually submitted via SWEX and a call placed to the AEMO Help Desk, as Epic's systems cannot easily see responses to file submissions through SWEX. A naming issue was identified (unrelated to the subsequent issue to occur on the following day), the required changes discussed with Epic and the files were successfully resent and accepted.

On 3 January (for gas day 2 January 2012) allocation files were again rejected due to the presence of the inactive CRNs. This was anticipated, and the reports were reviewed, updated and resubmitted via SWEX before 09:30am. As noted above, again, a call and email was logged with AEMO Help Desk by 09:35am, with several additional emails and calls made over the next 90 minutes. The AEMO Help Desk could not find the file submitted through SWEX, despite Epic personnel uploading the file several times, until after the 11:00am deadline. It was identified that the files were rejected due to the extension on the file being .csv rather than .CSV. This was immediately rectified and the files were resubmitted successfully at 11:19am.

Epic followed all steps in its Data Validation and Substitution process. A review of improvement opportunities post-event has been carried out, and these will be implemented as appropriate.

## 5 AEMO's assessment of the actions taken

Epic did not successfully submit the STTM facility allocations on 3 January 2012 for gas day 2 January 2012 by 11:00am in accordance with rule 419 (1). This led to an extended period being made available for data submission, allowing until 3:00pm for allocation notice submissions.

Epic was able to submit the facility allocation information at 11:19am, as allowed under section 7.2.1B of the STTM Procedures. This allocation information was used to produce the ex post price for gas day 2 January 2012.

The STTM systems operated as expected. A provisional ex post market price was produced just after 11:00am and then the ex-post imbalance price was produced just after 1:00pm for gas day 2 January 2012.

Market communication operated as expected.

- Report INT 657 - Ex Post Market Data Report which is published just after 11:00am showed the provisional ex-post price as \$3.40/GJ. The same report published just after 3:00pm showed the ex-post imbalance price as \$3.72/GJ.
- SMS/e-mail messages were sent to 24-hour contacts that are registered in AEMO systems for the affected hub advising them that Epic had failed to submit the STTM facility allocations by 11:00am.

AEMO and Epic have held discussions surrounding the issues that occurred on 2 January 2012 and have identified areas for improvement for both Epic's processes and AEMO's helpdesk processes.

AEMO has reviewed the helpdesk process that occurred on the day in question. To ensure that helpdesk calls are given the required priority and get sent to the right team, participants are asked in such events to clearly state that the call is of high priority and is a time critical IT issue as it impacts the market.

Epic has indicated that it is incorporating learnings from the event into its data submission procedures and reviewing procedures and checks for when contracts end.

## 6 Market Impacts

As a consequence of the STTM facility allocations not being submitted by 11:00 AEST, a provisional ex post imbalance price of \$3.40/GJ was produced by 12:00noon using a default allocation for the MAP. A delayed ex post imbalance price of \$3.72/GJ was produced by 4:00pm for the Adelaide hub using the allocation notice submitted by Epic.

On this occasion, there was a \$0.32 / GJ difference between the provisional ex post imbalance price and the delayed ex post imbalance price, noting that the imbalance quantity changed from -4,677 GJ to -667 GJ (a difference of 4,010 GJ). The cumulative price published for the next gas day used the provisional ex post imbalance price. The cumulative price was correctly recalculated after the delayed ex post price was published and used for subsequent days. In this instance there was no difference in the two cumulative price outcomes.

Prudential monitoring run on 3 January 2012 was done at 12:26pm and used the provisional ex post imbalance price to determine the trading participants' exposure for gas day 2 January 2012. This resulted in non-material differences in prudential monitoring outcomes, totalling \$566 for the hub. In addition, there have been no reported impacts from any trading participants.

The STTM Procedures for data validation, substitution and price setting worked as intended under the rules, resulting in the correct pricing outcomes and without having material impact on participants.

The ex post imbalance price reports and allocation quantity 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).