

Minutes

Meeting Title:	Gas Advisory Board (GAB)
Date:	27 September 2018
Time:	2:00 PM – 3:50 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)	Proxy, Observer
Dave Rafferty	Gas Producers	
Pete di Bona	Gas Producers	
Greg Lunt	Pipeline Owners and Operators	Proxy
Rachael Smith	Pipeline Owners and Operators	
Hans Niklasson	Gas Users	
Chris Campbell	Gas Shippers	
Mike Lauer	Gas Shippers	

Apologies	Class	Comment
Zaen Khan	Coordinator of Energy	No proxy
John Jamieson	Pipeline Owners and Operators	Proxy attended
Natalie Robins	ERA	Observer, proxy attended

Also in attendance	From	Comment
Neetika Kapani	AEMO	Presenter
Rebecca Petchey	AEMO	Presenter
Jenny O'Donoghue	Synergy	Observer

Also in attendance	From	Comment
Richard Cheng	RCP Support	Presenter, Minutes
Emma Gray	RCP Support	Presenter
Greta Khan	RCP Support	Observer

Item	Subject	Action
1	<p>Welcome</p> <p>The Chair opened the meeting at 2:00 PM and welcomed members and observers to the 27 September 2018 GAB meeting.</p>	
2	<p>Meeting Apologies/Attendance</p> <p>The Chair noted apologies, attendees, proxies and observers 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 7 May 2018 as a true and accurate record of the meeting.</p>	
4	<p>Actions Arising</p> <p>The Chair noted that there were no outstanding action items and that the only GAB Action Item, Action 75, was closed.</p>	
5	<p>Framework for Rule Change Proposal Prioritisation and Scheduling</p> <p>The GAB discussed the Framework for Rule Change Proposal Prioritisation and Scheduling (Framework), which the Market Advisory Committee (MAC) and the Rule Change Panel (Panel) use to prioritise and schedule Rule Change Proposals (Proposals) for the Wholesale Electricity Market Rules (Market Rules). The Chair noted that the Panel also intends for the GAB and Panel to adopt the Framework to prioritise and schedule Proposals for the Gas Services Information Rules (GSI Rules). The following was discussed:</p> <ul style="list-style-type: none"> The Chair indicated that the Panel intends to undertake a review of the Framework in 2018/19 in consultation with the MAC and GAB. Mr Lauer commented that the descriptions of the urgency ratings in Table 1 of the Framework use electricity terminology and asked whether this could be made more suitable for the gas market. The Chair agreed that this should be done as part of the review of the Framework. Mr Lauer noted that this paper appeared to discuss the contest for RCP Support resources to process Proposals for the 	<p>RCP Support (2018/19)</p>

	<p>Market Rules vs. GSI Rules. Mr Lauer suggested that the Framework should provide for re-evaluation of the urgency ratings of Proposals if the timelines in Table 1 are not reached. Consequently the Panel and GAB should be asked what they would like to do with the Proposals that reach the end of their timeline.</p> <ul style="list-style-type: none"> • Mr Rafferty agreed with Mr Lauer’s suggestion, and noted that the current timelines as stated were excessively long. • Mr di Bona asked if there was a possibility for Proposals with level 4 and 5 urgency ratings to be deferred indefinitely. The Chair noted that this is possible if Proposals are continually made with higher urgency ratings that leapfrog the queue, but that this situation is unlikely. • Mr Martin commented that a two queue approach is appropriate to ensure that resources are allocated to progressing Proposals for the GSI Rules, as it would be unreasonable to continually delay Proposals for the GSI Rules due to larger numbers of high urgency Proposals for the Market Rules. • Mr Campbell noted that prioritisation is not currently required in a two queue approach, as there is only one Proposal for the GSI Rules. Mr Campbell also raised the issue of paying fees for little service from the Panel if there is a single queue and Proposals for the GSI Rules are constantly reprioritised due to more urgent Proposals for the Market Rules. • Mr Niklasson noted that there should be a distinction between urgency and importance – i.e. that there should be a limit of time before a lesser important proposal is addressed. The focus is on important proposal but with time, lesser important proposals may be addressed as they become more urgent. • Some GAB members voiced a preference for a two queue approach, whilst others supported Mr Lauer’s proposed approach for a re-evaluation process for Proposals that are not progressed within the stated time frames. • Mr Martin added that Proposals for the GSI Rules should be encouraged, so the Panel may need to quarantine some resources to meet its gas market obligations. • Mr Maticka commented that the large number of Proposals for the Market Rules should not detract from progressing Proposals for the GSI Rules. 	
<p>6</p>	<p>GRC_2018_01 – Prioritisation</p> <p>The Chair gave a brief background and description of GRC_2018_01: GBB Zones, and asked the GAB for their urgency</p>	

