

STTM EVENT – DELAYED ALLOCATION SUBMISSION – ADELAIDE – 11 JANUARY 2016

PREPARED BY: Market Monitoring & Change

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Glossary

Terms or Abbreviations	Explanation
AEMO	Australian Energy Market Operator
AEST	Australian Eastern Standard Time
CRN	Contract Registration Number which is a unique identifier for a Registered Facility Service generated by AEMO systems.
IMT	Information Management and Technology
MAP	Moomba to Adelaide Pipeline
MIS	Market Information System
MOS	Market operator services
MSD	MOS step allocation data (daily file). Note MSD files are only submitted for pipelines.
NGR	National Gas Rules
PAD	Facility Allocation data (daily file). Note PAD files are submitted for all facilities.
RTO	Real Time Operations
STTM	Short Term Trading Market
SWEX	STTM WebExchanger
SWEXIE	SWEX Interface Engine
VPN	Virtual Private Network – A virtual (private) network that can be used to securely connect computers physically connected to a larger (public) network

Any term with a defined meaning in Part 20 of the NGR or the STTM Procedures has the same meanings when used in this report.

1 Summary

On 11 January 2016, the Short Term Trading Market (STTM) facility allocations (for the Moomba to Adelaide Pipeline) submitted to AEMO by Epic Energy failed validation due to missing allocation data. As a result, Epic Energy did not successfully submit STTM facility allocations for gas day 10 January 2016 by the 1100hrs Australian Eastern Standard Time (AEST) cut-off time. In accordance with the National Gas Rules (NGR) and STTM Procedures, a provisional ex post imbalance price was published at 1100hrs AEST, the data submission window was extended to 1500hrs AEST and calculation of the ex post imbalance price was delayed to 1600hrs AEST.

Epic Energy successfully submitted its allocation notice before the extended cut-off time of 1500hrs AEST. This new allocation notice was used as an input into calculation of the 'delayed' ex post imbalance price for the Adelaide hub. The provisional ex post imbalance price was \$3.8000/GJ while the 'delayed' ex post imbalance was \$3.1033/GJ.

There was no market impact.

Epic Energy advised that it will conduct additional training to ensure operators are familiar with all redundant processes, to significantly reduce the likelihood of reoccurrence.

2 Background

2.1 Event reporting requirements

This report has been prepared under Section 7.6 of the STTM Procedures to assess the actions taken by STTM facility operators and AEMO in relation to the event and the effect of the event on the operation of the STTM.

2.2 Allocation data and ex post imbalance price

By 11:00 AEST on each gas day for the Adelaide hub, the allocation agent for the relevant STTM facility is required to submit the STTM facility allocation for the previous gas day. For any STTM pipeline, the daily STTM facility allocation notice¹ consists of two files, a facility allocation file and a market operator service (MOS) step allocation file (also known as the PAD and MSD files respectively).

The STTM facility allocations provide AEMO with the delivered quantity of gas for the relevant gas day. The STTM facility allocations are used as an input into the calculation of the ex post imbalance price for the gas day in question. The ex post imbalance price is one of the prices used to determine a trading participant's deviation payment or charge.

If the STTM facility allocations are not submitted by 11:00 AEST, then AEMO systems trigger a warning and an extended period is automatically made available for the allocation agent to deliver the STTM facility allocations for the relevant facility by 15:00 AEST.

If the STTM facility allocations are not submitted by the 15:00 AEST extended window, AEMO will use default allocations for the relevant facility to calculate the ex post imbalance price.

3 Description of event

At 09:10 AEST on 11 January 2016, Epic Energy submitted PAD and MSD files which failed validation due to missing data.

At the 11:00 AEST cut-off time for the Adelaide hub, the STTM systems checked for a matching pair of PAD and MSD files. As there were none, the STTM systems defaulted the facility allocation for the Moomba to Adelaide Pipeline (MAP) and triggered the delayed ex post price process. A provisional ex post imbalance price of \$3.8000/GJ was determined.

¹ Refer to Appendix A for more detail on the allocation notice and related validations.

Epic Energy successfully submitted the corrected PAD and MSD files at 11:10 AEST before the extended cut-off time of 15:00 AEST. The completed allocation notice was used as an input into the calculation of the ex post imbalance price for the Adelaide hub.

At 11:20 AEST Epic Energy contacted the AEMO Support Hub for confirmation that the PAD and MSD files had been received successfully.

At 11:50 AEST a market notice was issued by AEMO informing participants of a delayed ex-post imbalance price for the Adelaide hub.

At 11:55 AEST AEMO notified Epic Energy that the updated PAD and MSD files had been received.

At 15:03 AEST the delayed ex-post pricing schedule for the Adelaide hub was completed as expected. The completed allocation notice was used as an input into the calculation of the ex post imbalance price for the Adelaide hub.

4 Epic Energy's comments in relation to the data submission

Epic Energy has advised AEMO as follows.

