



Agenda

MEETING TITLE	Gas Advisory Board
MEETING NO	18
DATE	Tuesday, 16 December 2014
TIME	3:00 PM - 5:00 PM
LOCATION	IMO Boardroom, Level 17, 197 St Georges Tce, Perth

Item	Responsibility	Duration
1. Welcome	Chair	2 min
2. Meeting apologies/attendance	Chair	2 min
3. Minutes of previous meeting	Chair	5 min
4. Actions arising	Chair	5 min
5. Overview of GSI Rule and Procedure Changes	IMO	5 min
6. Presentation: 2014 Audit Update	IMO	15 min
7. Presentation: Key findings from the 2014 GSOO	IMO	20 min
8. Presentation: Overview of information from the GBB	IMO	20 min
9. General Business	IMO	5 min
9.1 2014 Year in Review	IMO	5 min
9.2 Proposed GAB meeting dates for 2015	IMO	2 min
10. Next meeting: 24 February 2014		

Please note this meeting will be recorded to assist with the preparation of minutes.



INDEPENDENT
MARKET
OPERATOR

GAB Meeting No 17: 14 October 2014

Gas Advisory Board Minutes

Meeting No.	17
Location	IMO Board Room Level 17, 197 St Georges Terrace, Perth
Date	Tuesday, 14 October 2014
Time	1.00 PM – 2.10 PM

Attendees	Class	Comment
Allan Dawson	Chair	
Kate Ryan	Independent Market Operator (IMO)	
Michael Puls	Pipeline Owner/Operator	Proxy
Mark Cooper	Pipeline Owner/Operator	
Pete Di Bona	Gas Producer	
Stewart Gallagher	Gas Producer	
Andrew Sutherland	Gas Shipper	
Mike Lauer	Gas Shipper	
Mike Shaw	Large Gas User	
Ray Challen	Coordinator of Energy	
Aden Barker	Minister's Appointee – Small End Users	
Natalia Kostecki	Minister's Appointee – Observer	Proxy
Natalie Jackson	Economic Regulation Authority – Observer	Proxy
Chris Campbell	Alinta Energy	Observer
Michael Smythe	Alinta Energy	Observer (1.10 PM-2.10 PM)
David Rafferty	Santos	Observer
Carole Clare	Synergy	Observer
Graham Weaver	Apache	Observer
Courtney Roberts	IMO	Observer
Brigid Reilly	IMO	Observer
Laura Koziol	IMO	Presenter
George Sproule	IMO	Minutes
Apologies	Class	Comment
John Jamieson	Pipeline Owner/Operator	Proxy attended
Nerea Ugarte	Minister's Appointee – Observer	Proxy attended

Elizabeth Walters	Economic Regulation Authority – Observer	Proxy attended
Ian Mumford	Large Gas User	

1.	<p>WELCOME</p> <p>The Chair opened the meeting at 1:00 PM and welcomed all members and observers to the 17th Gas Advisory Board (GAB) meeting.</p>	
2.	<p>MEETING APOLOGIES / ATTENDANCE</p> <p>The following apologies were received:</p> <ul style="list-style-type: none"> • John Jamieson (Pipeline Owner/Operator); • Ian Mumford (Large Gas User); • Nerea Ugarte (Minister's Appointee – Observer); and • Elizabeth Walters (Economic Regulation Authority – Observer). <p>The following proxies were noted:</p> <ul style="list-style-type: none"> • Natalia KostECKI for Nerea Ugarte (Minister's Appointee – Small End Users); • Michael Puls for John Jamieson (Pipeline Owner/Operator); and • Natalie Jackson for Elizabeth Walters (Economic Regulation Authority – Observer). <p>The following presenters/observers were noted:</p> <ul style="list-style-type: none"> • Chris Campbell (Alinta Energy); • Michael Smythe (Alinta Energy); • Graham Weaver (Apache Energy); • David Rafferty (Santos); • Carole Clare (Synergy); • Courtney Roberts (IMO); • Laura Koziol (IMO); • Brigid Reilly (IMO); and • George Sproule (IMO). 	
3.	<p>MINUTES OF PREVIOUS MEETING</p> <p>The minutes of GAB Meeting No. 16, held on 16 July 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. 16 on the website as final.</i></p>	IMO
4.	<p>ACTIONS ARISING</p> <p>Ms Kate Ryan advised the GAB that action item 52 would be discussed under agenda item 5a and action item 54 would be discussed under agenda item 6. Ms Ryan noted that all other action items had been completed.</p>	

