



Minutes

MEETING TITLE	Gas Advisory Board
MEETING NO	22
DATE	Tuesday 20 October 2015
TIME	1:00 PM – 2:20 PM
LOCATION	IMO Board Room, Level 17, St George Tce, Perth

Attendees	Class	Comment
Martin Maticka	Chair	Proxy
Erin Stone	IMO	
Stewart Gallagher	Gas Producer	
Pete DiBona	Gas Producer	
Mark Cooper	Pipeline Owner and Operator	
Greg Lunt	Pipeline Owner and Operator	Proxy
Chris Campbell	Gas Shipper	
Allan McDougall	Gas Shipper	Proxy
Andrew Sutherland	Large Gas User	1:00 PM – 1:55 PM
Meggie Zhang	Large Gas User	Proxy
Ray Challen	Coordinator of Energy	1:00 PM – 1:25 PM
Aden Barker	Minister's Appointee – Small End Users	
Bryon McLaughlin	Minister's Appointee – Observer	Proxy
Elizabeth Walters	Economic Regulation Authority (ERA) – Observer	Proxy (1:05 PM – 2:20 PM)

Apologies	Class	Comment
Allan Dawson	Chair	Proxy attended
John Jamieson	Pipeline Owner and Operator	Proxy attended
Mike Lauer	Gas Shipper	Proxy attended
Ian Mumford	Large Gas User	Proxy attended
Matthew Martin	Minister's Appointee – Observer	Proxy attended
Natalie Jackson	ERA – Observer	Proxy attended

Also in attendance	From	Comment
Mark Brodziak	IMO	Presenter (1:10 PM – 1:45 PM)
Ray Grasso	ThoughtWorks	Presenter (1:10 PM – 1:45 PM)
Laura Koziol	IMO	Presenter
Brett Hausler	Australian Energy Market Operator (AEMO)	Observer (1:00 PM – 1:25 PM)
Carole Clare	Synergy	Observer
Mia Threnoworth	Synergy	Observer
Dave Rafferty	Santos	Observer
Thomas Melsom	Energy Access Services	Observer
Don Bower	Energy Access Services	Observer
John Saratsis	Kleenheat	Observer
Adam Welch	Australia Petroleum Production & Exploration Association (APPEA)	Observer
Ben Connor	IMO	Observer
Alex Penter	IMO	Observer and Minutes
Brigid Reilly	IMO	Observer
Amanda Niklaus	IMO	Observer
Peter Shardlow	IMO	Observer

Item	Subject	Action
1.	<p>WELCOME</p> <p>The Chair opened the meeting at 1:00 PM and welcomed all members and observers to the 22nd Gas Advisory Board (GAB) meeting.</p> <p>The Chair noted that some GAB members requested further information regarding the transfer of functions from the IMO to AEMO and that this request would be catered for in the update on the Electricity Market Review (EMR). The Chair further noted that the agenda would be rearranged to allow Dr Ray Challen to provide the update immediately after the formalities.</p>	
2.	<p>MEETING APOLOGIES/ATTENDANCE</p> <p>The following apologies were received:</p> <ul style="list-style-type: none"> • Allan Dawson (Chair) • John Jamieson (Pipeline Owner and Operator) • Mike Lauer (Gas Shipper) • Ian Mumford (Large Gas User) • Matthew Martin (Minister's Appointee – Observer) • Natalie Jackson (ERA – Observer) 	



	<p>The following proxies were noted:</p> <ul style="list-style-type: none"> • Martin Maticka (proxy for Allan Dawson) • Greg Lunt (proxy for John Jamieson) • Allan McDougall (proxy for Mike Lauer) • Meggie Zhang (proxy for Ian Mumford) • Bryon McLaughlin (proxy for Matthew Martin) • Elizabeth Walters (proxy for Natalie Jackson) <p>The following presenters and observers were noted:</p> <ul style="list-style-type: none"> • Mark Brodziak (Presenter – IMO) • Ray Grasso (Presenter – ThoughtWorks) • Laura Koziol (Presenter – IMO) • Brett Hausler (Observer – AEMO) • Carole Clare (Observer – Synergy) • Mia Threnoworth (Observer – Synergy) • Dave Rafferty (Observer – Santos) • Thomas Melsom (Observer – Energy Access Services) • Don Bower (Observer – Energy Access Services) • John Saratsis (Observer – Kleenheat) • Adam Welch (Observer – APPEA) • Ben Connor (Observer – IMO) • Alex Penter (Observer and Minutes – IMO) • Brigid Reilly (Observer – IMO) • Amanda Niklaus (Observer – IMO) • Peter Shardlow (Observer – IMO) 	
<p>3.</p>	<p>MINUTES OF PREVIOUS MEETING</p> <p>The minutes of GAB Meeting No. 21, held on 15 July 2015, were circulated prior to the meeting.</p> <p>The Chair noted the clarification Mr Mark Cooper had requested and that the IMO had included. No further comments were raised and the minutes were accepted as a true record.</p> <p><i>Action Point: The IMO to publish the minutes of Meeting No. 21 on the IMO's website as final.</i></p>	<p>IMO</p>
<p>4.</p>	<p>ACTIONS ARISING</p> <p>Ms Erin Stone provided an update on the Action Items:</p> <ul style="list-style-type: none"> • Action Items 68, 69 and 71: Ms Stone noted that these items would be discussed under Agenda Items 7, 8 and 9. • Action Item 72: Ms Stone noted that this item regarding the assessment of a Gas Services Information (GSI) cost benefit study in mid-2017 would remain open. • All other action items were completed. 	
<p>5.</p>	<p>OVERVIEW OF GSI RULE AND PROCEDURE CHANGES PROPOSALS</p> <p>Ms Stone took the paper as read. No further comments were provided.</p>	