“Epic Energy South Australia Pty Ltd (EESA) operates the Moomba to Adelaide Pipeline System (MAPS), and is a Market Participant of the Short Term Trading Market (STTM). EESA operates a Customer Reporting System (termed CRS) that is used to facilitate processing of its daily reporting to the market.

As is required of Market Participants, EESA undertakes a daily verification process for data submitted to AEMO to allow for resubmission of data before the prescribed cut off times. Whilst undertaking this verification process on 11 January 2016, EESA operators identified that AEMO had rejected our PAD file and MSD file.

Background

- In late December 2015 Epic identified two shippers who had not updated their CRNs with AEMO to align with their services on the MAPS. Epic contacted AEMO who confirmed reporting of these services would not be necessary as they had a 'zero' capacity. EESA removed these CRNs from our CRS and notified AEMO of the changes.
- On 2 January 2016 our PAD and MSD files were rejected by AEMO due to missing CRNs from the PAD file. The missing CRNs were the CRNs removed from CRS. Epic manually submitted the PAD and MSD files following discussion with AEMO and AEMO indicated that they would review and provide advice on how to rectify the issue.
- On 5 January 2016 AEMO advised that the relevant shipper would need to formally advise AEMO of the cancellation of the CRN so this could be deleted from the AEMO system.
- On 6 January 2016 one shipper confirmed to AEMO to remove their CRN from the AEMO system to take effect from 10 January 2016.
- On 8 January 2016 the second shipper advised AEMO their intent to renew their CRN.
- Epic continued to manually submit the PAD and MSD files from 2 January to 11 January 2016.
- On 11 January 2016 the change to remove one CRN took effect, however the PAD and MSD files were still rejected and the PAD and MSD files submitted at 11:10 and 11:13 AEST respectively.
- On 12 January 2016 when the automated STTM file upload was again rejected, it was discovered that the CRN that was to remain had not been implemented into our CRS. The matter was immediately rectified and all STTM files were uploaded without issue.

Contributing Factors to Occurrence:

1. An STTM Shipper did not advise AEMO of their intention not to proceed with a service;
2. AEMO delay in updating their system which required EESA to manually upload the PAD and MSD files for multiple days

Remedial Actions:

EESA will conduct additional training to ensure operators are familiar with all redundant processes.“

5 AEMO’s comment in relation to terminating a CRN

AEMO notes Epic Energy’s comments in relation to its shippers wanting to terminate services on MAPs and the need to reflect that in AEMO systems, and advice provided by AEMO in relation to submitting allocations for services with zero capacity.

If shippers wanting to cease using a Registered Facility Service simply set the capacity to zero, the pipeline operator will still need to continue to provide allocation data (albeit zero) for that service as it remains active in AEMO systems.

There is no direct means to terminate a Registered Facility Service through the market systems. If a party wants to terminate a Registered Facility Service within the market systems, then they require the agreement of the other party to the facility contract and then to send a request to AEMO Support Hub via email. Participants should allow 5 business days for their request to be processed. This process is described in Section 3.4.8 in the STTM Web Exchanger User Guide².

AEMO has conducted internal training to ensure that AEMO staff are aware of system (and rules) requirements for allocation data validations and the process for terminating a Registered Facility Service. This should ensure timely and accurate advice is provided to participants.

6 Assessment of the event

Epic Energy did not submit a complete set of STTM facility allocations by 11:00 AEST. This led to an extended period being made available for data submission, allowing until 15:00 AEST for allocation notice submissions. Epic Energy completed its submission of a valid facility allocation notice at 11:10 AEST as allowed under section 7.2.1B of the STTM Procedures.

A provisional ex post market imbalance price was produced just after 11:00 AEST in accordance with the rules. The STTM systems determined the delayed ex-post imbalance price just after 15:00 AEST in accordance with section 7.2.1C of the STTM Procedures.

Market reporting operated as expected.

- MIS Report INT 675 - Default Allocation Notice Report for the MAP was published just after 11:00 AEST because a valid STTM facility allocation notice had not been received by the 11:00 AEST cut-off time.
- MIS Report INT 657 - Ex Post Market Data Report which is published just after 11:00 AEST showed the provisional ex-post price as \$3.8000/GJ. The same report published just after 15:00 AEST showed the ‘delayed’ ex-post price as \$3.1033/GJ.
- MIS Report INT 689 - Ex Post Allocation Quantity Report which is published just after 11:00 AEST showed the default allocation data used in the provisional ex post schedule. The same report published just after 15:00 AEST showed the actual allocation data used for the ex-post imbalance price.

² Available at http://www.aemo.com.au/Gas/Policies-and-Procedures/Short-Term-Trading-Markets/~/_/media/Files/Other/STTM/STTM%202014/STTM_WEB_EXCHANGER_USER_GUIDE_v1_38.a_shx

An SMS/email message was sent to the market at 11:51 AEST advising a provisional ex post imbalance price had been published due to a missing PAD file.

