

STTM EVENT– DELAYED ALLOCATION SUBMISSION – ADELAIDE – 1 JANUARY 2018

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DOCUMENT REF: STTM ER 18/001

DATE: 5 February 2018

FINAL

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IMPORTANT NOTICE

Purpose

AEMO has prepared this report pursuant to Section 7.6 of the STTM Procedures, using information available as at 19 January 2018, unless otherwise specified.

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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.
EPIC	Epic Energy South Australia Pty Ltd
MAPS	Moomba to Adelaide Pipeline System
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.

Summary

On 2 January 2018, the STTM facility allocations for the MAPS submitted to AEMO by Epic failed validation due to incorrect allocation data. As a result, Epic did not successfully submit STTM facility allocations for gas day 1 January 2018 by the 11.00¹ am cut-off time. In accordance with the NGR and STTM Procedures, a provisional ex post imbalance price was published at 11.00 am, the data submission window was extended to 3.00 pm and calculation of the ex post imbalance price was delayed to 4:00 pm.

Epic successfully submitted its allocation notice at 11.13 am T. This new allocation notice was used as an input into calculation of the delayed ex post imbalance price for the Adelaide hub.

There was no market impact.

Epic advised that it will review its procedures to prevent errors in its initial submissions and will also review its back up processes to ensure they are sufficiently effective to meet defined deadlines.

Background

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.

Description of event

At 09.10 am (and again at 09.20 am) on 2 January 2018, Epic submitted PAD and MSD files which failed validation due to incorrect data.

At the 11.00 am 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 MAPS and triggered the delayed ex post price process. A provisional ex post imbalance price of \$5.9825/GJ was determined.

Epic successfully submitted the corrected PAD and MSD files at 11.13 am, before the extended cut-off time of 3.00 pm. The completed allocation notice was used as an input into the calculation of the ex post imbalance price for the Adelaide hub.

At 1.19 pm, Epic sent an email to the AEMO Gas System Operations team to confirm that the PAD and MSD files had been received successfully. AEMO subsequently confirmed that the files were received before the closure of the confirmation window.

At 3.03 pm, 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.

Epic's comments in relation to the data submission

Epic has advised AEMO as follows:

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

As is required of Market Participants, Epic undertakes a daily verification process for data submitted to the Australian Energy Market Operator (AEMO) to allow for resubmission of data before the prescribed cut off times. Whilst undertaking this verification process on 2 January 2018, Epic operators identified that AEMO had rejected our PAD file and MSD files.

¹ All times are in Australian Eastern Standard Time

Background

On 2 January 2018 Epic submitted its PAD file and MSD file at 09:10 AEST and 09:20 AEST respectively. These files were rejected, which was identified by Epic on a timely basis, and Epic commenced its investigation to resolve the issues as a matter of urgency.

It was discovered that there was an incorrect apportionment of deliveries at the Adelaide Metro (STTM) delivery point. Failures were identified as relating to the STTM Customer Reporting Number (CRN) setup in Epic's CRS.

The first issue encountered was that one shipper's Firm service CRN had expired in CRS. This issue was corrected and the apportionments at the Adelaide Metro were reprocessed and updated in CRS. A second issue was identified with a new shipper CRN entered into CRS incorrectly.

These errors were rectified and the PAD and MSD files were successfully uploaded at 11:13 AEST and 11:16 AEST.

Remedial Actions

The issue was identified on a timely basis and rectified as a matter of urgency, although the deadline for submission was missed by a short period.

Additionally, Epic will review its procedures to prevent errors in its initial submissions and will also review its back up processes to ensure they are sufficiently effective to meet defined deadlines"

Assessment of actions taken by Epic

Epic did not submit a complete set of STTM facility allocations by 11.00 am. This led to an extended period being made available for data submission, allowing until 3.00 pm for allocation notice submissions. Epic completed its submission of a valid facility allocation notice at 11.13 am as allowed under section 7.2.1B of the STTM Procedures.

Assessment of effect on the operation of the STTM

A provisional ex post market imbalance price was produced just after 11.00 am in accordance with the rules. The STTM systems determined the delayed ex-post imbalance price just after 3.00 pm in accordance with section 7.2.1C of the STTM Procedures.

Market reporting operated as expected.

An SMS/email message was sent to the market at 11.01 am advising a provisional ex post imbalance price had been published due to a missing PAD file.

Market Impacts

As a consequence of the STTM facility allocations not being submitted by 11.00 am, a provisional ex post imbalance price of \$5.9825/GJ was produced using a default allocation for the MAPS. A delayed ex post imbalance price of \$6.5055/GJ was produced by 4.00 pm for the Adelaide hub using the allocation notice submitted by Epic.

The market settlement and prudential monitoring outcomes were correctly based on the delayed price of \$6.5055/GJ. In addition, there have been no reported impacts from any trading participants.

On this occasion, there was a \$0.523/GJ difference between the provisional ex post imbalance price and the delayed ex post imbalance price, noting that the imbalance quantity changed from

-7,944 GJ to -654 GJ (a difference of -7,290 GJ). Had Epic failed to submit the correct files by the extended 3.00pm cut-off time, then there would have been an effect on market outcomes.

Conclusion

The delayed ex-post imbalance price was due to the fact that an expired CRN had not been implemented correctly into Epic's system. This led to an incorrect apportionment in the PAD and MSD files submitted by Epic on 2 January 2018.

There were no market impacts resulting from the event.

Based on Epic'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 known² 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 sequence³ is not followed, the STTM system also performs a daily check, at the D+1⁴ 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.

² 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>

³ For example, a second PAD file could be submitted which doesn't match the first MSD file.

⁴ D+1 refers to the day after the respective gas day D.

Appendix B: Chronology for 2 January 2018

Time	Event/Action	Details
9.10 am	Epic Submission	Epic submit PAD and MSD files, these files are rejected.
9.20 am	Epic Submission	Epic submit PAD and MSD files, these files are again rejected. Epic commence investigation and discover incorrect apportionment of deliveries at the Adelaide Metro delivery point.
11.00 am	STTM Window closes	AEMO extends cut-off time to 3.00 pm
11.00am	MIS Report INT 675	Default Allocation Notice Report for the MAPS was published just after 11:00 am (because a valid STTM facility allocation notice had not been received by the 11am cut-off)
11.00 am	MIS Report INT 657	Ex Post Market Data Report which is published just after 11:00 am showed the provisional ex-post price as \$5.9825/GJ
11.00 am	MIS Report INT 689	Ex Post Allocation Quantity Report which is published just after 11:00 am showed the default allocation data used in the provisional ex post schedule.
11.13 am	Epic Submission	Epic successfully submit PAD and MSD files to AEMO
3.00 pm	MIS Report INT 657	'Delayed' ex-post price as \$6.5055/GJ
3.00 pm	MIS Report INT 689	Report showed actual allocation used for the ex-post price