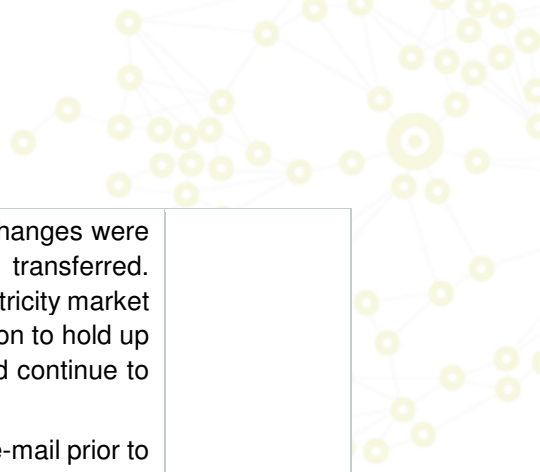
6.

DISCUSSION: ELECTRICITY MARKET REVIEW UPDATE

The Chair invited Dr Challen to provide an update on Phase 2 of the EMR, including an update on the announced transfer of the IMO's market operation functions to AEMO, and to respond to questions raised by Mr Stewart Gallagher via an email circulated to GAB members (provided in Appendix A of this document) prior to the meeting.

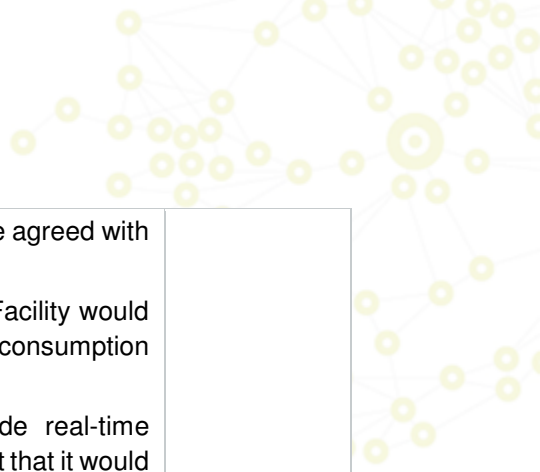
The following key points were discussed:

- Dr Challen noted the rationale to transfer the IMO's market operation functions and the system operation functions to AEMO became apparent during the work to adopt the National Electricity Rules.
- Dr Challen noted that gas regulation would move to the National Gas Law (NGL) under an applied law scheme, rather than the Western Australian version of the NGL.
- Dr Challen noted that industry consultation on the decision to transfer the IMO's market operation functions to AEMO was not undertaken because of the short timeframe in which the decision had to be made and the fact that while it had been two to three months in progress, the agreement was not finalised until the day before the announcement.
- Dr Challen noted that the GSI operation functions, which include the operation of the Gas Bulletin Board (GGB) and the publication of the Gas Statement of Opportunities (GSOO), would also be transferred to AEMO on 30 November 2015. Dr Challen noted that despite the transfer no changes in the IMO's daily business would be expected in the near future.
- Dr Challen further noted that after the announcement of the transfer of the IMO's market operation functions to AEMO, regulations were enacted making it an IMO function to assist with the transfer and that the IMO and AEMO were currently working together on transition planning.
- Dr Challen noted that the IMO's current rule making and Market Participant compliance functions would not be transferred to AEMO, and that therefore a home needed to be found for those functions and staff transferred accordingly. Dr Challen further noted that the IMO would continue to exist as an entity for some time beyond 30 November 2015 and that the remaining functions would continue to exist in that IMO entity. Consultation on an ultimate home for these functions and associated staff is expected to commence in the second week of November 2015. The IMO is expected to be wound up on 30 June 2016.
- Dr Challen noted that the IMO's structure would remain unchanged after the transfer but would be likely to change in the longer term as integration of WA functions progressed. Dr Challen stated that the IMO's reporting relationships to the Western Australian Government related to the remaining functions were outlined in the regulations and would remain unchanged after the transfer.
- In response to a question circulated by Mr Gallagher via email prior to the meeting, Dr Challen noted that the current processes regarding operating budgets for electricity and gas related functions would continue to exist and that no changes to these processes were planned for the near future.



