



Meeting Agenda

Meeting Title:	Gas Advisory Board
Meeting Number:	2023_03_23
Date:	Thursday 23 March 2023
Time:	1:30 to 3:30 PM
Location:	Online, via TEAMS

Item	Item	Responsibility	Type	Duration
1	Welcome and Agenda	Chair	Noting	2 min
2	Meeting Apologies/Attendance	Chair	Noting	2 min
3	Minutes of Meeting 2022_10_27	Chair	Decision	2 min
4	Actions	Chair	Discussion	5 min
5	Overview of Rule Change Proposals	Chair	Noting	2 min
6	Update on the review of the January 2023 Gas Supply Incident	EPWA	Discussion	60 min
7	LCA Flag Definition	AEMO	Discussion	15 min
8	Five-Year Review of the GSOO	AEMO	Discussion	30 min
9	General Business	Chair	Discussion	2 min
	Next Meeting: Thursday 14 September 2023			

Please note this meeting will be recorded.

Competition and Consumer Law Obligations

Members of the Gas Advisory Board (**Members**) note their obligations under the *Competition and Consumer Act 2010 (CCA)*.

If a Member has a concern regarding the competition law implications of any issue being discussed at any meeting, please bring the matter to the immediate attention of the Chairperson.

Part IV of the CCA (titled "Restrictive Trade Practices") contains several prohibitions (rules) targeting anti-competitive conduct. These include:

- (a) **cartel conduct**: cartel conduct is an arrangement or understanding between competitors to fix prices; restrict the supply or acquisition of goods or services by parties to the arrangement; allocate customers or territories; and or rig bids.
- (b) **concerted practices**: a concerted practice can be conceived of as involving cooperation between competitors which has the purpose, effect or likely effect of substantially lessening competition, in particular, sharing Competitively Sensitive Information with competitors such as future pricing intentions and this end:
 - a concerted practice, according to the ACCC, involves a lower threshold between parties than a contract arrangement or understanding; and accordingly; and
 - a forum like the GAB is capable being a place where such cooperation could occur.
- (c) **anti-competitive contracts, arrangements understandings**: any contract, arrangement or understanding which has the purpose, effect or likely effect of substantially lessening competition.
- (d) **anti-competitive conduct (market power)**: any conduct by a company with market power which has the purpose, effect or likely effect of substantially lessening competition.
- (e) **collective boycotts**: where a group of competitors agree not to acquire goods or services from, or not to supply goods or services to, a business with whom the group is negotiating, unless the business accepts the terms and conditions offered by the group.

A contravention of the CCA could result in a significant fine (up to \$500,000 for individuals and more than \$10 million for companies). Cartel conduct may also result in criminal sanctions, including gaol terms for individuals.

Sensitive Information means and includes:

- (a) commercially sensitive information belonging to a Member's organisation or business (in this document such bodies are referred to as an Industry Stakeholder); and
- (b) information which, if disclosed, would breach an Industry Stakeholder's obligations of confidence to third parties, be against laws or regulations (including competition laws), would waive legal professional privilege, or cause unreasonable prejudice to the Coordinator of Energy or the State of Western Australia).

Guiding Principle – what not to discuss

In any circumstance in which Industry Stakeholders are or are likely to be in competition with one another a Member must not discuss or exchange with any of the other Members information that is not otherwise in the public domain about commercially sensitive matters, including without limitation the following:

- (a) the rates or prices (including any discounts or rebates) for the goods produced or the services produced by the Industry Stakeholders that are paid by or offered to third parties;
- (b) the confidential details regarding a customer or supplier of an Industry Stakeholder;
- (c) any strategies employed by an Industry Stakeholder to further any business that is or is likely to be in competition with a business of another Industry Stakeholder, (including, without limitation, any strategy related to an Industry Stakeholder's approach to bilateral contracting or bidding in the energy or ancillary/essential system services markets);
- (d) the prices paid or offered to be paid (including any aspects of a transaction) by an Industry Stakeholder to acquire goods or services from third parties; and
- (e) the confidential particulars of a third party supplier of goods or services to an Industry Stakeholder, including any circumstances in which an Industry Stakeholder has refused to or would refuse to acquire goods or services from a third party supplier or class of third party supplier.

