



## Minutes

<b>MEETING TITLE</b>	Gas Advisory Board
<b>MEETING NO</b>	18
<b>DATE</b>	Tuesday, 16 December 2014
<b>TIME</b>	3:05 PM – 4:00 PM
<b>LOCATION</b>	IMO Boardroom, Level 17, St Georges Tce Perth

Attendees	Class	Comment
Allan Dawson	Chair	
Kate Ryan	IMO	
Pete DiBona	Gas Producer	(3:00 PM – 3:55 PM)
John Jamieson	Pipeline Owner/Operator	
Michael Brooks	Pipeline Owner/Operator	Proxy
Mike Lauer	Gas Shipper	
Chris McDonagh	Gas Shipper	Proxy
Michael Smythe	Large Gas User	Proxy
Ray Challen	Coordinator of Energy	
Natalia Kostecki	Minister's Appointee – Small End Users	Proxy
Natalie Jackson	Economic Regulation Authority (ERA) – Observer	Proxy
Dave Rafferty	Santos	Observer
Fabrice Gregoire	Department of State Development	Observer
Maree Arnason	Energy Access Services	Observer
Don Bower	Energy Access Services	Observer
Erin Stone	IMO	Observer
Marc Hettler	IMO	Observer
Tim Middlehurst	IMO	Observer
Courtney Roberts	IMO	Observer
Joachim Tan	IMO	Presenter
Kylie O'Keeffe	IMO	Presenter (3:25 PM – 3:45 PM)
Paul Tetley	IMO	Presenter

Apologies	Class	Comment
Stewart Gallagher	Gas Producer	
Mark Cooper	Pipeline Owner/Operator	Proxy attended
Andrew Sutherland	Gas Shipper	Proxy attended
Mike Shaw	Large Gas User	Proxy attended
Ian Mumford	Large Gas User	
Aden Barker	Minister's Appointee – Small End Users	Proxy attended
Nerea Ugarte	Minister's Appointee – Observer	
Elizabeth Walters	ERA – Observer	Proxy attended

Item	Subject	Action
1.	<p><b>WELCOME</b></p> <p>The Chair opened the meeting at 3:05 PM and welcomed all members and observers to the 18<sup>th</sup> Gas Advisory Board (GAB) meeting.</p>	
2.	<p><b>MEETING APOLOGIES/ATTENDANCE</b></p> <p>The following <b>apologies</b> were received:</p> <ul style="list-style-type: none"> <li>• Stewart Gallagher (Producer)</li> <li>• Mark Cooper (Pipeline Owner/Operator)</li> <li>• Andrew Sutherland (Shipper)</li> <li>• Mike Shaw (Large Gas User)</li> <li>• Ian Mumford (Large Gas User)</li> <li>• Nerea Ugarte (Minister's Appointee – Observer)</li> <li>• Elizabeth Walters (ERA – Observer)</li> </ul> <p>The following <b>proxies</b> were noted:</p> <ul style="list-style-type: none"> <li>• Michael Brooks (proxy for Mark Cooper)</li> <li>• Chris McDonagh (proxy for Andrew Sutherland)</li> <li>• Michael Smythe (proxy for Mike Shaw)</li> <li>• Natalia Kostecki (proxy for Aden Barker)</li> <li>• Natalie Jackson (proxy for Elizabeth Walters)</li> </ul> <p>The following <b>presenters/observers</b> were noted:</p> <ul style="list-style-type: none"> <li>• Dave Rafferty (Santos)</li> <li>• Fabrice Gregoire (Department of State Development)</li> <li>• Maree Arnason (Energy Access Services)</li> <li>• Don Bower (Energy Access Services)</li> <li>• Erin Stone (IMO)</li> <li>• Marc Hettler (IMO)</li> <li>• Tim Middlehurst (IMO)</li> <li>• Courtney Roberts (IMO)</li> <li>• Joachim Tan (IMO)</li> <li>• Kylie O'Keeffe (IMO)</li> </ul>	

	<ul style="list-style-type: none"> <li>Paul Tetley (IMO)</li> </ul> <p>Mr Pete DiBona provided his apologies to the Chair noting that he had to leave before 4:00 PM and requested that agenda item 7 be covered earlier in the meeting. The Chair agreed and re-ordered the agenda.</p>	
3.	<p><b>MINUTES OF PREVIOUS MEETING</b></p> <p>The minutes of GAB Meeting No. 17, held on 14 October 2014 were circulated prior to the meeting.</p> <p>No further comments were raised and the minutes of the previous meeting were accepted as a true record.</p> <p><i>Action Point: The IMO to publish the minutes of Meeting No. 17 on the IMO's website as final.</i></p>	IMO
4.	<p><b>ACTIONS ARISING</b></p> <p>Ms Kate Ryan advised that both action items had been completed. No GAB members had any questions or comments.</p>	
5.	<p><b>OVERVIEW OF GSI RULE AND PROCEDURE CHANGES</b></p> <p>Ms Ryan noted that the Rule Change Proposal: GSI Fee Arrangements – Inclusion of Registered Production Facility Operators (GRC_2014_01) was awaiting commencement and that the IMO was progressing the associated Procedure Change Proposal. She added that the commencement of the Amending Rules and the amended GSI Procedures would be on 1 January 2015, for the GSI Invoice Period ending 31 March 2015.</p>	
6.	<p><b>2014 AUDIT UPDATE</b></p> <p>The Chair introduced Ms Kylie O’Keeffe to provide an overview of the 2014 Gas Services Information (GSI) audit – the first annual audit of the IMO’s compliance under the GSI Rules. GAB members discussed the following key points:</p> <ul style="list-style-type: none"> <li>Mr DiBona asked for an example of a self-reported breach. Ms O’Keeffe responded that Gas Market Participants and the IMO can report their own non-compliance with the GSI Rules and provided examples including not following a prescribed process or completing a task in the necessary timeframe.</li> <li>Mr DiBona asked what would constitute a material breach. Ms O’Keeffe responded that a breach that undermined the achievement of the GSI Objectives would be considered material and provided the example of not publishing data that would undermine the integrity of the information on the GBB.</li> <li>The Chair noted that a copy of the audit report was available on the IMO’s website and had been provided to the Minister for information.</li> </ul> <p><i>Action Point: The IMO to publish the Presentation: 2014 Audit Update with the GAB papers on the IMO website.</i></p>	IMO
7.	<p><b>KEY FINDINGS FROM THE 2014 GSOO</b></p> <p>The Chair introduced Mr Joachim Tan to provide an overview of the key findings from the draft December 2014 Gas Statement of Opportunities (GSOO). GAB members discussed the following key points:</p> <ul style="list-style-type: none"> <li>The Chair noted that the GSOO was yet to be endorsed by the</li> </ul>	

