

AEMO COMPLIANCE QUARTERLY REPORT: GAS RETAIL MARKET PROCEDURES

PREPARED BY: Markets
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Introduction

Role of AEMO

Section 91MB(3) of the National Gas Law (NGL) requires that, if AEMO has reasonable grounds to suspect a breach of the Retail Market Procedures, it must, after making such inquiries and investigations as it considers appropriate, make a decision as to whether the breach is a material breach. AEMO must publish that decision and its reasons.

AEMO is required to assess the materiality of breaches of the Procedures and if it determines that the breach is material may direct a person suspected of a breach to take remedial action. AEMO is not required to undertake this assessment for breaches of the NGL and National Gas Rules (NGR).

Purpose

This report includes immaterial breaches identified in the last quarter, i.e. between March and May 2018. Breaches that have a material impact on market participants, the market as a whole, or end use customers are reported separately.

Quarterly Report – Immaterial Breaches

Date and time of breach	Market	AEMO/Market Participant	Procedures and clause	Summary	Impact
Since 23/07/2004	SA Gas Retail Market	AEMO	Clause 177(5)(b), 177(5)(c), 177(5)(d) and 177(5)(f) of the SA RMP	<p><u>Description</u> In preparing for the change of weather station for the Adelaide region from Kent Town to West Terrace (due to the closure of the Kent Town weather station), further information emerged and revealed that AEMO used forecast hours of sun (HoS) data to calculate the heating degree day (HDD) in particular the effective degree day (EDD) as described in clause 177(5)(b), (5)(c) and (5)(d) and total sun hours as described in clause 177(5)(f) as no observed HoS data was received.</p> <p>AEMO stopped receiving regular daily observed HoS data from the Bureau of Meteorology (BoM) for the Kent Town weather station from 23/07/2004. After that, on occasional days, AEMO received observed HoS data (the last being on 18/12/2007). The BoM advised AEMO that they no longer record and provide observed HoS data. SA Gas Retail Market System (GRMS) used forecast HoS data to calculate the HDD when observed HoS data was not available.</p> <p>This caused a non-compliance with the SA RMP relating to the calculation of the HDD.</p> <p><u>Cause</u> AEMO has not received any observed HoS data from the BoM and so SA GRMS used forecast HoS data to calculate the HDD. This occurred as the BoM data service no longer record and provide observed HoS data.</p> <p><u>Actions</u> AEMO will review the parameters and formulae to calculate the HDD in the SA RMP (clause 177). A new Gas Market Issue (GMI) will be raised with the Gas Retail Market Forum (GRCF) which will detail the scope of works, consultation process timeline and a target effective date. AEMO will continue to use the forecast HoS data to calculate the HDD until the Procedures change takes effect.</p>	<p>Immaterial AEMO's non-compliance with clause 177(5)(b), 177(5)(c), 177(5)(d) and 177(5)(f) of the SA RMP had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>A similar breach by AEMO using historical HoS data to calculate the HDD instead of using the forecast or observed HoS data was identified in July 2017 and the impact for the breach was determined to be immaterial.</p>