Compliance Procedures for Meetings

If any of the matters listed above is raised for discussion, or information is sought to be exchanged in relation to the matter, the relevant Member must object to the matter being discussed. If, despite the objection, discussion of the relevant matter continues, then the relevant Member should advise the Chairperson and cease participation in the meeting/discussion and the relevant events must be recorded in the minutes for the meeting, including the time at which the relevant Member ceased to participate.



Minutes

Meeting Title:	Gas Advisory Board (GAB)
Meeting Number	2022_10_27
Date:	Thursday 27 October 2022
Time:	1:30pm to 3:00pm
Location:	Online, via TEAMS.

Attendees	Class	Comment
Sally McMahon	Chair	
Martin Maticka	Australian Energy Market Operator (AEMO)	until 2:30pm
Graham Hansen	Small end-use customer representative	
Rachael Smith	Pipeline Owners and Operators	
John Jamieson	Pipeline Owners and Operators	
Steve Parks	Gas Producers	
Pete Ryan	Gas Producers	
Michael Lauer	Gas Shippers	
Quentin Jeay	Gas Users	
Richard Beverley	Gas Users	Proxy for Chris Campbell
Noel Ryan	Observer (appointed by the Minister)	
Lipakshi Dhar	Observer (appointed by the ERA)	
Paul Hynch	Representative of the Coordinator of Energy	Proxy for Bryon McLaughlin

Also in Attendance	From	Comment
Adrian Theseira	ERA	Presenter
Belinda Lee	ERA	Presenter
Trent Leach	DBNGP	Observer
Dora Guzeleva	GAB Secretariat	Observer
Rick Dolling	AEMO	Observer
Isadora Salviano	GAB Secretariat	Observer
Laura Koziol	GAB Secretariat	Observer

Apologies	From	Comment
Bryon McLaughlin	Representative of the Coordinator of Energy	
Chris Campbell	Gas Users	

Item	Subject	Action
1	<p>Welcome</p> <p>The Chair opened the meeting at 1:30pm.</p> <p>The Chair welcomed all attendees with an Acknowledgment of Country.</p> <p>Competition Law statement</p> <p>The Chair noted the GAB’s Competition and Consumer Law Obligations.</p> <p>Conflict of Interest</p> <p>The Chair declared that she has been appointed as a Commissioner at the Australian Energy Market Commission (AEMC) effective from 10 October 2022. She noted that, as part of her appointment process, the AEMC undertook a review of any potential and actual conflicts of interest and concluded that there is no conflict in her being a Commissioner at the AEMC and the Independent Chair of the GAB. This is because:</p> <ul style="list-style-type: none"> • the role of the Independent Chair is to: <ul style="list-style-type: none"> ○ manage GAB activities; ○ facilitate delivery of the GAB’s advice to the Coordinator; ○ develop and improve the GAB’s forward work program; and ○ facilitate discussion between GAB members. • It is not the role of the Chair to advise or influence the views of the GAB. <p>Therefore, going forward, it will be clearly recorded in the documentation of GAB statements or advice that the GAB’s view is not necessarily the view of the Independent Chair.</p> <p>The Chair declared that she currently holds shares in energy companies in Western Australia that are not considered to materially influence her role as the Independent Chair of the GAB. However, she will relinquish her shares in FMG to satisfy the requirements for her role as Commissioner at the AEMC.</p> <p>The Chair noted that she would also relinquish the following roles to satisfy the AEMC:</p> <ul style="list-style-type: none"> • special advisor of the Coordinator of Energy; • member of the technical panel for the Generator Performance Standard dispute resolution; and • expert member on the Electricity Review Board. 	
2	<p>Meeting Apologies/Attendance</p> <p>The Chair noted the attendance as listed above.</p>	

