

# STTM EVENT – DELAYED ALLOCATION SUBMISSION – SYDNEY – 16 JUNE 2015

PREPARED BY: Market Monitoring and Change

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DRAFT

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## Glossary

<b>Terms or Abbreviations</b>	<b>Explanation</b>
AEMO	Australian Energy Market Operator
AEST	Australian Eastern Standard Time
MIS	Market Information System
MOS	Market operator service
MSD	MOS step allocation data (daily file). Note MSD files are only submitted for STTM pipelines.
NGR	National Gas Rules
NGS	Newcastle Gas Storage
PAD	Facility Allocation data (daily file). Note PAD files are submitted for all STTM facilities.
STTM	Short Term Trading Market

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 16 June 2015, AGL Upstream Investment Pty Limited (AGL) did not submit a STTM facility allocation for Newcastle Gas Storage (NGS) facility for gas day 15 June 2015 by the 11:00 AEST cut-off time. In accordance with the NGR and STTM Procedures, a provisional ex post imbalance price was published at 11:00 AEST, the data submission window was extended to 15:00 AEST and the calculation of the ex post imbalance price was delayed to 16:00 AEST.

AGL successfully submitted its allocation notice before the extended cut-off time of 15:00 AEST. This allocation notice was used as an input into the calculation of the ex post imbalance price for the Sydney hub. Both the provisional ex post imbalance price and the 'delayed' ex post imbalance were the same at \$5.3400/GJ.

There was no market impact.

AGL has advised that it has reinforced the need to follow checklist procedures with its gas traders, and is currently commissioning an alarm system (similar to what is used for AGL's Camden facility) to inform the gas duty trader, shortly before the closing deadline, when data has not been submitted.

## 2 Background

### 2.1 Event reporting requirements

Under clause 7.6 of the STTM Procedures, AEMO must prepare and publish a report when information is not provided in accordance with rule 419 of the NGR. The report must describe the event, assess the actions taken by STTM facility operators and AEMO, and assess 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 at Sydney, the allocation agent for the relevant STTM facility is required to submit the STTM facility allocation for the previous gas day under rule 419 of the NGR. For an STTM storage facility, the daily STTM facility allocation notice<sup>1</sup> consists of a facility allocation file only (also known as the PAD file).

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 deadline, AEMO will use default allocations for the relevant facility to calculate the ex post imbalance price.

## 3 Description of event

On 16 June 2015, AGL did not submit a STTM facility allocation for Newcastle Gas Storage (NGS) facility for gas day 15 June 2015 by the 11:00 AEST cut-off time.

At the 11:00 AEST cut-off time for the Sydney hub, the STTM systems checked for a PAD file. As there was none the STTM systems defaulted the facility allocation for NGS and triggered the delayed ex post price process.

AGL successfully submitted the PAD file for NGS at 11:23 AEST on 16 June, 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 Sydney hub.

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

## 4 AGL's comments in relation to the data submission

AGL has advised AEMO as follows.

“AEMO issued a market notice that AGL had failed to submit facility allocation data file for the Newcastle Gas Storage (NGS) facility by the required time for the Sydney hub.

Once notified of this issue, AGL promptly responded, and submitted the NGS allocation to the market by 11:30am. The allocation provided by AGL was 0GJ.

AGL has reinforced the need to follow checklist procedures with its gas traders;

AGL is currently commissioning an alarm system (similar to what is used for AGL's Camden facility) to inform the gas duty trader, shortly before the closing deadline, when data has not been submitted.”

## 5 Assessment of the event

AGL did not submit the STTM facility allocation for NGS by 11:00 AEST. In accordance with the NGR an extended period was made available for data submission until 15:00 AEST. AGL completed its submission of a valid facility allocation notice at 11:23 AEST as allowed under clause 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 clause 7.2.1C of the STTM Procedures.

Market reporting operated as expected:

- MIS Report INT 675 - Default Allocation Notice Report for NGS 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 published just after 11:00 AEST showed the provisional ex-post price as \$5.3400/GJ. The same report published just after 15:00 AEST showed the 'delayed' ex-post price as \$5.3400/GJ.
- MIS Report INT 689 - Ex Post Allocation Quantity Report 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.

An SMS/email message was sent to the market at 11:04 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/Gas/Market-Data/Short-Term-Trading-Market-Data> and are archived at <http://www.aemo.com.au/Gas/Market-Data/Short-Term-Trading-Market-Data/Archived-Daily-Files>.

## 6 Market Impacts

A provisional ex post imbalance price of \$5.3400/GJ was produced after 11:00 AEST using a default allocation for NGS. A delayed ex post imbalance price of \$5.3400/GJ was produced by 16:00 AEST for the Sydney hub using the allocation notice submitted by AGL.

On this occasion, the default allocation and the submitted allocation were the same and there was no difference between the provisional ex post imbalance price and the delayed ex post imbalance price, as the market short quantity was unchanged from 7,132 GJ. The cumulative price calculated after each price was determined was the same.

Prudential monitoring outcomes were unaffected

## **7 Conclusion**

There were no market impacts resulting from the event.

Based on AGL's comments above, it has identified improvement opportunities which when implemented will reduce the likelihood of a failure to submit data.

AEMO processes for data validation, substitution and price setting fully operated as intended under the NGR and STTM Procedures.

## 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 AEST at the Sydney and Adelaide hubs, and 8:00am AEST 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 known<sup>2</sup> 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 sequence<sup>3</sup> is not followed, the STTM system also performs a daily check, at the D+1<sup>4</sup> 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.

These two files are treated as one allocation notice and neither can be considered to be validly submitted without the other.

For any STTM storage facility or STTM production facility, the daily STTM facility allocation notice consists of a facility allocation file (PAD) only.

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<sup>2</sup> 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>

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

<sup>4</sup> D+1 refers to the day after the respective gas day D.