<p>5a.</p>	<p>Overview of the Rule Change Process</p> <p>The Chair introduced Ms Laura Koziol to present an overview of the rule change process for the Gas Services Information (GSI) Rules.</p> <p>GAB members discussed the following key points:</p> <ul style="list-style-type: none"> • In relation to the informal consultation prior to commencing a rule change, the Chair noted that the IMO may prepare a concept paper (rather than a pre Rule Change Proposal) for discussion at a GAB meeting. A concept paper may be useful to identify a preferred option to resolving an issue prior to considering the drafting changes required. • Mr Mike Shaw sought clarification on who makes the final IMO decision on whether a proposed Rule Change Proposal is approved or rejected. The Chair noted that the decision is made by the IMO Board, except where the rule change relates to Protected Provisions, in which case the Minister makes the final decision after it is approved by the IMO Board. • Mr Aden Barker queried whether the commencement of a Rule Change Proposal could be set retrospectively. The Chair responded that the GSI Rules do not allow this. • Mr Graham Weaver queried whether Final Rule Change Reports were published for consultation. Ms Koziol clarified that they are published but that the IMO does not consult on them as they present the IMO's final decision. • Mr Mike Lauer sought clarification on whether the IMO could end the rule change process after a rule change notice had been published. The Chair clarified, that once a notice has been published the IMO must complete the entire rule change process and even if the IMO's draft decision is to reject a Rule Change Proposal, it must still complete a second round of consultation and publish a final decision. • Mr Barker queried whether the costs of administering the rule change process were published. The Chair noted that while the IMO is required to provide a breakdown of its budgeted costs across its functions, including Market Development, under the Wholesale Electricity Market Rules, it is not required to do so under the GSI Rules. 	
<p>5b.</p>	<p>GPC_2014_01: GSI Fee Arrangements</p> <p>The Chair invited Ms Koziol to provide an overview of the Procedure Change Proposal. Ms Koziol noted that the Procedure Change Proposal was to support, and was therefore contingent on approval of, the Rule Change Proposal: GSI Fee Arrangements - Inclusion of Registered Production Facility Operators (GRC_2014_01). Ms Koziol also noted that the key aspects of the proposed amendments are to facilitate the invoicing of GSI Fees to Production Facility Operators and the update of incorrect Daily Actual Flow Data for Production Facilities.</p> <p>GAB members discussed the following key points:</p> <ul style="list-style-type: none"> • Mr Stewart Gallagher queried what the difference was between 	

	<p>the current and proposed provisions in relation to updating Daily Actual Flow Data. Ms Koziol clarified that the proposed changes would introduce an obligation to update Daily Actual Flow Data for Production Facilities up to one year after the end of the relevant GSI Invoice Period (when the final adjustment is made). Mr Gallagher queried whether <u>similar obligations existed</u> for Shippers. Ms Koziol clarified that there is already an obligation to update the Aggregated Actual Flow Data which is used for calculating GSI Fees for Shippers.</p> <ul style="list-style-type: none"> • Mr Lauer asked if the IMO would usually use a Procedure Change Proposal to include editorial changes. Ms Ryan responded that this was the case, if such changes were identified, and noted that the IMO had done so on this occasion. • Mr Pete Di Bona sought clarification regarding the adjustment process of GSI Invoices. The Chair explained that the IMO has mechanisms in place to find and correct major mistakes in the relevant data before the GSI Fees for the initial GSI Invoices are calculated. The Chair also noted that after one year the IMO recalculates GSI Fees taking into account any adjusted data. Ms Koziol noted that participants can also dispute a GSI Invoice to initiate an adjustment. <p><i>Action Point: The IMO to submit the Procedure Change Proposal GPC_2014_01 into the formal Procedure Change Process.</i></p>	<p>IMO</p>
<p>6.</p>	<p>DEVELOPMENT OF A WESTERN AUSTRALIAN GAS MARKET: OVERVIEW OF SUBMISSIONS RECEIVED</p> <p>The Chair noted the IMO had met informally with 25 gas market stakeholders and received 15 public submissions in relation the work it had undertaken for the GAB to investigate the development of a wholesale gas market in Western Australia. The Chair then invited Ms Ryan to present the overview of submissions received.</p> <p>Ms Ryan provided a brief overview of the consultation undertaken by the IMO and noted that the summary provided included views expressed in written submissions and during informal consultations with stakeholders. Ms Ryan highlighted that, similar to the stakeholder workshop held in July 2014, consultation with individual stakeholders identified a range of views on the need for a wholesale gas market. However, while not all stakeholders support the development of new market arrangements, if such a market was to be introduced, the broad design proposed was generally supported.</p> <p>In discussions on the summary of submissions, the following issues were raised.</p> <ul style="list-style-type: none"> • Mr Weaver queried whether there was a majority of stakeholders in favour of the development of a wholesale gas market. The Chair responded that, on the basis of volumes, there may be a majority of current and new entrant participants that support such a development. However, on the basis of numbers of participants, there would not be support. • The Chair also observed that, looking at the current market structure there is little need for further trading options. However, 	