The market reports are available from the AEMO website at http://www.aemo.com.au/data_gas/sttm_data.html.

7 Market Impacts

As a consequence of the STTM facility allocations not being submitted by 11:00 AEST, a provisional ex post imbalance price of \$3.8000/GJ was produced using a default allocation for the MAP. A delayed ex post imbalance price of \$3.1033/GJ was produced by 16:00 AEST for the Adelaide hub using the allocation notice submitted by Epic Energy.

On this occasion, there was a \$0.6967/GJ difference between the provisional ex post imbalance price and the delayed ex post imbalance price, noting that the imbalance quantity changed from -2,372 GJ to -10,658 GJ (a difference of -8,286 GJ). The cumulative price published for the next gas day used the provisional ex post imbalance price. The cumulative price was correctly recalculated after the delayed ex post price was published and used for subsequent days. In this instance there was no difference in the two cumulative price outcomes.

The Prudential monitoring run on 11 January 2016 used the provisional ex post imbalance price to determine the trading participants' exposure for gas day 10 January 2016. There was no impact on prudential monitoring outcomes from using the higher provisional ex post price as no warning limits were exceeded.

In addition, there have been no reported impacts from any trading participants.

8 Conclusion

The delayed ex-post imbalance price was due to the fact that the CRN that was to remain had not been implemented into Epic's system. This led to a missing CRN in the PAD and MSD files submitted by Epic Energy on 12 January 2016.

There were no market impacts resulting from the event.

As noted above, AEMO has conducted internal training to ensure that staff advising participants are aware of allocation data validations and the process for terminating a Registered Facility Service.

Based on Epic Energy's comments above, they will conduct additional training to ensure their operators are familiar with their internal processes in regards to ending and renewing participant contracts to avoid confusion in the future.

AEMO processes for data validation, substitution and price setting fully operated as intended under the rules, without material impact on market outcomes.

APPENDIX A: Facility Allocation data and the ex post imbalance price

By 4.5 hours after the start of each gas day, the allocation agent for the relevant STTM facility is required to submit the STTM facility allocation for the previous gas day. The gas day starts at 6:30am at the Sydney and Adelaide hubs, and 8:00am for the Brisbane hub.

The STTM facility allocations provide AEMO with the final delivered quantity of gas for the relevant gas day. The STTM facility allocations are used as an input into the calculation of the ex post imbalance price for the gas day in question. The ex post imbalance price is one of the prices used to determine a trading participant's deviation payment or charge.

If the STTM facility allocations are not submitted by 4.5 hours after the start of the gas day, an extended period is made available for the allocation agent to deliver the STTM facility allocations for the relevant facility by 8.5 hours after the start of the gas day.

If the STTM facility allocations are not submitted by 8.5 hours after the start of the gas day, AEMO will use default allocations for the relevant facility to generate the ex post imbalance price by 9.5 hours after the start of the gas day.

For any STTM pipeline, the daily STTM facility allocation notice consists of two files, a facility allocation file and a market operator service (MOS) step allocation file (also known³ as the PAD and MSD files respectively). For each STTM facility allocation notice, the PAD file is required to be submitted before the MSD file and the two files are typically submitted a few minutes apart by the pipeline operators. Validations by the AEMO STTM systems are performed as follows:

- *Individual PAD and MSD validations*—validations are performed individually on the facility allocations (PAD) and MOS step allocation file (MSD) for each pipeline facility at the time the pipeline operator submits each file;
- *The PAD/MSD matching check*—a validation is run to check that the total MOS quantities (excluding overrun MOS) in both the facility allocation file and MOS step allocation file for each pipeline match. This is run at the time the MOS step allocation file is submitted. The MSD submission is rejected if it fails this test.
- *The PAD/MSD cut-off check*—in case the PAD and MSD sequence⁴ is not followed, the STTM system also performs a daily check, at the D+1⁵ allocation submission cut-off time, that there is a valid matching pair of facility allocations and MOS step allocation files for each STTM pipeline. Accordingly, this is required to be run at 11:00am for the Sydney and Adelaide hubs and 12:30pm for the Brisbane hub. In the absence of a matching pair of valid allocation files, default allocations for the relevant STTM pipeline are applied and used as an input into the calculation of the provisional or ex post imbalance price.

As far as the NGR and STTM Procedures are concerned these two files are treated as one allocation notice and neither can be considered to be validly submitted without the other.

³ Refer to STTM participant build pack and STTM participant build pack business validations addendum at <http://www.aemo.com.au/Gas/Policies-and-Procedures/Short-Term-Trading-Markets/Rules-Procedures-and-Interface-Protocol>

⁴ For example, a second PAD file could be submitted which doesn't match the first MSD file.

⁵ D+1 refers to the day after the respective gas day D.