

Independent Market Operator Gas Advisory Board

Minutes

Meeting No.	4
Location:	IMO Board Room
Date:	9 August 2012
Time:	1:00 PM – 1:45 PM

Attendees	Class	Comment
Allan Dawson	Chair	
Ben Coetzer	Producer	
Pete Ryan	Producer	
Stephen Livens	Pipeline	
John Jamieson	Pipeline	Proxy for Steve Lewis
Mike Shaw	Major User	
Suzanne Frame	Independent Market Operator (IMO)	
David Murphy	Small End Users (Public Utilities Office (PUO))	
Wana Yang	Observer, Economic Regulation Authority (ERA)	
Natalia Kostecki	Observer, (PUO)	Proxy for Paul Hynch
Apologies	Class	Comment
Nenad Ninkov	Shipper	
Geoff Gaston	Shipper	
Gordon Rule	Major User	
Steve Lewis	Pipeline	Proxy sent
Paul Hynch	Observer, (PUO)	Proxy sent
Also attended	From	Comment
Kate Ryan	IMO	Presenter
Brendan Ring	Market Reform	Presenter
Jenny Laidlaw	IMO	Observer
Rebecca Denton	IMO	Minute-taker

Item	Subject	Action
1.	<p>WELCOME</p> <p>The Chair opened the meeting at 1:00 PM and welcomed members to the fourth Gas Advisory Board (GAB) meeting.</p>	
2.	<p>APOLOGIES</p> <p>Nenad Ninkov (Shipper), Geoff Gaston (Shipper), and Gordon Rule (Major User) all sent their apologies.</p> <p>Natalia Kostecki attended the meeting as a proxy for Paul Hynch (Observer, PUO), and John Jamieson attended the meeting as a proxy for Steve Lewis (Pipeline).</p> <p>The Chair introduced David Murphy, the Director of Governance at the Public Utilities Office (PUO), as the new GAB representative of small end users, replacing Dr Paul Biggs on the GAB.</p>	

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	<p>The Chair noted that due to the absence of both of the shipper representatives, the GAB had failed to get a quorum. The Chair noted that this would not stop the meeting proceeding, but it would prevent the GAB from formally noting or making recommendations on any matters in this meeting.</p>	
3	<p>MINUTES OF PREVIOUS MEETINGS</p> <p><u>Minutes from GAB Meeting No. 3</u></p> <p>The Chair asked the GAB for any comments on the previous meetings minutes. There were no comments or disagreements raised.</p>	
4	<p>ACTIONS ARISING</p> <p>Ms Ryan provided an update on the action points from the last GAB meeting.</p> <p>Ms Ryan notified the GAB that the IMO had sent questions from the GAB members to the Australian Energy Market Operator (AEMO), and received a response from AEMO. Ms Ryan advised the GAB that AEMO's response to the questions was circulated to GAB members when it was received.</p> <p>Ms. Ryan noted that no feedback or questions had been submitted to the IMO on the PUO drafting of the Gas Services Information (GSI) Regulations and proposed that this item could now be closed.</p> <p>Ms. Ryan advised that at this stage the PUO does not intend to rename the Electricity Review Board, as it would involve a change in legislation. Ms. Ryan added that the PUO had circulated an electronic copy of the GSI Regulations overview to the GAB members.</p>	
5	<p>GAS INFORMATION SERVICES PROJECT – UPDATE</p> <p>Ms Ryan provided a brief update on the Gas Information Services Project (GISP).</p> <p>Ms. Ryan informed the GAB that the first tranche of the Gas Services Information Regulations had been made, which formally appointed the IMO as the operator of the GBB and the GSOO and enabled the IMO to access its funding for the project. Ms. Ryan added that the drafting of the second tranche of regulations was due to commence shortly as the Minister has now approved the drafting instructions. Ms. Kostecki added that drafting was due to commence on Friday the 10th of August.</p> <p>Ms. Ryan informed the GAB that Brendan Ring from Market Reform had been engaged by the IMO to develop the guiding principles for the GBB and GSOO design, and the detailed design of the services, and added that Brendan Ring would be briefing the GAB on these guiding principles. Ms. Ryan added that they planned to release the draft design document for consultation in early September; submissions would be invited, and a workshop would be held to discuss the report.</p> <p>Ms. Ryan informed the GAB that the finalised report is expected in early</p>	