Between 16/03/2018 and 28/03/2018	VIC and QLD Gas Retail Market	AEMO	Clause 1.2.4 and 4.2.1 of the VIC RMP, clause 1.3.3 and 4.2.1 of the QLD RMP	<p><u>Description</u> 20,949 CATS (transfer request) medium priority transaction acknowledgments were delayed in the VIC and QLD Gas Retail markets by up to 13 days between 16/03/2018 and 28/03/2018.</p> <p>This appears a breach of clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP. Clause 1.2.4 of the VIC RMP and 1.3.3 of the QLD RMP references the Gas Interface Protocol and section 2.5 of the "Participant Build Pack 3 FRC B2B System Specifications" specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p>This also appears a breach of clause 4.2.1 of the QLD RMP and VIC RMP, which requires AEMO to deliver notice of the transfer request by midnight on the first business day following the day on which the transfer request was delivered.</p> <p><u>Cause</u> The root cause of this incident is unknown and AEMO is still investigating the issue with the third party software vendor. AEMO considers that the possible trigger of this incident is due to messaging queue being exceeded.</p> <p><u>Actions</u> A workaround was applied to manually intervene the messaging queue to clear (and to keep clear) the backlog of acknowledgement messages. The workaround solution has proven successful.</p> <p>A number of further actions have been identified:</p> <ul style="list-style-type: none"> • Set up a new health check for the system to monitor the timely alert of the message queue. This validates the message queue if there are any delays or backlog. • Update the notification to display the total number of transactions stuck in the message queue before the message body. This prevents important information to be missed and allows for better analysis. • Investigation is underway with the third party vendor to review the message queue to establish if the message queue framework should be changed. 	<p>Immaterial AEMO's non-compliance with clause 1.2.4 and 4.2.1 of the VIC RMP, and clause 1.3.3 and 4.2.1 of the QLD RMP between 16/03/2018 and 28/03/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>The backlog of acknowledgement messages was cleared on 29/03/2018. There was some operational impact for the participants mainly due to the processing of the backlog but the impact was minimal/ immaterial.</p>
24/03/2018	QLD Gas	AEMO	Clause 6.10.2(a)	<p><u>Description</u></p>	Immaterial

	Retail Market		of the QLD RMP	<p>On 24/03/2018, the provision of the network allocation daily (NAD) file for the QLD Gas Retail Market to the STTM system was delayed by 1 hour.</p> <p>This caused a non-compliance with the QLD RMP relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u> The late NAD file was due to the distribution system allocation (DSA) job¹ having an extra unknown parameter, which was introduced in an AEMO application upgrade project. The extra unknown parameter caused the failure of the DSA job.</p> <p><u>Actions</u> AEMO added the extra parameter to the DSA job and retriggered the DSA job.</p>	<p>AEMO's non-compliance with clause 6.10.2(a) of the QLD RMP on 24/03/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>AEMO is not required to run STTM daily prudential on non-business days (including weekends).</p>
25/03/2018	QLD Gas Retail Market	AEMO	Clause 6.10.2(a) of the QLD RMP	<p><u>Description</u> On 25/03/2018, the provision of the NAD file for the QLD Gas Retail Market to the STTM system was delayed by 2 hours and 40 minutes.</p> <p>This caused a non-compliance with the QLD RMP relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u> The late NAD file was due to an error associated with no interval energy data generated by the DSA job. The DSA job was triggered before the completion of the transfer of the interval energy data due to a lag time, which was introduced in an AEMO application upgrade project.</p> <p><u>Actions</u> AEMO updated the DSA job to introduce a time delay of 25 seconds as a temporary workaround to enable sufficient time for the transfer of the interval energy data to complete.</p> <p>A further action has been identified by AEMO to update the workflow to trigger the DSA job upon completion of the transfer of the interval energy data instead of an arbitrary time delay.</p>	<p>Immaterial AEMO's non-compliance with clause 6.10.2(a) of the QLD RMP on 25/03/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>AEMO is not required to run STTM daily prudential on non-business days (including weekends).</p>

¹ DSA job is the process to create the QLD NAD file.

