

Minutes

Meeting Title:	Gas Advisory Board (GAB)
Date:	28 March 2018
Time:	1:00 PM – 2:36 PM
Location:	Training Room 2, Albert Facey House 469 Wellington Street, Perth

Attendees	Class	Comment
Stephen Eliot	Chair	
Matthew Martin	Small-Use Consumer Representative	Minister's Appointee
Martin Maticka	AEMO	
Matt Shahnazari	Economic Regulation Authority (ERA)	Observer/Proxy
Zaen Khan	Coordinator of Energy	
Dave Rafferty	Gas Producers	
Pete Di Bona	Gas Producers	
Michael Puls	Pipeline Owners and Operators	Proxy
Rachel Smith	Pipeline Owners and Operators	Proxy
Julie Anne Simmons	Gas Users	
Chris Campbell	Gas Shippers	

Apologies	Class	Comment
John Jamieson	Pipeline Owners and Operators	Proxy attended
Jon Cleary	Pipeline Owners and Operators	Proxy attended

Also in attendance	From	Comment
Neetika Kapani	AEMO	Presenter
Noelle Leonard	AEMO	Presenter
Aditi Varma	Public Utilities Office	Presenter
Kate Ryan	Public Utilities Office	Observer
Sandra Ng Wing Lit	RCP Support	Observer

Also in attendance	From	Comment
Laura Koziol	RCP Support	Observer
Jenny Laidlaw	RCP Support	Observer
Richard Cheng	RCP Support	Presenter, Minutes

Item	Subject	Action
1	<p>Welcome</p> <p>The Chair opened the meeting at 1:00 PM and welcomed members and observers to the 28 March 2018 GAB meeting.</p>	
2	<p>Meeting Apologies/Attendance</p> <p>The Chair noted the apologies, attendance, and proxies; as listed above.</p>	
3	<p>Review of Minutes from previous meeting</p> <p>The GAB accepted the tabled minutes of the GAB meeting on 20 September 2017 as a true and accurate record of the meeting.</p>	
4	<p>Actions Arising</p> <p>Action 75 (2015): Mr Martin Maticka indicated that this GSI Rule Change Proposal should be circulated in early May 2018.</p> <p>Action 77 (2015): Mr Maticka indicated that AEMO will provide a response on this action item to RCP Support for circulation after this GAB meeting.</p> <p>Action 78 (2015): Mr Maticka indicated that AEMO will provide a response on this action item to RCP Support for circulation after this GAB meeting.</p> <p>Action 79 (2015): Mr Maticka stated that AEMO would present this material at AEMO's next WA Gas Consultative Forum (WAGCF), and would extend an invitation to GAB members to attend. The GAB agreed to close this action item.</p> <p>Action 80 (2017): The Chair provided an overview of the Rule Change Panel, its purpose, and its processes; including the interaction with the Economic Regulation Authority. The GAB agreed to close this action item.</p>	
5	<p>Presentation: AEMO 5 Yearly Review of the WA Gas Statement of Opportunities (GSOO)</p> <p>Ms Neetika Kapani and Ms Noelle Leonard gave a presentation regarding the 5 Yearly Review of the GSOO. The complete presentation is available on the Rule Change Panel's website.</p> <p>The following points were discussed:</p> <ul style="list-style-type: none"> Ms Kapani noted feedback from the 28 January 2018 WAGCF meeting that gas market participants wanted AEMO to have a more formal structure for the 5-year review of the GSOO, including a terms of reference. AEMO subsequently circulated a terms of 	

reference and submissions template for consultation, with submissions closing on 2 March 2018. Results of this consultation are to be presented at the WAGCF on 22 May 2018.

