



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 2022. 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 | 12 December 2022 | 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 |
|-------------------|--------|-------------------------|-----------------------|---|--|
| 3 September 2022 | QLD | AEMO | 6.10.2(a) of QLD RMP | <p><u>Description</u></p> <p>On 3 September 2022, the provision of the network allocation daily (NAD) files for gas day 2 September for the QLD gas retail market to the STTM system was delayed by 30 minutes.</p> <p>This caused a non-compliance with the QLD RMP relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u></p> <p>A deadlock occurred in a database around 9.42AM preventing the generation of the QLD distribution system allocation (DSA).</p> <p><u>Actions</u></p> <p>On 3 September, AEMO re-set the basic meter profiling (BMP) background task status to let the background task process to be picked up and triggered. The DSA run completed at 11AM.</p> <p>AEMO will update the IT Support Wiki page to include database log check for deadlock error.</p> | <p>Immaterial</p> <p>AEMO’s non-compliance with clause 6.10.2(a) of the QLD RMP on 3 September had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>AEMO does not run STTM daily prudential on weekends and public holidays.</p> |
| 16 September 2022 | SA | AEMO | 8.6.13(b) of SA RMP | <p><u>Description</u></p> <p>On 16 September 2022, 23 UETW (user estimated total withdrawal) reports were delivered late to the participants by 8 minutes.</p> <p>This caused a non-compliance with the SA RMP relating to the timely provision of the UETW data to the users.</p> <p><u>Cause</u></p> | <p>Immaterial</p> <p>AEMO’s non-compliance with clause 8.6.13(b) of the SA RMP on 16 September had no material impact on any other market participants, the market as a whole, or end use customers.</p> |

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| | | | | <p>The data estimation entity workflow encountered an error causing it to stop running. The error was caused by a duplicate entry in the meter table for a MIRN.</p> <p>The DCN procedure (meter type downgrade) was performed for the MIRN and on the same day a transfer request for the MIRN was completed. It appears that the DCN data in the staging table was processed at the same time as the data for the transfer request resulted in duplicate entry in the meter table.</p> <p><u>Actions</u></p> <p>On 16 September at 10.35AM AEST, AEMO removed the duplicate entry in the meter table and re-ran the data estimation entity workflow. The data estimation entity workflow completed successfully and UETW reports were delivered to the users at 11.08AM.</p> <p>AEMO has updated the DCN procedure to add a validation before performing a DCN MIRN upgrade/downgrade procedure. CGI will perform the DCN procedure on the next business day after the completion of an in-progress transaction.</p> <p>AEMO has updated the health check procedure to update the SLA query to check for transactions in the past 7 days. This will ensure that the failed SLAs on Friday and the weekend (including public holiday) will be checked on the next business day.</p> | |
| 10 October 2022 | WA | Alinta Sales Pty Ltd (Alinta Energy) | 181, 188(1) and 197(2) of WA RMP | <p><u>Description</u></p> <p>High swing service volumes were detected for gas day 10 October at the North Metro (1106) and South Metro (1107) sub-networks. AEMO investigated this matter and found that the high swing service volumes were due to mismatch between the</p> | <p>Immaterial</p> <p>On 19 October 2022, AEMO requested participants to</p> |

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| | | | | <p>pipeline injection and the total user pipeline nomination amount (UPNA). Alinta Energy did not provide user allocation instruction (UAI) and UPNA at 1106 and 1107 sub-networks to the WA gas retail market system (GRMS) for gas day 10 October. This contributed to the swing service of 5.5 TJ on 1106 and 7 TJ on 1107 for gas day 10 October, which exceeded the tolerance band.</p> <p>This is a breach of clause 181 of WA RMP relating to user obligations to minimise its contribution to swing service, and clauses 188(1) and 197(2) of WA RMP relating to timely provision of UAI and UPNA respectively.</p> <p>The high swing service volumes on gas day 10 October has resulted in shortfall of 2.8 TJ of gas at the North Metro Interconnect for gas day 12 October (which APA has issued a clause 255 notice to the market on 13 October) and caused high swing service volume on 1106 for gas day 12 October.</p> <p>Note: The total UPNA is higher than normal due to the high swing service volumes on gas day 10 October. The high swing service volumes on gas day 10 October are being repaid as swing repayment quantity (SRQ) on gas day 12 October and users need to include higher than normal SRQ allocated for gas day 10 October to their UPNA for gas day 12 October.</p> <p><u>Cause</u></p> <p>Results of a preliminary investigation by Alinta Energy determined that there was a failure in the usual day-ahead nomination process and nominations were not sent for gas day 10 October 2022.</p> <p><u>Actions</u></p> | <p>provide their feedback on this breach by 2 November.</p> <p>AEMO received feedback from Australian Gas Infrastructure Group (AGIG) confirming no impact to their operations.</p> <p>AGL and Perth Energy advised there were some minor costs incurred, but neither AGL nor Perth Energy have an issue or wish to raise any issues regarding to the event or Alinta Energy's actions.</p> <p>Kleenheat advised there were some operations and financial impact. Kleenheat does not have any further comments in regards to the implementation of clause 329 of the WA RMP (determination by AEMO of materiality of breach) and recognises that system or operational errors of the like may occur occasionally with any market participants. Kleenheat notes that this event demonstrates the complexity of the swing service mechanism in the WA gas retail market and, in</p> |

