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# STTM Event Report

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**October 2020**

Late submission of facility allocation data

Prepared by Gas Market Monitoring

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# Important notice

## **PURPOSE**

AEMO has prepared this report pursuant to Section 7.6 of the STTM Procedures, and Version 55 of the National Gas Rules, unless otherwise specified.

## **DISCLAIMER**

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# Summary

On 23 August 2020 AEMO had to delay the publication of the ex post price, for the previous gas day in the Sydney hub of the Short Term Trading Market (STTM). This was required due to AGL Upstream Investments Pty Limited (AGL) failing to confirm data following a validation warning relating to its facility allocation submission for Newcastle Gas Storage Facility (NGS). In the delayed window, AGL confirmed the submission and resubmitted the facility allocation data.

As required by the STTM Procedures AEMO published a provisional ex post price at 10.30 hrs, and the delayed ex post price was published at 14.30 hrs. There was no impact on the market.

This report is published in accordance with section 7.6 of the STTM Procedures. All times used in this report are AEST.

## Assessment of event

The National Gas Rules require facility allocation submissions, for the preceding gas day, to be submitted no later than 4.5 hours after the start of each gas day. AGL submitted the facility allocation information for NGS at 7.48 hrs on the 23 August 2020, for gas day 22 August 2020. AEMO's systems validated the data and issued a warning message by email to AGL that the total allocation quantity was above the upper allocation warning limit. AGL did not confirm the data prior to the cut-off time of 10.30 hrs, resulting in AEMO having to publish a provisional ex post price along with a notice of this to the market. At 10.39 hrs, AGL submitted its confirmation for the NGS allocation data, and resubmitted the allocation information at 10.59 hrs, consistent with what had been submitted at 7.48 hrs.

AGL explained that a trader identified the automated warning email from AEMO shortly after the allocation was uploaded, however did not action this before the required time of 10.30 hrs. AGL has since confirmed that their internal procedures have been reviewed to ensure they are adequate.

The delayed ex post price was published at 14.30 hrs using the correct NGS facility allocation data. The provisional, and delayed, ex post price were both \$5.14/GJ. No further action from AGL was required, and there was no impact on market outcomes as a result of this event. AEMO's processes and procedures operated as intended, noting that the STTM Procedures adequately provide for facility allocation data to be resubmitted and confirmed within the 4-hour delay window.

Mechanisms are in place to mitigate the market impact in the event of a late, or invalid, facility allocation submission. If a submission has not been received within 4.5 hours after the start of the gas day the AEMO systems will automatically substitute data in accordance with the STTM Procedures and produce a provisional ex post price.

Section 7.6 of the STTM Procedures requires AEMO to prepare a report when facility allocation data is not provided or fails validation. The requirement to prepare a report on every occasion appears to be unnecessary as there are adequate systems and processes for substituting information. AEMO raised this at the Gas Wholesale Consultative Forum held on 18 June 2020<sup>1</sup>, and is in the process of updating the Procedures to remove the mandatory obligation to produce reports as required by section 7.6.

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<sup>1</sup> AEMO, GWCF Meeting 27, Meeting Papers, 18 June 2020. Available at [https://aemo.com.au/-/media/files/stakeholder\\_consultation/working\\_groups/wholesale/gwcf/2020/gwcf-meeting-27--meeting-pack-18-june-2020.zip?la=en](https://aemo.com.au/-/media/files/stakeholder_consultation/working_groups/wholesale/gwcf/2020/gwcf-meeting-27--meeting-pack-18-june-2020.zip?la=en)

# A1. Chronology

<b>Time</b>	<b>Event / Action</b>
<b>7.48 hrs</b>	AGL submits facility allocation data, AEMO systems send an automated notice indicating the allocation is above the upper allocation warning limit.
<b>10.32 hrs</b>	Sydney hub provisional ex post price published
<b>10.33 hrs</b>	Market notice sent to participants
<b>10.59 hrs</b>	AGL submits updated information
<b>14.32 hrs</b>	Sydney hub delayed ex post price published
<b>15.05 hrs</b>	AEMO issues market notice advising the delayed ex post price has been successfully published