	<ul style="list-style-type: none"> • Mr Chris Campbell sought clarification on whether rule changes were to be put on hold until the rule making functions were transferred. Dr Challen responded that while rule changes for the electricity market would be put on hold due to the EMR, there was no reason to hold up rule changes for the gas market as the IMO Board would continue to exist and to be responsible for approval of rule changes. • In response to a question circulated by Mr Gallagher via e-mail prior to the meeting, the Chair noted that the Western Australian GSOO was due to be published in December 2015. • Dr Challen asked Mr Brett Hausler to inform the GAB of any planned communications for the transition process. Mr Hausler noted that the IMO and AEMO intended to provide a regular stakeholder update. • Dr Challen noted that the GSI Rules continued to require the GAB as a consultation forum, but that the consultation obligations would be split between the IMO and AEMO. Dr Challen noted that it was likely that the rule change body would be obliged to have a consultation forum similar to the GAB. Dr Challen further noted that AEMO would have the obligation to undertake stakeholder consultation as it relates to the GBB and GSOO, but that it might be more aligned to AEMO's current model for stakeholder engagement. • Mr Pete DiBona sought clarification on whether the GSI Rules would continue to exist. Dr Challen confirmed that they would. Dr Challen clarified that the entire NGL would not be applied to Western Australia and that especially the provisions dealing with the National GBB and the establishment of a gas trading platform would be derogated away from. 	
7.	<p>GBB ZONES REVIEW</p> <p>The Chair invited Ms Stone to provide an update on the GBB Zones Review. Ms Stone noted that Marsden Jacob and Associates' recommendations and the proposed IMO responses had been discussed at the last GAB meeting and provided an overview of the proposed IMO actions.</p> <p>The following key points were discussed:</p> <ul style="list-style-type: none"> • Ms Stone noted that since Dr Challen had indicated that the IMO could progress GSI Rule Change Proposals, the IMO would develop the changes necessary to facilitate the proposed transfer of the GBB Zones definition from the GSI Rules to a GSI Procedure in the near future. • Mr Campbell indicated that he had concerns regarding the publication of Nominated and Forecast Flow Data on a Facility basis. Ms Stone responded that this recommendation would be further discussed as part of Agenda Item 9. <p><i>Action Point: The IMO to publish the final report on the GBB Zones Review on the IMO's website.</i></p> <p><i>Action Point: The IMO to develop a pre Rule Change Proposal to transfer the GBB Zones definition from the GSI Rules to a GSI Procedure.</i></p>	<p>IMO</p> <p>IMO</p>
8.	<p>PRESENTATION: GBB DATA VISUALISATIONS</p> <p>The Chair invited Mr Mark Brodziak and Mr Ray Grasso to present on further development of the GBB data visualisations. Mr Grasso presented</p>	

	<p>the new GSI-specific visualisations, which went live on the IMO's website on 5 October 2015.</p> <p>The following key points were discussed:</p> <ul style="list-style-type: none"> • Mr Andrew Sutherland and Mr Campbell noted that the time taken to load the data visualisations on the IMO's home page on particular mobile devices had increased since the latest update. Mr Brodziak noted that the IMO would investigate the issue. • Mr Gallagher queried whether there were transportation and pipeline visualisations planned. Mr Brodziak responded that there were currently no visualisations for transportation and that such visualisations could not be developed with the information currently provided to the GBB. 	
<p>9.</p>	<p>OPPORTUNITIES TO ENHANCE THE INFORMATION PUBLISHED ON THE GBB</p> <p>The Chair invited Ms Laura Koziol to present on the opportunities to enhance information published on the GBB.</p> <p>The following points were discussed:</p> <ul style="list-style-type: none"> • Mr Bryon McLaughlin noted that he would investigate the publishing of the Westplan status on the GBB and would provide feedback to the IMO. • Mr McLaughlin raised concerns that the proposed Facility outage warning flag could be perceived as making the Emergency Management Facility and/or Westplan redundant. Mr McLaughlin added that making every outage public would send the wrong signals to the market and that the Westplan was operated without alerting the market to avoid stakeholders making decisions based on incomplete information. Mr Campbell agreed noting that publishing unplanned outages could make it more expensive for affected consumers to resource alternative gas because they might be perceived to be distressed buyers. • Mr Cooper noted that the two day data provision window for the Actual Flow and Consumption Data was needed to manually verify the data, as inaccurate data provision was subject to civil penalties. Mr Campbell noted that the accuracy of the data was more important than the timeliness. • Mr Gallagher queried what data provision windows were applied to reports published on the national GBB. The Chair responded that the IMO would investigate the data provision windows that exist on the east coast for the national GBB. Ms Stone noted that the IMO would also investigate whether those Gas Market Participants took longer to provide information would be able to provide data earlier to the IMO, and what the impact would be. • Ms Stone sought clarification as to whether the time lags between the IMO receiving the data and publishing the data could be abolished, noting that these had been implemented due to a perceived commercial sensitivity. GAB members agreed that such time lags were unnecessary. • Mr Campbell noted that the Nominated and Forecast Flow Data per Facility was commercially sensitive for gas-fired power stations participating in the electricity market, as it would reveal how they were planning to operate, while equivalent data would not be revealed for 	