12/04/2018	QLD Gas Retail Market	AEMO	Clause 6.10.2(a) of the QLD RMP	<p><u>Description</u> On 12/04/2018, the provision of the NAD file for the QLD Gas Retail Market to the STTM system was delayed by 1 hour and 28 minutes.</p> <p>This caused a non-compliance with the QLD RMP relating to the timely provision of the NAD file to the STTM system.</p> <p><u>Cause</u> The late NAD file was due to the AEMO service account, which was used to access the required database, was not able to access the required database. This was resulted from an expedited change to address an issue with the interval energy import process.</p> <p><u>Actions</u> AEMO resolved the issue by granting the AEMO service account access to the required database and retriggered the DSA job.</p>	<p>Immaterial AEMO's non-compliance with clause 6.10.2(a) of the QLD RMP on 12/04/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>The network allocation data was available before the daily prudential run. There was no impact on the STTM daily prudential calculations and processing.</p>
Between 29/04/2018 12.30pm and 30/04/2018 3.54pm AEST	VIC and QLD Gas Retail Market	AEMO	Clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP	<p><u>Description</u> Between Sunday 29/04/2018 12.30pm and Monday 30/04/2018 3.54pm AEST, market transactions in the VIC and QLD Gas Retail markets experienced significant slowdown and stoppage. 50 business-to-market (B2M) medium priority transaction acknowledgements breached the transaction acknowledgement time of 270 minutes by 11 hours.</p> <p>This is a non-compliance of clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP. Clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP references the Gas Interface Protocol and section 2.5 of the "Participant Build Pack 3 FRC B2B System Specifications" specifies that all medium priority transactions shall be acknowledged within 270 minutes.</p> <p>This caused a non-compliance with the VIC and QLD RMP relating to acknowledging medium priority transactions within 270 minutes.</p> <p><u>Cause</u> This incident was caused by a combination of 4 factors:</p> <ul style="list-style-type: none"> • Database data growth over the last 5 months. 	<p>Immaterial AEMO's non-compliance with clause 1.2.4 of the VIC RMP and clause 1.3.3 of the QLD RMP on 29/04/2018 and 30/04/2018 had no material impact on any other market participants, the market as a whole, or end use customers.</p> <p>Both incoming and outgoing messages were processed normally on 30/04/2018 at 3.54pm AEST.</p> <p>All processes completed successfully</p>

				<ul style="list-style-type: none"> • The architecture of the application only allows a single transaction to be processed at a time. • The database was slow in returning information when it was queried by the application. • The application and the database spanned between two different locations. <p><u>Actions</u> A workaround of moving the application and the database to a single location, separating the Electricity e-Hub and the Gas FRC Hub and running multiple instances of the application have restored service and performance.</p> <p>From the problem review meeting, AEMO has identified the following actions:</p> <ul style="list-style-type: none"> • Validate that the participant manual workaround contingency documentation is readily available. • Re-baseline the service performance and report the service performance in the weekly and monthly performance reports. • Investigate limiting the number of messages being received by the batch handler. This will allow the smoothing of peak loads into the batch handler, thereby preventing stop conditions from being experienced. • Investigate the source of the peak load experienced on 29/04/2018 to establish if there was an issue at the participant end that AEMO should be aware of and if there is a likelihood of repeat issues. • Update the current thresholds for the alerts to monitor if the functions/procedures have exceeded the thresholds. 	by the required timeframe. AEMO has not received any incidents nor complaints due to this incident.
09/05/2018	NSW-ACT Gas Retail Market	AEMO	Clause 8.4.1(a) of the NSW-ACT RMP	<p><u>Description</u> On 09/05/2018, 29 NSW-ACT forecasting data reports (ERFTForecastingDataRpt) were delivered late by 1 hour and 6 minutes.</p> <p>This caused a non-compliance with the NSW-ACT RMP relating to the timely provision of forecasting information to the Users.</p> <p><u>Cause</u> The NSW-ACT forecasting data reports were delivered late due to the service stop polling for pending CSV reports at around 12pm</p>	Immaterial AEMO's non-compliance with clause 8.4.1(a) of the NSW-ACT RMP on 09/05/2018 had no material impact on any other market participants, the market as a whole, or end use customers.

			<p>AEST on 08/05/2018.</p> <p><u>Actions</u> AEMO restarted the service at 9am AEST on 09/05/2018 and the NSW-ACT forecasting data reports were delivered to the Users at 9.06am AEST.</p> <p>AEMO created a new alarm to check for pending CSV reports daily at 1.30pm, 5.30 and 9.30pm AEST.</p>	<p>AEMO has not received any incidents nor complaints due to this incident.</p>
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