	<p>IMO Board and that the purpose of the presentation was to provide a preliminary summary for GAB members' information. The Chair also noted that forecasting was challenging at present with a number of significant, recent changes to the assumptions underpinning the forecasts, including the North West Shelf state agreement variation, the approval of the Persephone LNG Project by Woodside, volatile commodity prices, a decreasing oil price and falling exchange rates.</p> <ul style="list-style-type: none"> <li>• The Chair noted that in previous GSOOs the IMO had taken a conservative approach to including new gas-consuming projects in the GSOO demand forecasts – only including new projects once they had attained a final investment decision (FID). For this GSOO, the IMO has considered a number of not yet approved projects and included some of these, considered most likely to proceed, in the High demand scenario. However, the IMO has not published the details of any of these individual projects yet to reach FID which are included in the forecasts.</li> <li>• With respect to the key risks identified in the GSOO, Mr Mike Lauer asked why the IMO had formed the view that there would be an increase in the number of conversions from diesel to gas. Mr Tan clarified that only a limited number of conversions were considered in the forecasts, but there was a risk that there could be a higher number of conversions. The Chair clarified that in this GSOO the IMO aimed to clearly articulate the risks associated with the forecasts so that stakeholders could determine their own view and adjust the forecasts as required.</li> <li>• Mr Lauer asked what propensity for conversion was built into the GSOO's demand forecasts. Mr Tan noted that the IMO had estimated the number of conversions based on a number of factors including the proximity to pipelines, likely timing, and size of the project.</li> <li>• The Chair noted that the IMO Board would discuss the final draft of the GSOO on 18 December 2014 and, subject to any major issues being raised, the IMO intended to publish it on the IMO website before Christmas. The Chair also noted that a workshop would be held in February 2015 and that hard copies would also be available at the workshop.</li> <li>• In response to a question from Mr DiBona, the Chair clarified that the Minister does not approve the GSOO prior to release.</li> <li>• Mr DiBona noted that the IMO had indicated that it would request reserves data and asked if any reserves data had been included in this GSOO. Mr Tan clarified that reserves data has been included in all GSOOs but that they were estimates from EnergyQuest. He confirmed that going forward the IMO would like to use project specific estimates where possible.</li> <li>• The Chair invited suggestions and comments from stakeholders once the GSOO was published.</li> </ul>	
<p><b>8.</b></p>	<p><b>OVERVIEW OF INFORMATION FROM THE GBB</b></p> <p>The Chair introduced Mr Paul Tetley to provide an overview of information from the Gas Bulletin Board (GBB). GAB members discussed the following key points:</p> <ul style="list-style-type: none"> <li>• Mr Michael Smythe asked if there were any details on which pages</li> </ul>	

	<p>people were visiting within the GBB. Mr Tetley noted that in the development of the GBB detailed web-traffic statistics were considered but the IMO decided that the benefits of such information did not offset the significant associated costs.</p> <ul style="list-style-type: none"> <li>• Mr Smythe asked if the web-traffic statistics excluded IMO staff visits. Mr Tetley agreed that it did.</li> <li>• The Chair noted that there were opportunities for improvements to reports and data visualisations and invited suggestions and comments from stakeholders.</li> </ul> <p><i>Action Point: The IMO to publish the Presentation: Overview of Information from the GBB with the GAB papers on the IMO website.</i></p>	IMO
9.	<p><b>GENERAL BUSINESS</b></p> <p><b>2014 Year in Review</b></p> <p>Ms Ryan noted the following significant achievements in 2014:</p> <ul style="list-style-type: none"> <li>• the progression of the first two GSI Rule Change Proposals;</li> <li>• the publication of two GSOOs;</li> <li>• the development of the design for a wholesale gas market in WA; and</li> <li>• the first annual GSI audit.</li> </ul> <p>The Chair thanked GAB members for contributions throughout 2014.</p> <p><b>Proposed GAB meeting dates for 2015</b></p> <p>The Chair noted that the proposed dates for five meetings in 2015 were included in the GAB papers. The Chair noted that the proposed dates could be modified if need be and requested that GAB members notify the IMO if there are any problems, such as clashed with industry events.</p> <p><i>Action Point: GAB members to advise the IMO of any concerns with the proposed GAB meeting dates for 2015.</i></p>	All
<b>CLOSED:</b> The Chair declared the meeting closed at 4:00 PM.		