	<p>power stations operating with other fuels. Ms Carole Clare agreed with Mr Campbell's concerns.</p> <ul style="list-style-type: none"> Mr Gallagher noted that the publication of the data per Facility would only increase transparency in regard to production and consumption facilities but not on transportation capacity. Mr Cooper noted that it would be feasible to provide real-time supervisory control and data acquisition (SCADA) data but that it would not be accurate. Ms Stone noted that similarly, SCADA data is used for the electricity market data visualisations and that the IMO would investigate the potential applications for publishing real-time SCADA data prior to requesting it from Gas Market Participants. <p><i>Action Point: Mr McLaughlin to provide feedback to the IMO regarding the publication of the Westplan status on the GBB.</i></p> <p><i>Action Point: The IMO to investigate data provision windows that exist for the national GBB.</i></p> <p><i>Action Point: The IMO to investigate whether Gas Market Participants could provide data to the IMO earlier and what the impact would be.</i></p> <p><i>Action Point: The IMO to develop a pre Rule Change Proposal to remove the time lag between data submissions and the publication of the GBB reports.</i></p>	<p>Minister's Appointee – Observer</p> <p>IMO</p> <p>IMO</p> <p>IMO</p>
<p>10.</p>	<p>OTHER BUSINESS</p> <ul style="list-style-type: none"> Mr DiBona noted that it would be worthwhile to have an AEMO representative at GAB meetings to provide an east coast perspective on topics discussed. Ms Stone clarified that the future role of the GAB was unclear and referred to Dr Challen's earlier statement that AEMO might use different forums for stakeholder consultation. Mr Dave Rafferty noted that AEMO should consult with GAB members regarding the transfer of IMO functions to AEMO. Mr DiBona sought clarification of whether rule changes would be put on hold. Ms Stone clarified that there were currently no GSI Rule Change Proposals in the process and that until the government decided on the ultimate home for the rule making functions it was unlikely that any would be progressed under the formal process. Mr Campbell queried whether the IMO was working full time on the transfer of functions to AEMO. The Chair responded that the transfer would absorb most of the IMO's resources for at least the next six weeks. Mr Campbell suggested that the GAB should hold off any non-critical work to allow the IMO to focus on the transfer. The Chair noted that the IMO was planning a stakeholder briefing on the transfer in the next two weeks and that the IMO would also run a simulation of the transition period to minimise technical risk associated with the transition. Ms Stone noted that details affecting participants would be communicated, and invited stakeholders to contact the IMO with any questions regarding the transfer. 	
<p>11.</p>	<p>NEXT MEETING</p> <p>The next meeting will be held on Tuesday 15 December 2015.</p>	
<p>12.</p>	<p>CLOSE</p> <p>The Chair declared the meeting closed at 2:20 PM.</p>	



Appendix A. Mr Stewart Gallagher's email regarding the transfer of IMO functions to AEMO

Sent: Monday, 19 October 2015 4:57 PM

Subject: RE: GAB Meeting No. 22: 20 October 2015 (1.00-3.00pm)

Allan,

Given recent [announcements by the Minister of Energy](#), I anticipated tomorrow's Gas Advisory Board (GAB) meeting would focus almost entirely on the transfer of gas market functions from IMO to AEMO. Management of change issues I and other gas producers that I've talked to are interested in include:

- How will IMO be governed as WA gas market operations transition to AEMO.
- How will IMO be structured, reporting relationships, etc.
- Who will prepare GSI budget for 2015-16 and when is this expected to be approved by the Minister.
- What plan(s) to transfer gas market regulatory functions to another WA government entity.
- What is happening wrt preparation of this year's GSOO?
- How does IMO or AEMO plan to communicate the transition process to gas market participants.
- What consultation does AEMO plan to undertake with gas market participants.

Please can you confirm that the agenda can be amended to accommodate these important issues.

I welcome other GAB members feedback on the agendas for tomorrow's GAB meeting.

Regards,

Stewart Gallagher