

# 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 June and August 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
Between Oct 2014 and 17/05/2017	SA Gas Retail Market	AEMO	Clause 177 of the SA Retail Market Procedures	<p><u>Description</u> In preparation for the close down of the Kent Town weather station, AEMO discovered that since Oct 2014 until 17/05/2017, AEMO used historical hours of sun (HoS) data to calculate the Heating Degree Day (HDD) for the Adelaide region as no observed nor forecast HoS data was received.</p> <p>This caused a non-compliance with the SA Retail Market Procedures relating to the calculation of the HDD.</p> <p><u>Cause</u> AEMO has not received any HoS data from Bureau of Metrology (BoM) between Oct 2014 and 17/05/2017. During that time, SA GRMS database used the historical HoS data to calculate the HDD for the Adelaide region.</p> <p><u>Action(s)</u> AEMO will update the internal procedures to include follow up steps where weather data from the BoM is not received.</p>	<p>Immaterial AEMO's non-compliance with clause 177 of the SA RMP between Oct 2014 and 17/05/2017 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>On 17/07/2017, AEMO informed the SA participants of the closure of the Kent Town weather station and the use of the historical HoS data to calculate the HDD for the Adelaide region between Oct 2014 and 17/05/2017, and no concerns were raised.</p>
Between 30/03/2017 and 02/05/2017	NSW-ACT Gas Retail Market	Energy Australia	Clause 5.1.2 of the NSW-ACT Retail Market Procedures	<p><u>Description</u> Energy Australia advised AEMO that the transfer of 23 gas sites in NSW were completed without express customer consent.</p> <p>This is a non-compliance with the NSW-ACT Retail Market Procedures relating to obtaining the explicit informed consent of the customer.</p> <p><u>Cause</u> An Energy Australia sales agent fraudulently completed sales for 23 gas sites in NSW.</p>	<p>Immaterial Energy Australia's non-compliance with clause 5.1.2 of the NSW-ACT RMP between 30/03/2017 and 02/05/2017 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>The 23 gas sites were returned to the previous retailers as advised by Energy Australia.</p>

				<p><u>Actions</u> Energy Australia advised AEMO of the following completed actions:</p> <ul style="list-style-type: none"> <li>• The incident has been reported to the police.</li> <li>• The sales agent is no longer employed by Energy Australia.</li> </ul>	
26/06/2017	NSW-ACT Gas Retail Market	AEMO	Clause 8.11.9 of the NSW-ACT Retail Market Procedures	<p><u>Description</u> On 26/06/2017, the provision of the Network Allocation Data (NAD) file for the NSW and ACT Gas Retail Market to the Short Term Trading Market (STTM) system was delayed by 1 hour and 46 minutes.</p> <p>This caused a non-compliance with the NSW and ACT Retail Market Procedures relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u> A server restart was required after a system update. The server stopped processing requests while it was waiting for its restart.</p> <p><u>Actions</u> AEMO restarted the server and re-ran the daily calculations for gas day 25/06/2017.</p> <p>AEMO modified the server settings that required a server restart after an update is installed.</p>	<p>Immaterial AEMO's non-compliance with clause 8.11.9 of the NSW-ACT RMP on 26/06/2017 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>
Between 07/07/2017 and 14/07/2017	SA Gas Retail Market	AEMO	Clause 206(2) of the SA Retail Market Procedures	<p><u>Description</u> Red Energy went live in the SA Gas Retail Market on 07/07/2017. Delivery of the Shipper profiled forecast market reports to Red Energy were delayed between 07/07/2017 and 14/07/2017.</p> <p>This caused a non-compliance with the SA Retail Market Procedures relating to the timely provision of the Shipper profiled forecast market reports to Red Energy.</p>	<p>Immaterial AEMO's non-compliance with clause 206(2) of the SA RMP between 07/07/2017 and 14/07/2017 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>AEMO consulted with Red Energy on this matter in regards to the impact. AEMO was advised that this incident</p>

				<p><u>Cause</u> The delay of the market reports to Red Energy was due to an incorrect name for Red Energy's folder.</p> <p><u>Actions</u> AEMO renamed the Red Energy's folder and the market reports were delivered to Red Energy.</p>	had minimal impact on Red Energy.
12/07/2017	SA Gas Retail Market	AEMO	Clause 103(1)(d) of the SA Retail Market Procedures	<p><u>Description</u> On 12/07/2017, three transfer notification transactions were delayed by 306 minutes.</p> <p>This caused a non-compliance with the SA Retail Market Procedures relating to the timely delivery of the transfer confirmation of the metering data.</p> <p><u>Cause</u> The delay in transfer notification transactions was caused due to a connection error that stopped the processing of the transfer notification transactions.</p> <p><u>Actions</u> AEMO identified the delayed transfer notification transactions and processed these transactions on the day.</p>	<p>Immaterial AEMO's non-compliance with clause 103(1)(d) of the SA RMP on 12/07/2017 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>The three pending transfer notification transactions were delivered on the day. AEMO did not receive any queries nor incidents raised by participants due to this incident.</p>
17/08/2017	SA Gas Retail Market	AEMO	Clause 11(1)(a) of the SA Retail Market Procedures	<p><u>Description</u> On 17/08/2017, 77 Transfer Confirmation Notification (TFR-CONF-NOTF) transactions did not meet the transaction acknowledgement time of 270 minutes for medium priority transactions, as required by clause 11(1)(a) of the SA RMP, which references section 2.5.5 of the "FRC B2M-B2B Hub System Specifications", specifying that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u> On 16/08/2017, AEMO carried out a Disaster Recovery (DR) Test in the SA Gas Retail Market.</p>	<p>Immaterial AEMO's non-compliance with clause 11(1)(a) of the SA RMP on 17/08/2017 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>All pending transactions were processed. Incoming and outgoing transactions were processed normally. AEMO did not receive any queries nor incidents raised by participants due to this incident.</p>

				<p>After the restoration of the production IP address in the FRC Hub, the IP address from one of the DR servers remained in the FRC Hub's cache resulting in degraded communication performance at the production gateway.</p> <p><u>Actions</u> AEMO notified the SA participants of the degraded performance after the issue was identified. All pending transactions were processed and the operation returned to normal after the issue was resolved.</p>	
19/08/2017	NSW-ACT Gas Retail Market	AEMO	Clause 8.11.9 of the NSW-ACT Retail Market Procedures	<p><u>Description</u> On 18/08/2017, the provision of the Network Allocation Data (NAD) file for the NSW and ACT Gas Retail Market to the Short Term Trading Market (STTM) system was delayed by 4 minutes.</p> <p>This caused a non-compliance with the NSW and ACT Retail Market Procedures relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u> The late NAD file was due to a backlog of the daily processes.</p> <p><u>Actions</u> AEMO restarted the system and the daily process resumed generating the NAD file on the day.</p>	<p>Immaterial AEMO's non-compliance with clause 8.11.9 of the NSW-ACT RMP on 19/08/2017 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>