Item	Subject	Action
3	<p>Actions Arising</p> <p>The paper was taken as read.</p>	
4	<p>Overview of Rule Change Proposals</p> <p>The Chair noted the updates on Rule Change proposal GRC 2022_01. She noted that the Amending Rules will commence on 1 December 2022.</p> <ul style="list-style-type: none"> • Mr Beverley noted that, at the last GAB meeting, AEMO updated the original cost estimate for the implementation of the rule change from around \$25,000 to around \$30,000 and that the estimate included a contingency allowance of around \$15,000. Mr Beverley asked what the actual implementation cost for the rule change would be. • Mr Maticka noted that he would clarify internally what the actual implementation costs were and share the information with the GAB. <p>The Chair noted that CITIC Pacific had notified the GAB Secretariat that it will not further pursue its Pre-Rule Change Proposal on ‘gas storage injection and withdrawal’.</p>	
	<p>Action: AEMO to advise the GAB of the cost of implementing GRC_2022_01</p>	<p>AEMO</p>
5	<p>The ERA’s processes around compliance monitoring and enforcement</p> <p>Mr Theseira and Ms Lee presented an overview of the ERA’s compliance monitoring and enforcement processes.</p> <p>The slides are available on the GAB webpage (Gas Advisory Board meetings held since July 2021 (www.wa.gov.au)). The following was discussed:</p> <ul style="list-style-type: none"> • The Chair sought clarification on how the ERA monitors and determines whether a participant is compliant. • Mr Theseira explained that the ERA’s monitors compliance as follows: <ul style="list-style-type: none"> ○ AEMO monitors compliance of certain obligations such as timeliness of submission of GSI data and notifies the ERA of any alleged breaches. The ERA must investigate these alleged breaches; and ○ the ERA monitors compliance using its own monitoring systems, and the ERA investigates any potential breaches at the ERA’s discretion. • Mr Lauer noted that he would like to meet the ERA outside of the GAB to discuss in more detail how the presented compliance checks are undertaken. He noted that he would also review the recent minor modifications to the Gas Bulletin Board (GAB), which clarify when particular capacity data must be published. • Mr Beverley noted that, with the increasing uptake of renewable energy in the electricity market, it is getting more challenging for 	

Item	Subject	Action
	<p>Gas Shippers to forecast actual consumption so the deviation does not exceed 10%, and that this should be considered.</p> <ul style="list-style-type: none"> • In response to a question from Mr Hansen, Mr Theseira noted that none of the breaches the ERA investigated had been self-reported. • In response to a question from the Chair, Mr Theseira explained that, when investigating an alleged breach, the ERA takes into account whether the participant has self-reported the breach. Self-reporting indicates to the ERA, that the participant is actively monitoring its own compliance. • The Chair suggested that the ERA should present information and updates regularly to the GAB. <ul style="list-style-type: none"> ○ Mr Jamieson agreed and suggest that this should be done annually. ○ Mr Theseira indicated that the ERA can provide annual updates. 	
	<p>Action – the ERA to provide annual information and updates to the GAB on the ERA’s compliance processes, with the next update provided at the September 2023 GAB meeting.</p>	<p>ERA</p>
<p>6</p>	<p>Off Specification Gas</p> <p>The Chair noted that Mr Lauer has asked to discuss with the GAB whether a working group should be established to develop a protocol and/or a rule change proposal for communicating off specification gas events.</p> <p>Mr Lauer emphasised that he did not want to focus on the particular off specification gas event in September or look at contract changes.</p> <p>Mr Lauer clarified that two issues are concerning several shippers: one is that off specification gas have been produced and injected into the pipeline without proper notification to shippers, and the other is that the gas was delivered even though shippers rejected the gas.</p> <p>Mr Lauer outlined what happened during the off specification gas event that occurred in September 2022:</p> <ul style="list-style-type: none"> • In early September 2022, Gas Shippers received notifications that the gas they were injecting on the Pilbara Energy Pipeline (PEP) was off specification gas. • The gas injected into the PEP comes from North West Shelf or the Dampier to Bunbury Natural Gas Pipeline (DBNGP). Mr Lauer was not aware that any Gas Producers or the Pipeline Operator of the DBNGP had indicated to the Gas Shippers that off specification gas had been injected into the PEP. Instead the issue was picked up by the Pipeline Operator of the PEP. • Retrospectively, a Gas Producers and the Pipeline Operator of the DBNGP confirmed that off specification gas had been injected into the PEP three days earlier. 	

