

## Independent Market Operator Gas Advisory Board

### Minutes

<b>Meeting No.</b>	7
<b>Location:</b>	IMO Board Room
<b>Date:</b>	15 November 2012
<b>Time:</b>	2:30 PM – 4:15 PM

<b>Attendees</b>	<b>Class</b>	<b>Comment</b>
Allan Dawson	Chair	
Ben Coetzer	Producer	
Pete Ryan	Producer	
Stephen Livens	Pipeline	
Mark Cooper	Pipeline	
Gordon Rule	Major User	
Mike Shaw	Major User	
Geoff Gaston	Shipper	
Frank Tanner	Shipper	Proxy for Nenad Ninkov
Suzanne Frame	Independent Market Operator (IMO)	
David Murphy	Small End Users (Public Utilities Office (PUO))	
Wana Yang	Observer, Economic Regulation Authority (ERA)	
<b>Apologies</b>	<b>Class</b>	<b>Comment</b>
Nenad Ninkov	Shipper	Proxy Sent
Paul Hynch	Observer, PUO	
<b>Also attended</b>	<b>From</b>	<b>Comment</b>
Kate Ryan	IMO	Presenter
Natalia Kostecki	PUO	Observer
Brian McLaughlin	PUO	Observer
David Burcher	PUO	Observer
Jenny Laidlaw	IMO	Observer
Joachim Tan	IMO	Observer
Rebecca Denton	IMO	Minute-taker

<b>Item</b>	<b>Subject</b>	<b>Action</b>
1.	<p><b>WELCOME</b></p> <p>The Chair opened the meeting at 2:30 PM and welcomed members to the seventh Gas Advisory Board (GAB) meeting.</p>	
2.	<p><b>APOLOGIES</b></p> <p>Paul Hynch (Observer, POU) sent his apologies.</p> <p>Frank Tanner attended the meeting as a proxy for Nenad Ninkov (Shipper).</p> <p>The Chair introduced Mark Cooper, General Manager Commercial at the Dampier to Bunbury Pipeline (DBP), as the new GAB representative for Pipelines.</p>	

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3	<p><b>MINUTES OF PREVIOUS MEETINGS</b></p> <p>The Chair asked the GAB for any comments on the previous meetings minutes. There were no comments or disagreements raised and the minutes were accepted.</p>	
4	<p><b>ACTIONS ARISING</b></p> <p>Ms. Ryan provided an update on the outstanding action points from the previous GAB meetings and proposed that the following items be closed:</p> <p>Item 16: During drafting of the first round of Gas Information Services (GIS) Rules the IMO has, where possible, noted in the draft GIS Rules the source of certain provisions (e.g. Wholesale Electricity Market Rules or National Gas Rules), where applicable.</p> <p>Item 20: As proposed in the previous meeting, the IMO investigated the proportion of total gas usage by Large Users, based on a 10TJ/day threshold. An estimate of 80-90% of all gas usage would be captured by this threshold.</p> <p>There were no objections or disagreements raised by the GAB.</p>	
5	<p><b>GAS INFORMATION SERVICES PROJECT – UPDATE</b></p> <p>Ms. Ryan provided a brief update on the Gas Information Services Project (GISP):</p> <p>The main body of the Gas Services Information Regulations are currently being drafted with the intent that they will be completed by the end of the calendar year.</p> <p>The first round of industry consultation on the draft GIS Rules and design is currently underway, with the closing date for submission being close of business on Monday, 19 November. The IMO will then work to produce a second consultation draft, due to be released to industry in early December.</p> <p>The cost-benefit analysis on the GIS information provision and publication currently being carried out by the Sapere Research Group, and is due to be submitted to the IMO by 23 November, and will be released publicly before or with the second consultation draft in early December.</p> <p>Development work on the GBB system is now underway. The IMO plans to share an interface document with stakeholders in December. Development of the system is scheduled to be completed in April 2013, although public access to the GBB will not commence until July 2013.</p>	
6	<p><b>GAS BULLETIN BOARD SYSTEM AVAILABILITY</b></p> <p>Ms. Ryan outlined the proposal for GBB system availability, and the target timelines for system and database recovery in the case of an incident which affects the software or the infrastructure supporting the GBB.</p> <p>The IMO has proposed a target timeframe of four hours for system recovery, once the IMO has become aware of an incident. Ms. Ryan explained that this was the equivalent of a 'priority 2' incident in the Wholesale Electricity Market System (WEMS). Ms. Ryan added that a higher level of service and</p>	

