



Notice

13 November 2018

INVESTIGATION OF NON-COMPLIANT BALANCING SUBMISSIONS AFTER GATE CLOSURE

The Economic Regulation Authority has recently investigated an incident where a Market Participant submitted non-compliant Balancing Submissions after gate closure.

The Wholesale Electricity Market Rules require participants to submit price-quantity energy offers into the Balancing Market through Balancing Submissions. Clauses 7A.2.1 and 7A.2.2 of the Market Rules require Balancing Submissions for a Trading Interval to be made no later than two hours before the commencement of that Trading Interval. Balancing Submissions may be varied after the start of the two hour gate closure period for the circumstances specified in clause 7A.2.10 (for example, in the event that the generator experiences a Forced Outage).

In this instance, the participant's non-compliant Balancing Submissions increased the quantity of energy offered into the market at a price that would ensure the dispatch of its scheduled generation Facility. The participant made the submissions after gate closure in response to increasing forecast Balancing Prices. Compliant participants did not have the same opportunity to respond to these forecasts.

The ERA's investigation concluded that the participant's staff failed to follow internal procedures. Also, the participant's information technology systems did not have sufficient controls to prevent the non-compliance. The ERA issued the participant with a formal warning under the Market Rules.

This type of behaviour constitutes material non-compliance. The ERA recommends that Market Participants review their controls to ensure they are sufficient to achieve compliance with the Balancing Submission Market Rules. The ERA will continue to monitor these requirements.

Further information

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