Item	Subject	Action
	<ul style="list-style-type: none"> A number of Gas Shippers rejected the off specification gas delivery into the PEP. However, the gas was delivered regardless. 	
	<p>Mr Lauer suggested to establish a GAB working group to develop a model that encourages everybody to quickly disclose off specification gas events to the relevant parties in an agreed format.</p>	
	<p>The following was discussed:</p>	
	<ul style="list-style-type: none"> Mr Jamieson noted that the excursions from the specifications during the event had been minor and no risk was posed to the users receiving the gas. The alternative of not delivering the gas, because a Gas Shipper had declined the gas, was to shut down the user plant which, he considered, would have had a greater consequence. Mr Jamieson considered that the issue highlighted by Mr Lauer is a contractual issue and not an issue for the GSI Rules. Mr Jamieson supported getting together to develop better communication protocols. However, he noted that, as a Pipeline Operator, he is reliant on the Gas Shippers having the right contracts with the Gas Producers to deliver gas on specification. Mr Jamieson noted that, if off specification gas is rejected by a Gas Shipper, then the Pipeline Operator shuts down the relevant user and dispose of the gas in some other way, which usually has environmental ramifications. Mr Lauer agreed that the off specification event in September did not represent a risk to users. The issue was that the Gas Shippers were given an option to either accept or reject the off specification gas but their choice to reject the gas was ignored. Mr Lauer noted that the objective should be to keep the plants running during an off specification gas event, if possible. Ms Smith acknowledged that the DBNGP had been late to issue notices about the off specification gas event in September 2022. Ms Smith noted that, since the September event, the DBNGP has improved its processes by: <ul style="list-style-type: none"> automating the provision of notices in line with DBNGP's contracts; and improving the timeliness of the off specification notifications. Ms Smith noted that, if a working group was established, she would be willing to participate. However, she considered that the issue was between Gas Producers and Gas Shippers. Ms Smith noted that the DBNGP would be happy to hold one-on-one sessions with Gas Shippers to clarify how the market works around gas specifications. However, she considered that the GAB is not the right forum for such discussion because the issues are contractual in nature. Mr Beverly agreed with Mr Jamieson and Ms Smith that off specification gas is an issue between Gas Producers and Gas 	

Item	Subject	Action
	<p>Shippers. Mr Beverly considered that a GAB working group would not be the right forum to address the issue, but would participate if a GAB working group is established.</p> <ul style="list-style-type: none"> Mr Lauer noted that, under their standard shipper agreements, both Pipeline Operators are obliged to inform Gas Shippers the moment they become aware of off specification gas event. Therefore, the issue is not only between Gas shippers and Gas Producers but also affects Pipeline Operators. Mr Jeay supported Mr Lauer's concerns about off specification gas. He considered that Gas Users must be protected from off specification gas damaging their equipment, so there must be an option to reject gas so it does not reach the equipment. Mr Jeay noted that he would be happy to participate if a GAB working group was formed. Mr Ryan considered that the issue of off specification gas should be dealt with commercially and outside of the GAB. Mr Parks agreed with Mr Ryan. Mr Maticka noted that AEMO would participate in a GAB working group if one was established. Mr Jamieson and Ms Smith were opposed to forming a GAB working group but noted that the issue could be discussed in an industry working group. Mr Lauer and Ms Jay Mr Jeay considered that an industry working group would also be acceptable. In response to a question from the Chair, Ms Smith agreed that she would come back to the GAB on whether DBNGP would be able to lead such an industry working group. The Chair asked GAB members to register their interest in joining such an industry working group with the GAB Secretariat via email. 	
	<p>Action – Ms Smith to notify the GAB members whether DBNGP is able to facilitate an industry working group on the treatment of off specification gas.</p>	<p>DBNGP</p>
	<p>Action – GAB Members to email EPWA to register their interest in joining a potential industry working group on the treatment of off specification gas.</p>	<p>GAB Members</p>
<p>7</p>	<p>GAB Meeting Schedule for 2023</p> <p>The GAB endorsed the following meeting schedule for 2023:</p> <ul style="list-style-type: none"> 2:00pm on Thursday 23 March 2023; and 2:00pm on Thursday 14 September 2023. 	
<p>8</p>	<p>General Business</p> <p>No general business was raised.</p>	

The meeting closed at 2:50pm.

