



AEMO GAS RETAIL MARKET COMPLIANCE QUARTERLY REPORT GAS RETAIL MARKET PROCEDURES

PREPARED BY: AEMO

Introduction

ROLE OF AEMO

For New South Wales (NSW), Australian Capital Territory (ACT), South Australia (SA), Victoria (VIC) and Queensland (QLD) gas retail markets, 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 (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).

For Western Australia (WA) gas retail market, Chapter 6 of the WA Retail Market Procedures deals with Compliance and Interpretation and places a number of obligations on AEMO. AEMO's role under Chapter 6 of the WA Retail Market Procedures includes:

- To create a Compliance Panel and support that panel¹.
- To make determinations on whether to refer Procedure compliance and interpretation matters to the Compliance Panel.

The Compliance Panel makes all decisions under Chapter 6, except that it may delegate authority to AEMO to make determinations on whether a Procedure breach is material².

PURPOSE

This report includes immaterial breaches identified in the last quarter, i.e. between September and November 2019. Breaches that have a material impact on market participants, the market as a whole, or end use customers are reported separately.

For WA gas retail market, any breaches that are referred to the Economic Regulation Authority (ERA) or have material impact on any other market participants, the market as a whole, or end use customers are reported separately and are included as a line item in this report for completeness.

VERSION CONTROL

Version	Release date	Changes
1.0	18 December 2019	Initial version

¹ The Compliance Panel has established the "WA Gas Retail Market Compliance Panel Guidelines" to set out its governance and administrative arrangements, as required by clause 338 of the Procedures. The WA Gas Retail Market Compliance Panel Guidelines are available on the AEMO website (www.aemo.com.au), and should be read in conjunction with the WA Gas Retail Market Compliance Guidelines.

² Clause 343(3) of the WA Retail Market Procedures.

QUARTERLY REPORT – IMMATERIAL BREACHES

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
10 -12 September 2019	WA	APT Facility Management Pty Ltd (APTFM)	178, 181 and 197 of the WA RMP	<p><u>Description</u></p> <p>High swing service volumes were detected for gas days 10 to 12 September 2019 on the North metro (1106) and South metro (1107) sub-networks. AEMO investigated this matter and found that APTFM’s user’s pipeline nomination amounts (UPNA) did not match with their user allocation instruction (UAI) for the Parmelia (P) pipeline for gas days 10 to 12 September. This contributed to the swing service of:</p> <ul style="list-style-type: none"> • 739 GJ for 1106 and 835 GJ for 1107 for gas day 10 September • 783 GJ for 1106 and 785 GJ for 1107 for gas day 11 September • 776 GJ for 1106 and 627 GJ for 1107 for gas day 12 September <p>This is a breach of clauses 178, 181 and 197 of the WA RMP relating to a user minimising its contribution to swing service.</p> <p><u>Cause</u></p> <p>Due to an “out of specification” gas event, APTFM had to shift all of its scheduled injections from Parmelia Gas Pipeline (PGP) to Dampier Bunbury Pipeline (DBP) to comply with its System Protection Plan obligations for gas days 10 to 12 September. APTFM submitted revised UAI for the P pipeline for gas days 10 to 12 September but did not revise UPNA to reflect the changed requirements.</p> <p><u>Actions</u></p>	<p>Immaterial</p> <p>On 15 November 2019, AEMO requested participants to provide their feedback on this breach by 29 November.</p> <p>AEMO received feedback from AGL confirming no comment.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				APTFM will use its best endeavours to ensure that the instructions to the pipeline operator (UPNA) are consistent with the allocations (UAI).	
13 September 2019	WA	Alinta Sales Pty Ltd (Alinta Energy)	178, 181 and 197 of the WA RMP	<p><u>Description</u></p> <p>High swing service volumes were detected for gas day 13 September 2019 on the North metro (1106) and South metro (1107) sub-networks. AEMO investigated this matter and found that Alinta Energy submitted the user's pipeline nomination amounts (UPNA) for gas day 13 September as required but the UPNA resubmitted at 6.56PM AWST on 12 September did not include the swing service repayment quantities (SRQ) for the Parmelia (P) pipeline for 1106 and 1107. The resubmission of the UPNA overwrote the initial nomination amounts in WA gas retail market system (GRMS). This contributed to the swing service of 480 GJ for 1106 and 381 GJ for 1107 for gas day 13 September.</p> <p>This is a breach of clauses 178, 181 and 197 of the WA RMP relating to a user minimising its contribution to swing service.</p> <p><u>Cause</u></p> <p>This incident was caused by a mistake made by a duty trader. The duty trader did not intend to make any resubmissions but inadvertently made the resubmission of the UPNA.</p> <p><u>Actions</u></p> <p>Alinta Energy is looking at a simple re-design of the nominations page to avoid such reoccurrence.</p>	<p>Immaterial</p> <p>On 08 October 2019, AEMO requested participants to provide their feedback on this breach by 22 October.</p> <p>AEMO received feedback from AGL confirming no comment.</p> <p>After having regard to the other matters in clause 329(1) of the WA RMP, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>