



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, 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 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 December 2023 and February 2024. 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	27 March 2024	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
23 to 25 December 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 South Metro (1107) sub-network for gas days 23 to 25 December. AEMO investigated this matter and found that the high swing service volumes were contributed by Alinta Energy due to Alinta Energy’s User’s Pipeline Nomination Amount (UPNA) being higher than its User’s Deemed Withdrawal (UDW) on 1107 for gas days 23 to 25 December. This contributed to the swing service of 0.94 TJ for gas day 23 December, 1.03 TJ for gas day 24 December and 1.26 TJ for gas day 25 December.</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 Alinta Energy’s preliminary investigation determined that this was caused by a large fluctuation in the commercial and industrial customer portfolio demand relative to the forecast at the start of the holiday season.</p> <p><u>Actions</u></p> <p>Alinta Energy will review its methodology and consider further measures for public holidays and other periods of potential low demand to minimise its contribution to swing service going forward.</p>	<p>Immaterial</p> <p>On 11 January 2024, AEMO requested participants to provide their feedback on this breach by 25 January.</p> <p>AEMO received feedback from AGL confirming no issues with this event.</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
2 to 10 January 2024	WA	Agora Retail	181, 188(1) and 197(1) of WA RMP	<p><u>Description</u></p> <p>High swing service volumes were detected on the South Metro (1107) sub-network for gas days 2 to 10 January. AEMO investigated this matter and found that the high swing service volumes were contributed by Agora Retail.</p> <ul style="list-style-type: none"> For gas days 2 and 3 January, Agora Retail’s user allocation instruction (UAI) were invalid. For gas days 4 to 8 January, Agora Retail’s user pipeline nomination amount (UPNA) did not include swing service repayment quantities (SRQ). For gas day 9 January, Agora Retail’s UPNA did not include its allocation amount. For gas day 10 January, Agora Retail’s UPNA did not include correct SRQ for the gas day. <p>This contributed to the swing service of 4.64 TJ for gas day 2 January, 4.62 TJ for gas day 3 January, 1.67 TJ for gas day 4 January, 1.73 TJ for gas day 5 January, 934 GJ for gas day 6 January, 854 GJ for gas day 7 January, 332 GJ for gas day 8 January, 4.6 TJ for gas day 9 January and 1.18 TJ for gas day 10 January.</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(1) of WA RMP relating to UAI and UPNA respectively.</p> <p><u>Cause</u></p>	<p>Immaterial</p> <p>On 19 January 2024, AEMO requested participants to provide their feedback on this breach by 2 February.</p> <p>AEMO did not receive feedback on this breach.</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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				<p>For gas days 2 and 3 January, Agora Retail submitted invalid UAI transactions which were rejected by WA GRMS (gas retail market system). Agora Retail identified the error and took corrective action on gas days 4 and 5 January.</p> <p>Following submission of corrected UAI, an underlying error with the synchronisation of files was subsequently detected which had caused a failure to include correct SRQ in UPNA which impacted nominations for gas days 2 to 10 January. A contributory factor was the month ahead nominations submitted on 4 January overwriting previously submitted nominations for gas days 4 and 5 January.</p> <p><u>Actions</u></p> <p>Correctly formatted UAI transactions are now being provided. The synchronisation issue has been resolved with revised UPNA being provided.</p> <p>Corrective actions to the systems and processes have been undertaken.</p> <p>Agora Retail will implement a training program and will review its systems and processes to ensure this does not occur again.</p>	
15 to 17 January 2024	WA	Agora Retail	181, 184 and 197(1) of WA RMP	<p><u>Description</u></p> <p>High swing service volumes were detected on the South Metro (1107) sub-network for gas days 15 to 17 January. AEMO investigated this matter and found that the high swing service volumes were largely contributed by Agora Retail.</p>	<p>Immaterial</p> <p>On 24 January 2024, AEMO requested participants to provide their feedback on this breach by 7 February.</p> <p>AEMO did not receive feedback on this breach.</p>

