

# Gas Advisory Board (GAB) Briefing Paper

Office of Energy (OOE)

28 March 2012

## Gas Services Information Bill 2011 (GSI Bill) – Gas Bulletin Board (GGB) and Gas Statement of Opportunities (GSOO)

### **Status**

The GSI Bill was introduced and received its Second Reading in the Upper House (Legislative Council) on 30 November 2011. It passed through the Upper House on 7 March 2012 without amendment.

Prior to its introduction into parliament, the OOE provided briefings to the following parliamentary members:

- 24 November 2011 (Liberal Party) Hon Andrea Mitchell MLA
- 31 January 2012 (Greens WA Party) Hon Robin Chapple MLC
- 15 February 2012 (National Party) Hon Max Trenorden MLC and Hon Philip Gardiner MLC
- 23 February 2012 (Labor Party) Hon Kate Doust MLC and Hon Bill Johnston MLA

The main questions responded to in the briefings, included:

- **Question:** *Why were the objectives of the GBB and GSOO placed in the legislation and not the regulations?*

**Response:** This would give participants certainty around about the limits of the legislation. It would provide a 'yardstick' against which new Rules could be assessed and existing Rule amended in future, and guide the development of the regulations. It was worth noting that under the Wholesale Electricity Market arrangement, market objectives are written up in the WEM Rules for this same purpose.

- **Question:** *Why is the GBB necessary when arrangements and websites to accommodate spot trading already existed in WA?*

**Response:** The GBB will host, and make available for viewing by the general public at no cost, standing data in a prescribed and standardised format. It may include the voluntary trade of gas commodity and its transport, and will contain an emergency management facility.

Services offered by gas traders 'Energy Access' and 'Gas Trading Australia' are profit based and do not provide gas system information for general consumption at no cost, or, assistance for the management of gas emergencies. Also, the focus is on short to medium term transactions, with settlements, and participation is subject to commercial fees.

- **Question:** *Why won't the GBB include pricing information?*

**Response:** The GBB is not being designed as a trading platform. Implementing this extra functionality would entail additional cost. It is worth noting that pricing information is not available on the national gas bulletin board run by the Australian Energy Market Operator (AEMO). However, it is separately provided in some eastern states markets through the Wholesale Gas Market and Short Term Trading Market arrangements.

On 19 March 2012, the OOE gave a general briefing to Hon John Day MLA, Minister for Planning; Culture and the Arts; Science and Innovation, who will sponsor the legislation in the Lower House (Legislative Assembly).

### **Next steps**

It is expected that the GSI Bill will be introduced, if not debated and passed in the Lower House before parliament's recess in April 2012. If it is not, it is likely that consideration of the GSI Bill will resume in the first week of May 2012.

When passed, consequential amendments will be made to the *Energy Arbitration and Review Act 1998*, so that the Electricity Review Board can perform certain functions under the GSI Act.

A Preliminary Impact Assessment has been submitted to the Regulatory Gatekeeping Unit, which is a necessary part of the regulations development process.

Drafting Instructions for the GSI Regulations are in the process of being developed. To assist the OOE in this process, the GAB will receive briefing papers at the next GAB meeting on the proposed content of the regulations in relation to matters such as: information requirements for the GBB and GSOO: such as standing data; information required for emergency management; and under the legislation for gas quality specifications. Feedback from the GAB would be most appreciated.

The OOE will also circulate to industry participants an overview document of the GSI Regulations, which will give participants a good sense of how the regulations will be set-out, what will be included and what level of detail will be left to the GSI Rules.

Drafting of the GSI Regulations will be able to commence once the GSI Bill has successfully passed through both Houses.