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	<p>October, which would inform the writing of the Gas Information Services (GIS) Rules, which, with consultation processes, could be expected in finalised form by the end of the calendar year.</p> <p>Ms. Ryan updated the GAB on the GBB IT system tendering process, which is close to making a final decision, and added that the tendered prices had been close to the price estimates that had been made initially.</p>	
6	<p>DRAFT OUTLINE OF GIS RULES</p> <p>Ms. Ryan presented the draft outline of the GIS Rules to the GAB. Ms. Ryan pointed out that the outline drew mainly from the Wholesale Electricity Market (WEM) Rules and the National Gas Rules (NGR), but would not be a direct copy of either.</p> <p>Ms. Ryan drew the GAB's attention to part 2.3 of the rules outline. Similar to the WEM Rules, there will be protected provisions in the GIS Rules, which cannot be changed by the IMO without approval by the Minister for Energy.</p> <p>Ms. Ryan added that the budget and fee aspect of the GIS Rules would not be exactly the same as the WEM Rules, but that the process of approving the IMO's budget related to the GIS would be similar to the IMO's approval for the WEM, which involves the IMO making an Allowable Revenue submission to the Economic Regulation Authority every three years for approval, as well as an annual budget submitted to the Minister. The Chair added that the IMO had been in contact with the ERA in relation to making an Allowable Revenue submission for the GIS, and aligning this process with the WEM Allowable Revenue submission.</p> <p>The Chair noted that it was the IMO's objective to have a set of rules written which were clear and concise, and written in plain English.</p> <p>Mr. Ryan suggested that during the drafting of the rules that comments would be included beside the individual clauses, which would point to the model which was the source of the clauses written, whether they be taken from the WEM Rules or the NGR. Dr. Kostecki added that the clauses must be linked to the GSI Act and Regulations in the first instance. The Chair suggested that the IMO would attempt to incorporate these notes as part of their drafting of the GIS Rules, but argued that it might complicate the process.</p> <p><i>Action: The IMO to consider whether it can identify the source of provisions in the draft GIS Rules.</i></p>	IMO
7	<p>GIS DESIGN – GUIDING PRINCIPLES</p> <p>Mr. Ring presented the draft GIS guiding principles to the GAB, which will drive the development of the GBB and GSOO.</p> <p>Mr. Livens noted the in the first principal did not take into account the costs of providing information. Mr. Ring replied that the costs were taken into account in the fourth principal, which details benefit vs. effort, where effort is intended to reflect, to an extent, costs.</p>	

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	<p>Mr. Livens questioned whether the fifth principal, which seeks to maximise consistency with the NBB interface for participants who operated on both the east and west coasts, could be implemented throughout the rules and the GBB. Mr. Ring agreed with Mr. Livens, but pointed out that rule and policy change in the different markets is likely to cause the interfaces to differ. The Chair reminded the GAB that an assurance had been made that where the information required by the GBB was the same as the NBB, the data file format would be kept the same, and where additional information was required, this could be provided separately, in order to minimise inconvenience to the users. The Chair added that there would be consultation with participants in regards to the format of the data provided.</p> <p>The determination of gas production and usage zones was discussed by the GAB and identified as a key consideration in the design of the GIS. While no specific guiding principle related to the definition of the zones, Ms. Ryan noted that a number of the principles would be relevant.</p> <p>Mr. Livens queried whether consideration had been given to seeking to recover costs from those that benefit from the GIS. Mr. Ring acknowledged that this was considered but that there is considerable difficulty in identifying who are the beneficiaries.</p> <p>The Chair asked the GAB to consider the draft guiding principles and to contact the IMO with their comments and feedback.</p> <p>Mr. Ring added that, while the principals may be too high level to be enshrined in the GIS Rules, that they would guide the drafting of the rules.</p> <p>Mr. Livens queried whether the principles which guided the design of the Eastern States GBB and GSOO had been considered in developing the draft guiding principles for the GIS. Mr. Ring responded that he had considered them, although they were of limited applicability to the WA GBB due to the different drivers for development of the services.</p> <p>Ms. Ryan informed the GAB that the first draft of the design document would be published in the first week of September, before the next GAB meeting.</p> <p><i>Action: GAB members to provide the IMO with any feedback on the draft guiding principles.</i></p>	All
8	<p>GENERAL BUSINESS</p> <p>No further issues were raised.</p>	
9	<p>NEXT MEETING</p> <p>Tuesday, 11 September 2012.</p>	
<p>CLOSED</p> <p>The Chair declared the meeting closed at 1:45 PM</p>		