- Ms Kapani indicated that AEMO only received 14 submissions, which is a 12% response rate (8 submissions from registered gas market participant, and 6 from non-market participants). AEMO and the GAB expressed disappointment with this response rate.
- Ms Noelle Leonard presented AEMO's approach to modelling for the GSOO. Mr Michael Puls indicated that the GSOO model smooths gas supply in response to price changes, but the market does not work this way. Instead, gas supply tends to over/undershoot demand from time to time; and having the GSOO model shift prices to deal with any over/undersupply does not account for drilling and project times, or domestic/international demand. The GSOO should not make unrealistic assumptions just to make its content more politically acceptable.
- Mr Dave Rafferty suggested that the potential supply shortfall may occur within the next GSOO period, and will occur if no action is taken. The GSOO needs to consider the time and cost it takes to bring gas to the market, and whether the market will bear these costs.
- Mr Chris Campbell suggested that gas demand is flat and is easy to model, but more care needs to be taken to modelling gas supply because supply is "chunky".
- Mr Rafferty suggested that external consultants should be used to verify the results of the GSOO. Mr Pete Di Bona suggested that external consultants could also provide guidance on scenarios and assumptions.
- Mr Campbell expressed concern that the upcoming GSOO will not include the Waitsia field in its analysis, and that excluding Waitsia will reduce credibility of the publication. Various GAB members supported this viewpoint.
- Mr Rafferty asked whether AEMO could get access to data from the Department of Mines, Industry Regulation and Safety rather than seeking data directly from market participants. AEMO indicated that this was considered when the GSOO processes were first established, but was not pursued because of legislative restrictions on what Government departments can do with data. AEMO indicated that it would look into whether these restrictions are still in place.
- AEMO took on notice that it should consider the criteria that it uses to assess gas supply projects for inclusion in the GSOO. Mr Rafferty indicated that AEMO uses a set of criteria to assess gas demand growth, but it is not clear to the GAB how this is managed on the supply side. Mr Di Bona emphasised that AEMO's unbiased viewpoint in the GSOO was of significant value as they are not a market participant. AEMO agreed to discuss this at the upcoming WAGCF.

	<ul style="list-style-type: none"> Mr Di Bona suggested that AEMO’s approach to use pre-set drop down options for data requests was not conducive to flagging future market events. Mr Campbell suggested that the Gas Bulletin Board provides fundamental public information on the market, and should be used in the GSOO modelling. The GAB generally supported this view. Mr Campbell supported more granular reporting of the GSOO results. The GAB generally supported this view. AEMO noted that it may not be able to implement all of recommendations from the GSOO review in the 2018 GSOO due to timing restraints. The GAB members generally supported AEMO’s key areas of focus for the 2018 GSOO; which should improve the modelling, sensitivity analysis, and granularity of the outcome. <p>Actions</p> <ul style="list-style-type: none"> AEMO to explore whether data from the Department of Mines, Industry Regulation and Safety can be used for the GSOO rather than seeking data directly from Market Participants. RCP Support to schedule a GAB meeting to discuss options to improve key components of the GSOO prior to the WAGCF on 26 May 2018. 	<p>AEMO</p> <p>RCP Support</p>
<p>6(a)</p>	<p>GSI Rule Changes – IMO Dissolution</p> <p>Ms Aditi Varma updated the GAB on the progress of the Public Utilities Office regarding the dissolution of the Independent Market Operator (IMO). Ms Varma highlighted the financial reconciliation process, which will disperse any IMO surplus back to Market Participants, and will collect any IMO deficit from AEMO. Drafting of the GSI Rule changes was made available on the Rule Change Panel’s website in early March, and the IMO dissolution should be completed before the end of the 2017/18 financial year.</p>	
<p>6(b)</p>	<p>GSI Rule Changes – GSI Rules Reconciliation</p> <p>Mr Richard Cheng explained the GSI Rules reconciliation process that is currently being undertaken by RCP Support, and that the majority of the discrepancies between the current version of the rules and the Gazetted rule changes are minor in nature.</p> <p>The Chair added that a track changes version of the GSI Rules will be made available to demonstrate the differences.</p>	
<p>7</p>	<p>GAB Composition Review</p> <p>Mr Richard Cheng explained the process for the review of the GAB, and for the Panel to seek nominations for the GAB positions that are due to expire in 2018. The timeline was discussed, including that the Panel is to convene the evaluation panel for the GAB Composition Review shortly.</p>	

8	Meeting Schedule The Chair discussed the meeting schedule, reconfirming the 27 September 2018 GAB meeting, with an additional meeting to be confirmed by AEMO for May 2018. Further GAB meetings would be convened to discuss any GSI Rule changes that arise.	
9	General Business None.	

The meeting closed at 2:36 PM.