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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, decide 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 several 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 June and August 2023. 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	11 September 2023	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
9 June 2023	WA	Alinta Sales Pty Ltd (Alinta Energy)	181 and 197(1) of WA RMP	<p><u>Description</u></p> <p>High swing service volume was detected on the South Metro (1107) sub-network for gas day 9 June 2023. AEMO investigated this matter and found that the high swing service volume was contributed by Alinta Energy due to Alinta Energy’s user pipeline nomination amount (UPNA) was higher than its user deemed withdrawal (UDW). This contributed to the swing service of 1.15 TJ on the 1107 sub-network for gas day 9 June, which exceeded the tolerance band.</p> <p>This is a breach of clauses 181 and 197(1) of WA RMP relating to user obligations to minimise its contribution to swing service.</p> <p><u>Cause</u></p> <p>Results of a preliminary investigation by Alinta Energy determined that this was caused by an over forecast of demand to accommodate anticipated higher usage due to unseasonal cold weather in the days leading up to gas day 9 June. The demand forecast was not adjusted intraday when the gas day resulted in being warmer than initially expected.</p> <p><u>Actions</u></p> <p>To mitigate risk of this occurring in the future, Alinta Energy will review its procedures regarding shift handovers to ensure incoming personnel receive all relevant forecasting information.</p>	<p>Immaterial</p> <p>On 21 June 2023, AEMO requested participants to provide their feedback on this breach by 5 July.</p> <p>AEMO received feedback from AGL and Perth Energy confirming no substantive impact.</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>
8 June 2023	SA	AEMO	1.3.2 of SA RMP	<p><u>Description</u></p>	Immaterial

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>On 8 June 2023, 25 medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes by 3 hours and 20 minutes.</p> <p>This is a breach of clause 1.3.2 of the SA RMP. Clause 1.3.2 of the SA RMP references the AEMO Specification Pack and section 2.5 of the "FRC B2M-B2B Hub System Specifications", which forms part of the AEMO Specification Pack, specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p><u>Cause</u></p> <p>On 8 June, AEMO identified an issue with the connection to the database. Upon investigation, AEMO found that the database processes were hung preventing a successful login to the database. AEMO rebooted the server and normal processing resumed.</p> <p>Note: This incident is related to the SA Disaster Recovery test on the evening of 7 June.</p> <p><u>Actions</u></p> <p>On 8 June, AEMO restarted the server and confirmed that normal processing resumed.</p> <p>In future Disaster Recovery (DR) tests, AEMO will temporarily disable a database parameter as part of the pre-task activity before opening the DR database to prevent Oracle attempting to synchronise the standby database from the production database. The parameter will be enabled the following day to enable the synchronisation of the restored standby database from the production database. The Disaster Recovery test procedure has</p>	<p>AEMO's non-compliance with clause 1.3.2 of the SA RMP on 8 June 2023 had no material impact on any other market participants, the market as a whole, or end use customers.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<p>been updated to include the proposed step as part of the post testing activities.</p>	