Date of breach	Market	AEMO/Market participant	Procedures and clause	Summary	Impact
				<ul style="list-style-type: none"> For gas day 15 January, Agora Retail’s user’s estimated total withdrawal (UETW) was lower than its user’s pipeline nomination amount (UPNA). For gas days 16 and 17 January, Agora Retail’s user’s allocation instruction (UAI) and swing service repayment quantity (SRQ) did not match its UPNA and Agora Retail’s UETW was lower than its UPNA. <p>This contributed to the swing service of 1.99 TJ for gas day 15 January, 929 GJ for gas day 16 January and 994 GJ for gas day 17 January.</p> <p>This is a breach of clause 181 relating to user obligations to minimise its contribution to swing service, clause 184 relating to renominations and notifying AEMO of revised UPNA and UAI, and clause 197(1) relating to UPNA.</p> <p><u>Cause</u></p> <p>Agora Retail made good faith nominations for gas days 15 to 17 January. However, despite customer forecasts confirming the nominations after the start of the gas days, the consumption late in these gas days were lower than the UPNA and UAI values.</p> <p>On 16 January, Agora Retail submitted month ahead nominations which overlapped the corrected UPNA for gas days 16 and 17 January causing the previously submitted UPNA with correct SRQ to be overwritten with incorrect values.</p> <p><u>Actions</u></p> <p>Agora Retail has made changes to its systems and processes to rectify the issue with overlapping nominations.</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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				Agora Retail will continue to work closely with their customers to refine the forecasts.	
28 January 2024	QLD	AEMO	6.10.2(a) of QLD RMP	<p><u>Description</u></p> <p>On 28 January, the provision of the network allocation daily (NAD) file for gas day 27 January for the QLD gas retail market to the STTM system was delayed by 90 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>The JAMS (enterprise scheduler agent) on SSIS (SQL server integration services) server used to transfer data between databases was offline and had to be recovered on 28 January. Results of AEMO's investigation indicated that the issue could be due to the uptime of the SSIS server.</p> <p><u>Actions</u></p> <p>On 28 January, AEMO restarted the SSIS server at 10AM (AEST) but that did not restore the service. Failover of the JAMS server to an alternate node at 10.35AM restored the service. AEMO re-triggered the failed jobs. The jobs completed successfully and the QLD NAD file was generated at 12PM.</p> <p>AEMO has scheduled more frequent restart of the JAMS server.</p>	<p>Immaterial</p> <p>AEMO's non-compliance with clause 6.10.2(a) of the QLD RMP on 28 January 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>
3 to 5 February 2024	WA	ATCO Gas Australia Pty Ltd (ATCO)	152(1)(b), 158(1)(c) and 229(1) of WA RMP	<p><u>Description</u></p> <p>On 3, 4 and 5 February 2024, ATCO failed to deliver the gate point metering data (GPMD), the interval meter reading data</p>	<p>Immaterial</p> <p>On 12 March 2024, AEMO requested participants to</p>

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				<p>(INTMR) and the estimate of unaccounted for gas (UUAFG) files to AEMO by the deadlines for gas days 2, 3 and 4 February.</p> <p>This is a breach of clauses 152(1)(b), 158(1)(c) and 229(1) of the WA RMP relating to timely provision of GPMD, INTMR and UUAFG to AEMO.</p> <p>On 3, 4 and 5 February, WA gas retail market system (GRMS) used the hourly GPMD provided by the pipeline operator, the estimated UUAFG and interval metering data using like-day substitution by WA GRMS to perform the calculations for gas days 2, 3 and 4 February. On 5 February, AEMO received actual data (GPMD, UUAFG and interval meter readings) from ATCO. User's withdrawals were re-calculated using the actual data received, and allocation and reconciliation were revised based on the updated user's withdrawals (as per normal process).</p> <p><u>Cause</u></p> <p>This incident was caused by loss of connectivity to AEMO subnets through the IPsec (Internet Protocol Security) tunnels as a result of SNAT (Source Network Address Translation) exhaustion on the Azure load balancers.</p> <p><u>Actions</u></p> <p>On 5 February, ATCO Network Team and AEMO technical engineers worked to troubleshoot connectivity issues on the IPsec tunnel. The fault was identified as SNAT exhaustion on the Azure load balancers. The load balancers were failed over and connectivity between ATCO and AEMO was re-established. AEMO received actual data (GPMD, UUAFG and interval meter readings) from ATCO.</p>	<p>provide their feedback on this breach by 26 March.</p> <p>AEMO received feedback from AGL confirming no operational concerns regarding the breach. AGL noted that AGL would like to seek further assurance that the root cause of the problem has been assessed in other environments and the action taken to mitigate the risk. AGL is also interested in whether there are any actions AGL can take to mitigate such event occurring to AGL.</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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				<p>ATCO has implemented a change to modify load balancer outbound rules in ATCO disaster recovery (DR) and production systems to prevent future occurrences of this issue.</p> <p>Further monitoring of the SNATs have been added to monitor the number of SNAT ports in ATCO DR and production systems.</p>	