

## Minutes

<b>Meeting Title:</b>	Gas Advisory Board ( <b>GAB</b> )
<b>Date:</b>	17 November 2020
<b>Time:</b>	2:30 PM – 3:00 PM
<b>Location:</b>	Virtual – Microsoft Teams

<b>Attendees</b>	<b>Class</b>	<b>Comment</b>
Stephen Eliot	Chair	
Martin Maticka	AEMO	
Matthew Martin	Small-Use Consumer Representative	Minister's Appointee
Kate Ryan	Energy Policy WA ( <b>EPWA</b> )	
Alexandra Willis	Gas Producers	
Peter Ryan	Gas Producers	
John Jamieson	Pipeline Owners and Operators	
Rachael Smith	Pipeline Owners and Operators	
Michael Lauer	Gas Shippers	
Debra Rizzi	Gas Shippers	Proxy for Ms Sydney-Smith
Jana O'Kane	Gas Users	
Chris Campbell	Gas Users	
Lipakshi Dhar	Economic Regulation Authority ( <b>ERA</b> )	Observer

<b>Apologies</b>	<b>Class</b>	<b>Comment</b>
Kathryn Sydney-Smith	Gas Shippers	Proxy attended

<b>Also in attendance</b>	<b>From</b>	<b>Comment</b>
Adnan Hayat	RCP Support	Minutes
Allan McDougall	Gas Trading Australia Pty Ltd	Observer
Dora Guzeleva	EPWA	Observer
Karan Sharma	APPEA	Observer

<b>Also in attendance</b>	<b>From</b>	<b>Comment</b>
Laura Koziol	RCP Support	Observer
Mark Katsikandarakis	AEMO	Observer

<b>Item</b>	<b>Subject</b>	<b>Action</b>
<b>1</b>	<p><b>Welcome</b></p> <p>The Chair opened the meeting at 2:30 PM and welcomed members and observers to the 17 November 2020 GAB meeting.</p>	
<b>2</b>	<p><b>Meeting Apologies/Attendance</b></p> <p>The Chair noted proxies and observers, as listed above.</p>	
<b>3</b>	<p><b>Review of Minutes from previous meeting</b></p> <p>The GAB accepted the tabled minutes of the GAB meeting on 17 September 2020 as a true and accurate record of the meeting.</p>	
<b>4</b>	<p><b>Actions Arising</b></p> <p>The GAB agreed to close the following three Action Items:</p> <ul style="list-style-type: none"> <li>• Item 96 – GAB members to email Mr Martin Maticka (AEMO) regarding the information that would be useful for outage notifications, and what it is they are trying to address. <ul style="list-style-type: none"> <li>○ AEMO received only one email and GAB members did not indicate any particular information that they were seeking, so the GAB agreed to close Action Item 96.</li> </ul> </li> <li>• Item 97 – AEMO to develop a discussion paper regarding information reporting for outage notification, for consideration at the next GAB meeting. <ul style="list-style-type: none"> <li>○ The GAB agreed to close this Action Item because it is related to Action Item 96.</li> </ul> </li> <li>• Item 100 – RCP Support and EPWA to develop and submit a Rule Change Proposal to extend the timing of the GAB review and appointment process. <ul style="list-style-type: none"> <li>○ The Chair indicated that this issue directly overlaps with the proposed changes to the energy market governance arrangements, so EPWA has addressed this issue in the draft changes to the GSI Rules by changing the timing for GAB composition reviews to every two years instead of annually. Therefore, the GAB agreed to close Action Item 100.</li> </ul> </li> </ul>	