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| | | | | <p>To mitigate risk of this occurring in the future, Alinta Energy will undertake a range of initiatives, including staff retraining and a review of its procedures relevant to this activity.</p> | <p>its view, highlights the fact that it inappropriately affects market participants.</p> <p>Synergy advised this event has created a financial impact for Synergy and confirmed the financial impact is immaterial.</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> |
| 12 and 18 October 2022 | VIC | AEMO | 2.8.4(a) of VIC RMP | <p><u>Description</u></p> <p>AEMO is responsible for calculating an effective degree day (EDD) for each day of the year and publishing it on the market information bulletin board (MIBB) as per clause 2.8.4(a) of the VIC RMP.</p> <p>This task has been fully automated by AEMO and the EDD information is extracted from a file received from the Bureau of Meteorology (BOM) and published on the MIBB. On 12 October 2022 (for gas day 11 October) and 18 October (for gas day 17 October), this process failed to run due to an issue caused by the DWGM server. AEMO has alerts in place that are triggered by failure of this process, however, on both occasions the alerts did</p> | <p>Immaterial</p> <p>AEMO's non-compliance with clause 2.8.4(a) of the VIC RMP on 12 and 18 October had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>Distributors estimate the consumed energy for a basic meter based on the weather measured in EDD, and the base load and temperature sensitivity factor as per the approved</p> |

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| | | | | <p>not trigger. It is currently not known why the alerts were not triggered.</p> <p>Subsequently, the EDD that should have been published on 12 October was published at 11:41AM AEST on 13 October and the EDD that should have been published on 18 October was published at 6:21AM on 19 October.</p> <p>This caused a non-compliance with the VIC RMP relating to the timely provision of the publication of EDD on the MIBB.</p> <p><u>Cause</u></p> <p>On 19 October, AEMO IT identified the DWGM server was experiencing a number of processing issues.</p> <p>The socket app on the reporting server began failing and this impacted connectivity with the server causing the failure of the automated BOM extraction process.</p> <p>The cause of alert failure could be due to misconception on how the alert behaves with its configuration at the time.</p> <p><u>Actions</u></p> <p>AEMO has made some changes to the configuration of the alert to be less restrictive and made the polling cycle frequency shorter.</p> | <p>estimation or substitution methodology in the VIC RMP. Distributors are required to use the EDD for the previous day where the EDD for a reading period for a day is not available.</p> |
| 28 October 2022 | NSW-ACT | AEMO | 1.3.2 of NSW-ACT RMP | <p><u>Description</u></p> <p>On 28 October 2022, 13 medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes by 2 hours.</p> | <p>Immaterial</p> <p>AEMO's non-compliance with clause 1.3.2 of the NSW-ACT RMP on 28 October 2022 had no material impact on any other market participants, the market</p> |

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| | | | | <p>This is a breach of clause 1.3.2 of the NSW-ACT RMP. Clause 1.3.2 of the NSW-ACT RMP references the Gas Interface Protocol and section 2.5 of the "Participant Build Pack 3 FRC B2B System Specification" specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u></p> <p>On 27 October 4.06PM AEST, AEMO received multiple alarms indicating that the NSW delivery point registry (DPR) service and other services were down. Upon investigation, AEMO identified the DPR service and other application services were not running due to a crash of the messaging application. At 4.20PM, AEMO restarted all the application services and confirmed that the application services were operational after the restart.</p> <p>On 28 October at 12.10PM, AEMO received an alarm indicating that there were workflows in error. At 12.20PM, AEMO re-triggered the workflows and the transactions were processed as per normal. The workflows in error were not detected when the application services were restarted on 27 October.</p> <p><u>Actions</u></p> <p>On 27 October, AEMO restarted all the application services and confirmed that all the application services were operational after the restart.</p> <p>On 28 October, AEMO re-triggered the workflows and the transactions were processed as per normal.</p> <p>AEMO has updated the 'Shutdown Startup' procedure to include a check of 'Workflows in Error' step to be performed after the restart of any components of the system.</p> | <p>as a whole, or end use customers.</p> |