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	<p>shorter recovery timelines would come at increased ongoing costs for the GBB.</p> <p>One of the GAB Members questioned whether four hour recovery window was within business hours or was a 24-hour window. The Chair replied that there are on-call operations and IT staff available 24-hours for WEMS, however this level of support would come at a cost for the GBB. Initially it is intended that support be provided during business hours, but the response will depend on the nature of the incident.</p> <p>The Chair added that the system could be launched with a four-hour recovery window during business hours, and this could be decreased over time if stakeholders decided that a higher level of support was necessary for the system and its users.</p> <p>Mr. Livens questioned what the planned level of support would be if the EMF was activated. Ms. Ryan confirmed that a higher level of monitoring of the GBB system would be carried out by the IMO in the event of the EMF being activated.</p> <p>The GAB agreed that the proposed system availability was acceptable.</p>	
7	<p><b>PROPOSED EMERGENCY INFORMATION REQUIREMENTS – DISCUSSION</b></p> <p>Ms. Ryan outlined the planned design and information requirements of the Emergency Management Facility (EMF).</p> <p>Ms. Ryan explained that information requirements for the EMF would be of three different types:</p> <ul style="list-style-type: none"> <li>- Standing data (collected during registration)</li> <li>- Daily information (required during an emergency)</li> <li>- Ad hoc data (requested as required during an emergency)</li> </ul> <p>Mr. Coetzer commented that a standing maximum capacity for production facilities would be difficult to define as this capacity changes seasonally, but could be provided in the event of an incident as ad hoc data.</p> <p>Mr. Cooper noted that capacity of itself is not the key issue in an emergency, rather how capacity and linepack can be used to support supply over the period of the emergency. A number of GAB members noted that capacity information would need to be updated immediately in the event of an emergency. The Chair noted that data collection during an emergency was very difficult, and having data on hand would be of use. Baseline linepack data may be useful as standing data to compare to actual in the event of an emergency.</p> <p>Mr. McLaughlin from the Public Utilities Office added that in the event of an emergency, the EMF and the standing data related to it would be of use in the early stages of planning for the response to an emergency. He added that actual gas flow data would be of use during an emergency.</p> <p>The Chair suggested that knowing maximum and minimum linepack would be useful and Mr. Cooper agreed this could be provided. Mr. Cooper also noted that templates would be useful.</p>	

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	<p>The Chair suggested that pipeline data submitted daily could include linepack data, in addition to the linepack adequacy flags, and could be stored on the EMF system for use in the event of an incident. Mr. McLaughlin added that this would be of use, citing that during an emergency, the first 6-8 hours of the emergency are the most important in terms of gathering information and daily information is required until the situation stabilises.</p> <p>Ms. Ryan questioned whether a maximum and minimum gas production data could be provided and would be of use for the EMF, which GAB members acknowledged was the case.</p> <p>Mr. Coetzer questioned the form of data exchange. Ms. Ryan explained that for standing data it would be provided in the same way for both the public GBB and the EMF, but that information for the EMF would not be displayed unless the EMF was activated.</p> <p>Mr. McLaughlin queried whether daily actual information is problematic. Mr. Coetzer indicated that it would not be, and that if the system was developed properly, increasing to hourly polling in the future should also be possible. Mr Cooper also indicated that hourly operational (i.e. non-verified) information could be provided.</p> <p>Mr. Livens queries how ad hoc information would be provided. The Chair confirmed that it would be manual data provision as opposed to automatic data polling. Members indicated that intraday updates may need to be manual, due to the cost of automating the provision of this information which must be drawn from other systems.</p> <p>Ms. Ryan confirmed that the list of ad hoc data requirements in the meeting papers was not comprehensive, and that depending on the nature of the emergency, the data requirements would be different. The Chair added that once the data requirements in an emergency were decided, the IMO would create data submission templates, where possible, to ensure uniformity of data provision and assist participants to meet their obligations during an emergency.</p> <p>The Chair thanked the GAB for their input.</p>	
<p><b>8</b></p>	<p><b>GIS RULES – ISSUES FOR DISCUSSION</b></p> <p>Ms. Ryan outlined a number of outstanding issues related to the draft GIS Rules and sought GAB input on how they may be resolved:</p> <p><i>a) Nomination and re-nomination process</i></p> <p>Ms. Ryan explained that as part of the design, the GBB would be seeking intra-day updates on pipeline nominations, etc, and added that where possible they would like to coincide these updates with the re-nomination timing of the shippers to a pipeline. Mr. Coetzer questioned why there was intra-day updates, Ms. Ryan explained that where there is a material change in nomination throughout the day, this would need to be updated, consistent with the national bulletin board.</p> <p>Mr. Livens provided a summary of the APA and Epic nomination and renomination process and indicated that periodic updates would be</p>	