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	<p>Regarding Action Items 98 and 99 (the LNG Trucking Issue):</p> <ul style="list-style-type: none"> <li>• The Chair noted that, on 28 October 2020, Woodside indicated it will need until 30 November 2020 to develop its response on Action Item 98. As a result, Action Items 98 and 99 remain open.</li> <li>• Given the forthcoming changes to the energy market governance arrangements, the Chair asked whether the GAB members would like to address the LNG trucking issue before or after the transition to the new governance arrangements. <ul style="list-style-type: none"> <li>○ Mr Michael Lauer asked how the LNG trucking issue will be processed and whether it could be dealt with via the governance rule changes. The Chair indicated that there are some issues that still need to be addressed in considering a rule change for the LNG trucking issue, such as how trucked LNG volumes will be published and how to distinguish these volumes from the trucking volumes that are already captured on the Gas Bulletin Board (<b>GBB</b>). The Chair also noted that the rule-change process will continue under the new governance arrangements, but the Coordinator of Energy (<b>Coordinator</b>) will be the decision-maker rather than the Rule Change Panel (<b>Panel</b>), so the intent is for the Panel to run rule change process under business as usual. Therefore, it would be inappropriate to bypass all of the consultation steps from a standard rule change process and deal with the LNG Trucking issue via the governance rule changes.</li> <li>○ Mr Lauer suggested that he would prefer to see this issue processed as soon as possible. Mr Chris Campbell considered that, while the LNG trucking volumes are currently not material, publishing this information is important for completeness, so a rule change should be processed as soon as possible.</li> <li>○ Mr Martin Maticka indicated that AEMO has significant current resource commitments, so if this issue is to be expedited, AEMO would want simple publication requirements. The Chair agreed that this makes sense from a cost and practicality perspective.</li> <li>○ The Chair summarised that AEMO and RCP Support will continue to progress the LNG trucking issue once Woodside provides a response to Action Item 98, which is expected by 30 November 2020.</li> </ul> </li> </ul>	
5	<p><b>Overview of Rule Change Proposals</b></p> <p>The Chair noted that there were no open Rule Change Proposals.</p>	
6	<p><b>Rule Change Governance – Consultation on Change to the GSI Rules and Regulations</b></p> <ul style="list-style-type: none"> <li>• Ms Kate Ryan indicated that, on 12 October 2020, the Minister announced some changes to the energy market governance</li> </ul>	

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	<p>arrangements in WA. These changes are mostly in electricity sector, but they have some consequences for the Gas Services Information (GSI) framework as well.</p> <ul style="list-style-type: none"> <li>• The rationale behind the changes is that government is looking to allocate the functions to the Coordinator so that we have a clear body to undertake energy policy, coordination and market development. The ERA will deal with licencing, compliance and economic regulatory matters; and the AEMO will be the operator of the GBB and the Gas Statement of Opportunities (GSOO). These three entities are working through the changes to regulations and rules to give effect to the new governance arrangements. As a result of these changes, responsibility for the rule change process is being transferred from the Panel to the Coordinator.</li> <li>• Ms Ryan indicated that the changes are more material in the electricity sector, but the Government's aim is to harmonise the arrangements across the energy sector to get efficiencies and to minimise costs for the gas sector.</li> <li>• Ms Ryan indicated that the proposed changes seek to address the gaps and reduce overlaps in current governance arrangements, to improve their effectiveness and ease pressure on the cost of market administration.</li> <li>• Ms Ryan indicated that the changes seek to: <ul style="list-style-type: none"> <li>○ allocate clear responsibility for ongoing GSI development to a single governance body;</li> <li>○ make some changes to the processes and the role of the GAB to make it work in the context of the new decision-maker; and</li> <li>○ explicitly acknowledge that Government has an ongoing role in leading the evolution of WA's energy sector.</li> </ul> </li> <li>• Ms Ryan indicated that the Consultation Paper includes four appendices to deal with different elements of the proposed changes to rules and regulations. Appendices B and D are relevant in the context of the GSI framework – Appendix B proposes draft changes to the GSI Rules and Appendix D deals with regulation changes.</li> <li>• Ms Ryan further explained that Appendix B proposes that all of the Panel's functions are being transferred to the Coordinator, including decision-making on Rule Change Proposals, administration of the rule change process, administration of GAB and recovery of costs via fees from GSI participants using the existing processes.</li> <li>• Ms Ryan indicated that the following changes to the GSI Rules have been proposed to support the new governance arrangements: <ul style="list-style-type: none"> <li>○ the tenure of GAB membership will be modified;</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>○ the Chair of GAB is to be independent of market participants and the rule change body.</li> <li>○ the GAB is to advise the Coordinator on rule change proposals and evolution of the GSI framework;</li> <li>○ the GAB is to try to achieve consensus but dissenting views are to be noted;</li> <li>○ the Coordinator and Chair of the GAB will be permitted to propose rule changes, and in both cases will be supported by EPWA, which will include RCP Support staff, who will move to EPWA;</li> <li>○ the Minister will approve any Rule Change Proposals commenced by the Coordinator;</li> <li>○ the GAB will have additional consumer representatives; and</li> <li>○ the market information arrangements will be expanded to include the Coordinator, ensuring adequate protection of information continues.</li> </ul> <ul style="list-style-type: none"> <li>● Ms Ryan indicated the following changes to the GSI Regulations have been proposed to support the new governance arrangements: <ul style="list-style-type: none"> <li>○ a head of power will be inserted to enable functions to be placed on the Coordinator and for recovery of fees by the Coordinator;</li> <li>○ there will be consequential amendments to support the wind-up of the Rule Change Panel; and</li> <li>○ the Minister will be given temporary rule making power to make rules to give effect to the changes to the governance arrangements.</li> </ul> </li> <li>● Ms Ryan indicated that Panel will continue to progress rule changes in business as usual manner and that a proposal to address the LNG trucking issue can be submitted if Market Participants consider this is appropriate given the urgency of the proposal.</li> <li>● Ms Ryan explained that consultation on draft changes to the regulations and rules will close on 11 December 2020. EPWA expects to submit the rule and regulation changes to the Minister in December 2020 and to finalise them in January 2021, ahead of the Government moving into the caretaker period ahead of election. The governance changes will then take effect on 1 July 2021.</li> <li>● Mr Campbell noted that Coordinator will be responsible for the Whole of System Plan, which will impact the Electricity Statement of Opportunities (<b>ESOO</b>) and the GSOO and are AEMO's responsibility, which makes AEMO's role more administrative in nature, so Mr Campbell asked whether the ESOO and GSOO are also likely to move to the Coordinator?</li> </ul>	

