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# AEMO GAS RETAIL MARKET COMPLIANCE QUARTERLY REPORT GAS RETAIL MARKET PROCEDURES

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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 panel<sup>1</sup>.
- 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 material<sup>2</sup>.

## PURPOSE

This report includes immaterial breaches identified in the last quarter, i.e. between December 2020 and February 2021. 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	15 March 2021	Initial version

<sup>1</sup> 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](http://www.aemo.com.au)), and should be read in conjunction with the WA Gas Retail Market Compliance Guidelines.

<sup>2</sup> 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
25 and 30 December 2020	WA	Alinta Sales Pty Ltd (Alinta Energy)	181 of the WA RMP	<p><u>Description</u></p> <p>High swing service volumes were detected for gas day 25 December on the North Metro (1106) and 30 December on the South Metro (1107) sub-networks.</p> <p>AEMO investigated this matter and found that Alinta Energy’s user’s pipeline nomination amount (UPNA) was higher than the calculated user’s estimated total withdrawals (UETW) for the Parmelia pipeline on 1106 for gas day 25 December and on 1107 for gas day 30 December. This contributed to the swing service volume of 823 GJ on 1106 for gas day 25 December and 2 TJ on 1107 for gas day 30 December.</p> <p>This is a breach of clause 181 of the WA RMP relating to a user minimising its contribution to swing service.</p> <p><u>Cause</u></p> <p>Similarly to the swing service events occurred for gas days 29 and 30 October, this incident was caused by a large fluctuation in Alinta Energy’s commercial and industrial (C&amp;I) customer portfolio demand relative to forecast. Despite the steps Alinta Energy put in place on 9 November to minimise the swing service contribution, the fluctuation in load was over and above what Alinta Energy had anticipated.</p> <p><u>Actions</u></p> <p>Alinta Energy will review their methodology and consider applying further measures during public holidays and other</p>	<p>Immaterial</p> <p>On 14 January 2021, AEMO requested participants to provide their feedback on this breach by 28 January.</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
				periods of potential low demand to minimise the contribution to swing service going forward.	