2 July 2023	WA	Alinta Sales Pty Ltd (Alinta Energy)	181 of WA RMP	<p><u>Description</u></p> <p>High swing service volumes were detected on the North Metro (1106) and South Metro (1107) sub-networks for gas day 2 July. AEMO investigated this matter and found that the high swing service volume was contributed by Alinta Energy due to Alinta Energy failing to update its user pipeline nomination amount (UPNA) and user allocation instruction (UAI) following an intraday re-nomination to a pipeline operator, resulting in pipeline injection greater than the total UPNA. This contributed to the swing service of 3.5 TJ on 1106 and 4.6 TJ on 1107 for gas day 2 July, 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.</p> <p><u>Cause</u></p> <p>Results of a preliminary investigation by Alinta Energy determined that this was caused when Alinta Energy failed to revise its UPNA and UAI following an intraday re-nomination to a pipeline operator.</p> <p><u>Actions</u></p> <p>To mitigate risk of this occurring in the future, Alinta Energy is conducting refresher training relevant to this activity.</p> <p>Alinta Energy is also updating its systems to incorporate automations and warnings.</p>	<p>Immaterial</p> <p>On 17 July 2023, AEMO requested participants to provide their feedback on this breach by 31 July.</p> <p>AEMO received feedback from AGL and Perth Energy confirming no impact.</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
4 and 5 July 2023	NSW- ACT, QLD, SA, VIC and WA	AEMO	<p>Clause 1.3.4(d) of NSW-ACT RMP</p> <p>Clauses 1.3.4(d), 4.2.1 and 4.5.3 of QLD RMP</p> <p>Clause 1.3.4(d) of SA RMP</p> <p>Clauses 1.2.5(d), 4.2.1 and 4.5.3 and of VIC RMP</p> <p>Clause 14(1)(b) of WA RMP</p>	<p><u>Description</u></p> <p>On 4 July 2023, AEMO received multiple alerts from gateway server indicating server restarts followed with loss of connectivity with the database. This resulted in outbound market transactions being delayed or not sent and inbound market transactions being rejected and unacknowledged, and 42 transfer or transfer withdrawal request transactions (CATS transactions) were unprocessed in the VIC and QLD gas retail markets.</p> <p>The incident started on 4 July 10.30pm (AEST) and resolved on 5 July 10.20am.</p> <p>This is a breach of:</p> <ul style="list-style-type: none"> <li>• Clause 1.3.4(d) of NSW-ACT RMP which refers to the FRC Hub Terms and Conditions (FRC Hub T&amp;Cs) (section 3.3.3 of the FRC Hub T&amp;Cs)</li> <li>• Clause 1.3.4(d) of QLD RMP which refers to the FRC Hub T&amp;Cs (section 3.3.3 of the FRC Hub T&amp;Cs)</li> <li>• Clauses 4.2.1 and 4.5.3 of QLD RMP relating to delivering notices of the transfer request to the affected parties</li> <li>• Clause 1.3.4(d) of SA RMP which refers to the FRC Hub T&amp;Cs (section 3.3.3 of the FRC Hub T&amp;Cs)</li> <li>• Clause 1.2.5(d) of VIC RMP which refers to the FRC Hub T&amp;Cs (section 3.3.3 of the FRC Hub T&amp;Cs)</li> <li>• Clauses 4.2.1 and 4.5.3 and of VIC RMP relating to delivering notices of the transfer request to the affected parties</li> </ul>	<p>Immaterial</p> <p>AEMO’s non-compliance with clause 1.3.4(d) of NSW-ACT RMP; clauses 1.3.4(d), 4.2.1 and 4.5.3 of QLD RMP; clause 1.3.4(d) of SA RMP; clauses 1.2.5(d), 4.2.1 and 4.5.3 and of VIC RMP; and clause 14(1)(b) of WA RMP on 4 and 5 July had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>On 28 July, AEMO requested WA participants to provide their feedback on this breach by 11 August.</p> <p>AEMO received feedback from AGL and Perth Energy confirming no concerns.</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>

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				<ul style="list-style-type: none"> <li>Clause 14(1)(b) of WA RMP which refers to the FRC Hub T&amp;Cs (section 3.3.3 of the FRC Hub T&amp;Cs)</li> </ul> <p><u>Cause</u></p> <p>Loss of connectivity between the gateway server and the database.</p> <p><u>Actions</u></p> <p>On 5 July, AEMO restarted the servers resolving the server connectivity issue with the database. Normal operations resumed at 10.20am.</p> <p>Market participants had to re-submit transactions that did not receive acknowledgements.</p> <p>On 14 July, AEMO completed the processing of the 42 CATS transactions. IT support staff has been notified on the remediation steps to handle re-submission of transactions when similar incident occurs in the future.</p> <p>AEMO will take the following preventative actions:</p> <ul style="list-style-type: none"> <li>Review the health check process and identify where it failed.</li> <li>Investigate how messages / transactions can be managed during database switch over.</li> <li>Explore the alerting mechanism for database switch over.</li> <li>Review and update business process to ensure AEMO IT Duty Manager is engaged in a timely manner for future incidents.</li> </ul>	