Agenda Item 4: Gas Advisory Board (GAB) Action Items

Meeting 2023_03_23

Shaded	Shaded action items are actions that have been completed since the last GAB meeting.
Unshaded	Unshaded action items are still being progressed.
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.

Item	Action	Responsibility	Meeting Arising	Status/Progress
111	AEMO to advise the GAB of the cost of implementing GRC_2022_01	AEMO	2022_10_27	Closed On 8 March 2023, AEMO informed Energy Policy WA (EPWA) that it cost \$43,541 to implement GRC_2022_01.
112	The Economic Regulation Authority (ERA) is to annually provide information and updates to the GAB on the ERA's compliance processes.	ERA	2022_10_27	Open EPWA will schedule the next update for the September 2023 GAB meeting
113	Ms Smith to notify the GAB members whether DBNGP is able to facilitate an industry working group on the treatment of off specification gas.	DBNGP	2022_10_27	Open On 8 March 2023, Ms Smith advised that the Dampier to Bunbury Natural Gas Pipeline (DBNGP) representatives had met with Mr Lauer and other industry representatives and formed the view that DBPGP is not the best fit to lead an industry working group, but

Item	Action	Responsibility	Meeting Arising	Status/Progress
				<p>that the DBNGP would participate if a working group was formed.</p> <p>The GAB reached consensus at its meeting on 27 October 2022 that a working group is needed, but it should not be a GAB working group. The GAB is asked to</p> <ul style="list-style-type: none"> • confirm that a working group is needed, and ; • if the DBNGP is not best fit to lead this working group, discuss how the working group should be formed and who should lead it.
114	GAB Members to email EPWA to register their interest in joining a potential industry working group on the treatment of off specification gas.	GAB Members	2022_10_27	<p>Closed</p> <p>The GAB Secretariat received three emails expressing interest in participating in an industry working group, if that is formed, from Mike Lauer, APA and DBNGP.</p>

Agenda Item 5: Overview of Rule Change Proposals (as at 16 March 2023)

Gas Advisory Board (**GAB**) Meeting 2023_03_23

- Changes to the report provided at the previous GAB meeting are shown in **red font**.
- The next steps and the timing for the next steps are provided for Rule Change Proposals that are currently being actively progressed by the Coordinator.

Rule Change Proposals Commenced since the last GAB Meeting

Reference	Submitted	Proponent	Title and description	Commenced
GRC_2022_01	29/03/2022	AEMO	<p>Publication of tanker gas information on the Gas Bulletin Board</p> <p>The proposal was to require the provision and publication of information about gas that is transported by tankers on the Gas Bulletin Board (GBB) to increase transparency in the WA gas market.</p> <p>The Amending Rules commenced on 01/12/2022 and the tanker gas information is now available on the GBB.</p> <p>Full information on the rule change process for GRC_2022_01 is available at Rule Change GRC 2022 01 (www.wa.gov.au).</p>	01/12/2022

Approved Rule Change Proposals Awaiting Commencement

Reference	Submitted	Proponent	Title and description	Commencement
None				

Rule Change Proposals Rejected since the last GAB Meeting

Reference	Submitted	Proponent	Title and description	Rejected
None				

Rule Change Proposals Awaiting Approval by the Minister

Reference	Submitted	Proponent	Title and description	Approval Due Date
None				

Formally Submitted Rule Change Proposals

Reference	Submitted	Proponent	Title and description	Urgency	Next Step	Date
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Fast Track Rule Change Proposals with Consultation Period Closed

None						
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Fast Track Rule Change Proposals with Consultation Period Open

None						
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Standard Rule Change Proposals with Second Submission Period Closed

None						
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Standard Rule Change Proposals with Second Submission Period Open

None						
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Standard Rule Change Proposals with First Submission Period Closed

None						
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Reference	Submitted	Proponent	Title and description	Urgency	Next Step	Date
Standard Rule Change Proposals with the First Submission Period Open						
None						

Pre-Rule Change Proposals

Reference	Proponent	Title and Description	Status	Next Step
None			•	



Agenda Item 6: Update on the Review of the January 2023 Gas Supply Incident

Gas Advisory Board (GAB) Meeting 2023_03_23

1. Purpose

To:

- update the GAB on the Energy Policy WA (EPWA) review of the gas supply incident that occurred in early January 2023 and provide an opportunity for the GAB to provide input into the review; and
- facilitate GAB discussion on a number of issues related to the gas supply incident raised by a GAB member.