	rating recommendation. Mr Maticka stated that GRC_2018_01 should have a low urgency rating and the GAB agreed.	
7	<p>GAB Composition Review</p> <p>The GAB noted the paper regarding the GAB composition review and the question of whether to run a process prior to the next annual review to find a replacement for Ms Julie-Anne Simmons. Mr Cheng provided further context about the GAB composition review process and that the next annual GAB Composition Review was not due to commence until May 2019.</p> <p>GAB members indicated a preference to not run an interim appointment process given that there was only one GAB meeting scheduled between now and the annual GAB Composition Review 2019.</p> <p>Several GAB members expressed surprise at the low number of nominations and suggested that informing a wider audience may bring more nominees forward.</p>	
8	<p>RCP Support KPIs</p> <p>The GAB noted the paper presenting the Key Performance Indicators of RCP Support.</p> <p>Mr Lauer asked about the reported potential minor breach. Mr Cheng provided the explanation that this was a potential administrative breach that was self-reported to the ERA regarding whether an email notifying AEMO of the publication of the Rule Change Proposal Notice also qualified as notification to the proponent of the decision to progress with the Rule Change Proposal, as AEMO was the proponent.</p> <p>Mr di Bona asked if the time spent on overheads was expected to decrease. The Chair replied that overheads are likely to fall given that the Panel and RCP Support have made significant progress in finalising their internal procedures. The Chair noted that the KPI targeting the time spent on processing Proposals is intended as an efficiency measure on use of RCP Support resources.</p> <p>Mr di Bona asked for a breakdown between the amounts of time used to progress Proposals for the Market Rules vs GSI Rules.</p>	RCP Support (Oct 2018)
9	<p>Development of the 2018 GSOO – Presentation</p> <p>Ms Kapani and Ms Petchey from AEMO gave a presentation on the Development of the 2018 GSOO (the presentation is available on the GAB website). The following points were raised during the presentation:</p> <ul style="list-style-type: none"> • Mr Rafferty asked whether the gas reserve forecasts were being presented on a 1P or 2P basis, and Ms Petchey indicated that the forecasts were 2P. Mr Rafferty suggested that the analysis should also be presented on a 1P basis, and 	

	<p>that the basis for the forecasts should always be made clear. AEMO agreed to look into this.</p> <ul style="list-style-type: none"> • Ms Smith asked whether the gas demand modelling considers intra-day peak usage, which is being significantly impacted by penetration of solar PV in WA. The concern is about the skewing of the GBB data given the recent rapid ramp up of PV, so historic GBB data is not necessarily reflective of the current situation. • Ms Smith and Mr Rafferty questioned the development of peak demand analysis assuming full use of all gas facilities plus maximum demand on all distribution networks, as this scenario would not represent reality and may cause undue concern for non-gas industry experienced persons. • Mr Campbell and Mr di Bona asked about the assumptions made in relation to the Domestic Market Obligation (DMO) volume calculations, and suggested that the assumptions will need to be very clearly stated so that people can understand how the figures were derived. • Mr Lauer indicated that, while domestic gas prices may currently be low, a large number of gas users are on long-term contracts at higher prices. • Mr Lauer indicated that PV is not leading to large reductions in primary fuels usage, and is only likely to occur if batteries are also installed. AEMO asked to meet with Mr Lauer to discuss this further. • Mr Martin asked how AEMO was proposing to account for meeting the 26% renewables target and whether that was across the State, or confining the renewables generation mainly to the South West interconnected system. AEMO took this question on notice. • Mr di Bona asked whether stakeholders would be able to review the GSOO model outputs, particularly if there is a 'surprise' figure or outlier in the results or analysis. Mr Campbell, Mr Rafferty and Mr Lauer supported a stakeholder review of the model outputs, even if this results in a delay to publication of the GSOO, as the GSOO has a significant impact on investment decisions and on Government policy. AEMO indicated that it will consider whether a review can be fit into the GSOO schedule. 	<p>AEMO (Oct 2018)</p> <p>AEMO (Oct 2018)</p> <p>AEMO (Oct 2018)</p>
<p>10</p>	<p>GAB Meeting Schedule</p> <p>The Chair presented the proposed GAB Meeting Schedule for 2019. The GAB endorsed the new meeting dates with the next meeting scheduled for 28 March 2019.</p>	