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	<ul style="list-style-type: none"> <li>○ Ms Ryan indicated that there will be a two stage work program to consider broader improvements to the governance of the energy sector, including clarifying roles and responsibilities, and removing duplication and overlaps, to make the sector work as efficiently as possible. This may include exploring changes to the GSOO and the role of AEMO.</li> <li>● Mr Lauer asked about funding for the administration of the WEM and the GSI rules and whether this will remain with AEMO or move to the Coordinator? <ul style="list-style-type: none"> <li>○ Ms Ryan confirmed that the funding arrangements for administration of the WEM Rules and GSI Rules will remain with AEMO and the Coordinator will recover their cost via AEMO, similar to how the ERA currently recovers its costs.</li> <li>○ Mr Maticka indicated that this will be a small change for how AEMO processes fees and Market Participants should not notice the change.</li> </ul> </li> <li>● Mr Campbell indicated that he agrees that the customer needs to be represented well, but questioned the rationale of the extra customer representation in the gas sector since the gas sector is working with just the GBB and GSOO. <ul style="list-style-type: none"> <li>○ Ms Ryan replied that the intent is to strengthen customer representation across the energy sector and that Gas Market Participants would not bear any costs for the consumer advocates, noting that EPWA has other means available to financially support customer participation if required and appropriate.</li> </ul> </li> <li>● Ms Ryan indicated that EPWA is keen for feedback on the proposed governance changes in the context of GSI, particularly on: <ul style="list-style-type: none"> <li>○ whether the proposed changes make sense and work in context of GSI framework;</li> <li>○ whether the role of industry in the GAB has been sufficiently strengthened; and</li> <li>○ is there more that can be done to ensure the accountability and transparency in the decision-making process and on the Coordinator?</li> </ul> </li> </ul>	
7	<p><b>General Business</b></p> <p>None.</p>	
	<p><b>The Chair noted that next meeting is scheduled for 25 March 2021.</b></p>	

**The meeting was closed at 3:00 PM.**