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	<p>preferable.</p> <p>Mr. Livens questioned why storage facilities were included in the nomination and re-nomination requirements. Ms. Ryan explained that it related to which party is required to provide nomination and forecast flow information. Members discussed whether it was required, given the storage facility is connected to pipelines for which nominations are provided. Ms. Ryan suggested that she would confirm separately with APA the arrangements at the Mondarra gas storage facility.</p> <p><i>Action Item: IMO to consult with APA on the operation of their gas storage facility.</i></p> <p><i>b) Categories of Large User</i></p> <p>Ms. Ryan presented the Large User gas usage categories which would be displayed in each zone of the GBB. The GAB was asked for their comments on the practicality of the proposed categories for the predominant use of gas.</p> <p>Members indicated that “refining” may be too specific and a term such as “industrial processing” may be more useful.</p> <p>The GAB discussed whether the gas usage categories from the Wesplan could be used. Members agreed that identifying which of categories were supplied at each delivery point would be useful for the EMF, but that a smaller number of main categories was appropriate for the GBB.</p> <p>Mr. Shaw questioned how usage information would be displayed on the GBB. Ms. Ryan explained it would be presented both by category and by large user facility.</p> <p>The classification of electricity generation for mining was discussed. Mr. Cooper suggested that grid and non-grid connected electricity generation may be more useful. Ms. Ryan indicated that this was probably already available by knowing which zone a generator is located in and the Chair indicated the IMO would consider whether anything additional was required to demonstrate this.</p> <p><i>c) Duplicate information</i></p> <p>Ms. Ryan asked the GAB for their thoughts on duplicate data submission from two sources. Mr. McLaughlin suggested that this duplicate data would provide redundancy of data exchange in the event of an emergency.</p> <p>The GAB members explained that producers are responsible for metering gas flow into pipelines, and pipelines are responsible for metering at delivery points. In the case of pipeline connections and storage facilities, this varied on a case-by-case basis.</p> <p>The Chair suggested that responsibility for providing the information could lie with the party that had responsibility for the meter. Mr Gaston also noted that one party could agree to provide information for another party and Ms. Ryan confirmed the Rules would not prevent this.</p> <p>GAB members raised concerns that incorrect meter data could lead to civil penalties. The Chair reassured members that the compliance regime for the GIS was not intended to increase existing obligations</p>	<p><b>IMO</b></p>

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	and processes to maintain meter accuracy.	
9	<p><b>CONSULTATION DRAFT GIS RULES AND DESIGN – DISCUSSION</b></p> <p>The Chair invited the GAB to discuss the GIS Rules and Design. The following issues were raised:</p> <p>Mr. Livens provided feedback that the material change threshold has been set too low at 5TJ or 10% of capacity, and should be 30TJ or 10%. Mr. Livens also shared a request from pipeline stakeholders that the implementation of an automatic GBB file exchange for planned maintenance be subject to a cost-benefit analysis following the two year transition period.</p> <p>The Chair responded that the IMO’s intention was to develop the GBB system to accept the standard medium term capacity report from commencement, as well as those reports provided using the transitional arrangement, to enable participants to utilise their preferred approach from commencement and minimise the costs of the transition when it comes.</p> <p>GAB members discussed the need to make this information public, with some members unclear who would need this information that do not already get it and others identifying the circumstances in which it would be useful.</p> <p>The legal issue of a ‘force majeure’ event affecting the data exchange with the GBB and the EMF was brought up, and its consideration as part of a compliance breach. It was suggested that this was covered by the data provision ‘in good faith’ and would not be dealt with specifically in the Rules.</p> <p>The publishing of Large Users gas usage information was questioned by Mr. Shaw. It was suggested that company/operator gas usage be displayed instead of individual facility data as the individual facility information could provide commercially sensitive information about the operations at industrial processing facilities and, from a gas trading perspective, the demand of a user or shipper was more relevant than that of a specific facility.</p> <p>The definition of pipeline segment capacity was also raised, and Ms. Ryan noted that the IMO was working with pipeline operators to develop a workable definition.</p>	
8	<p><b>GENERAL BUSINESS</b></p> <p>No further issues were raised.</p>	
9	<p><b>NEXT MEETING</b></p> <p>Tuesday, 11 December 2012.</p>	
<p><b>CLOSED</b></p> <p>The Chair declared the meeting closed at 4:15 PM</p>		