



## Retail Energy Market Company

### Apparent breach of Rule 255 of the Retail Market Rules by APA on gas day 22/04/16

#### Overview:

The Pipeline Operator for the Parmelia Pipeline (“APA”) commissioned its new interconnection between the Parmelia Pipeline and the South-Metro sub-network (1107P) on 22/04/16. APA and Alinta Energy (“Alinta”) agreed that Alinta would nominate 2 TJ of gas on 1107P on 22/04/16 to facilitate this commissioning.

Alinta made a 2 TJ nomination on 1107P for 22/04/16, but an Alinta systems error resulted in REMCo receiving only a 2 MJ a nomination. However, APA was committed to injecting 2 TJ on 1107P on 22/04/16 as part of its plan to commission 1107P, and could not change this volume for system requirements and safety reasons.

The injection of 2 TJ on 1107P on 22/04/16 with only a 2 MJ nomination resulted in a Swing Service Spike on the South-Metro sub-network (1107) on that day.

While APA had notified REMCo about the commissioning of 1107P; it did not notify REMCo that it was injecting gas according to its commissioning plan rather than nominations. This could be interpreted as a breach of Rule 255 of the Retail Market Rules (the “Rules”), which requires Pipeline Operators to notify REMCo if they are not injecting gas according to Users’ nominations. Rule 255 is as follows:

#### **255 Pipeline operator to inform of special circumstances**

- (1) If the *pipeline operator* of a *pipeline* is aware of anything which prevented gas deliveries through the *gate point* on the *pipeline* being made in accordance with a *shipper’s* request for *injections* or *swing service provider’s* request for *repayment* (as applicable) under its *transmission contract* on a *gas day*, in a manner that may have contributed materially to *swing service*, then it must, as soon as practicable, give *REMC* a description of the cause and circumstances of that prevention, and the manner in which *injections* or *repayments* (as applicable) were affected.
- (2) *REMC* must, within 1 hour after receiving information under rule 1(1), *promptly* provide the information to each *user* which gave an *allocation instruction* allocating gas to a *shipper* in the *pipeline* for the *gas day*, and each *shipper* named in each such *allocation instruction*.

It does not appear that there was any breach of the Rules by Alinta in these circumstances.

#### Impact:

APA’s decision to flow 2 TJ of gas on 1107P on 22/04/16, in accordance with its plan to commission 1107P rather than in accordance with Alinta’s nomination of 2 MJ resulted in a 2.06 TJ Swing Service spike on 1107 on 22/04/16.

As there has was no flow gas on 1107P on 23-28/04/16, Users were not able to repay their Swing Repayment Quantities (“SRQs”) during this period. The resulted in subsequent Swing Service spikes of 2.06TJ on 24/04/16 and 26/04/16.

## Resolution:

CGI investigated the Swing Service on 1107 and its causes. CGI determined that if the Gas Retail Market System ("GRMS") was to receive a User Allocation Instruction ("UAI") from Alinta for 2.06 TJ on 1107P for gas day 28/04/16, this would enable the GRMS to reconcile the SRQs that Users were unable to repay when gas was not being injected on 1107P, and would reduce the Swing Service on 1107 effectively to zero. CGI discussed this proposed solution with Alinta and received its approval to submit a UAI of 2.06TJ on 1107P for gas day 28/04/16, which resulted in Swing Service of 3 MJ on 1107 for the day.

## Proposed Further Actions:

APA is aware of its responsibilities under Rule 255, but is of the view that REMCo was aware of the plan to commission 1107P. This appears to be a one-off issue relating to commissioning of the new 1107P gate station coupled with the systems error by Alinta, and is unlikely to recur.

Alinta is taking steps to investigate its systems issue.

## Invitation for submissions:

Before determining whether any further action is required, REMCo invites written submissions from participants as to:

- the effect that this incident has on their operations, and
- their view with regard to the determination, if any, REMCo should make under Rule 329 in respect of the apparent Rule breaches.

Submissions are requested by no later than 5pm (AEST) **Monday 23 May 2016**. Submissions should be sent by e-mail to [remco\\_administration@aemo.com.au](mailto:remco_administration@aemo.com.au).

Alternatively, submissions can be sent by post to REMCo at:

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If you have any questions regarding this matter, please contact Carol Poon on (03) 9609 8509.

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