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	<p>the stakeholders that support the development of a wholesale gas market tend to be looking to the future, noting the development and diversification of the market that is likely to occur over coming years.</p> <ul style="list-style-type: none"> • Mr Chris Campbell observed that the market would develop any new trading arrangements in the future when they are required. • Mr Michael Smythe queried what the next steps were. The Chair responded that this concluded the work the GAB had asked the IMO to do and that any next steps were to be agreed by the GAB. Mr Di Bona confirmed that this concluded the work the IMO had been asked to do. 	
<p>7.</p>	<p>GENERAL BUSINESS</p> <p>No general business was raised.</p>	
<p>CLOSED: The Chair declared the meeting closed at 2.10 PM.</p>		

DRAFT



Agenda item 4: 2014 GAB action items

16 December 2014

Shaded	Shaded action points are actions that have been completed since the last MAC meeting.
Unshaded	Unshaded action points are still being progressed.
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.

#	Year	Action	Responsibility	Meeting arising	Status/progress
55	2014	The IMO to publish the minutes of Meeting No 16 on the website as final.	IMO	October	Complete.
56	2014	The IMO to submit the Procedure Change Proposal GPC_2014_01 into the formal Procedure Change Process.	IMO	October	Complete.



Agenda item 5: Overview of GSI Rule and Procedure Changes

16 December 2014

1. GSI Rule Changes

Below is a summary of the status of GSI Rule Change Proposals as at 9 December 2014 that are either currently being progressed by the IMO or have been registered by the IMO as potential Rule Change Proposals to be progressed in the future.

Table 1: Rule Change Proposals in progress

ID	Title	Submitter	Next step	Date
Rule Change Proposals awaiting commencement				
GRC_2014_01	GSI Fee Arrangements – Inclusion of Registered Production Facility Operators	PUO	Commencement	01/01/2014

2. GSI Procedure Changes

Below is a summary of the status of GSI Procedure Change Proposals as at 9 December 2014 that are either currently being progressed by the IMO or have been registered by the IMO as potential Procedure Change Proposals to be progressed in the future.

Table 2: Procedure Change Proposals in progress

ID	Title	Submitter	Next step	Date
Procedure Change Proposals with submission period closed				
GPC_2014_01	Changes to GSI Procedures to Reflect the Rule Change Proposal: GSI Fee Allocation – Inclusion of Registered Production Facility Operators (GRC_2014_01)	IMO	Procedure Change Report published	TBA



Agenda item 9.1: 2014 year in review

16 December 2014

Event	2014
GAB meetings	5
GSI Rule Change Proposals developed and underway	2
• Commenced	1
• Rejected or not progressed	0
• Underway	1
Procedure Change Proposals underway	1*
Stakeholder workshops (e.g. Rule Change Proposals, Procedure Change Proposals, Reviews)	1

* includes two proposed amended GSI Procedures

Significant work in 2014:

- Publication of the second GSOO (January 2014 GSOO)
- Development of the December 2014 GSOO
- Design and consultation for the development of a WA gas market
- Submission of Medium Term Capacity Outlook (GRC_2014_02) rule change
- GSI Fee Arrangements – Inclusion of Registered Production Facility Operators (GRC_2014_01) rule change
- First annual audit of the IMO in accordance with the GSI Rules.



Agenda item 9.2: Proposed meeting dates for 2015

16 December 2014

Proposed meeting schedule

The meeting time, subject to change on occasion, is 1:00 PM to 3:00 PM.

Table 1: Proposed GAB meeting schedule

Month	Meeting No.	Date
January	n/a	No meeting
February	19	24 February 2015
March	n/a	No meeting
April	n/a	No meeting
May	20	26 May 2015
June	n/a	No meeting
July	21	15 July 2015*
August	n/a	No meeting
September	n/a	No meeting
October	22	20 October 2015
November	n/a	No meeting
December	23	15 December 2015

** Please note that GAB Meeting No. 21 falls on a Wednesday and will be 3:00 PM to 5:00 PM followed by the Annual GAB Appreciation Dinner.*