2. Recommendation

That the GAB:

- (1) notes the review currently conducted by EPWA regarding the gas supply incident that occurred in early January 2023 (**Attachment 1**) and provides input to EPWA on this review;
- (2) discusses the matters that have been raised by GAB members following the gas supply incident (**Attachment 2**), including whether:
 - (a) the accuracy and reliability of reporting of the Capacity Outlook on the Gas Bulletin Board (GBB) is acceptable and, if not, whether the Economic Regulation Authority (ERA) should be asked to consider investigating whether all Facilities have been complying with their Capacity Outlook reporting requirements (Rule 72);
 - (b) it would be appropriate to place a requirement on Production Facility Operators to provide additional production capacity data for publication on the GBB;
 - (c) it would be useful or appropriate to require Pipeline Operators to provide pipeline pressure data for publication on the GBB;
 - (d) the submission and publication of data on the GBB should be moved closer to real time and, if so, what data and when;
 - (e) additional gas storage data should be published on the GBB regarding day-ahead and intraday nominations;
 - (f) additional information should be made available on the GBB to provide clarity on the meaning of LCA Flags;
 - (g) the Emergency Management Facility (EMF) should have a centralised contact page when it is activated that includes contact information for gas marketers for each inlet point; and

- (h) publication of coal supply and stock levels on the GBB would be useful and appropriate.

Any Rule Change Proposals that arise from the review of the gas supply incident or the discussion under items (2)(a) to (h) will be the subject of further discussion and development at a later date.

3. Review of the Gas Supply Incident

3.1 Background

Chevron's Wheatstone gas plant tripped on 5 January 2023 and ceased production, removing 215 TJ from the Dampier-Bunbury Natural Gas Pipeline (DBNGP) linepack.

The impact of this trip on the gas market was compounded by the reduced output from Santos' John Brookes Platform at Varanus Island and Devil Creek, which created a unique and critical risk to the linepack capacity adequacy in the DBNGP.

The outage was reported to the Coordinator of Energy (Coordinator), as required under the *State Hazard Plan – Energy Supply Disruption*.

3.2 Scope of the Review

The Coordinator of Energy, in its role as Hazard Management Agency, is undertaking a review of this gas supply incident to understand the causes and effects of the incident on:

- the stability of the DBNGP;
- the effectiveness of the supply and demand market mechanisms of the domestic gas market; and
- the processes and mechanisms used by government and industry to manage the situation.

The review will examine and report on the engagement with industry participants in the lead-up to, during, and after the incident, including by:

- EPWA;
- Australian Gas Infrastructure Group;
- AEMO; and
- other affected stakeholders.

The scope of the review is to get an understanding of:

- what went well;
- what did not go well; and
- what can be done better in the future.

The review will consider the components of the emergency management legislative and regulatory framework and the GSI Rules, and any associated instrument, procedure, information or process.

Restitution is out scope for the review, but any cost imposed as a result of the incident will form part of the overall understanding.

3.3 Timing and Next Steps

EPWA has conducted a series of one-on-one meetings and received several written submissions from affected stakeholders.

At the GAB meeting, EPWA will present regarding the status of its review (**Attachment 1**), and will seek feedback from the GAB. Most of the GAB members have had the opportunity to separately provide input into this review – any members that would like to provide separate input should contact EPWA directly.

The report to the Coordinator is being drafted by EPWA. No exact date has been scheduled for its completion.

4. Details of the Issues Raised

Two GAB members have raised issues for discussion that are related to the January 2023 gas supply incident:

- A Gas User representative, Mr Quentin Jeay, asked for the GAB to discuss three issues – a copy of Mr Jeay’s email is attached (**Attachment 2**), with these issues also listed above. Mr Jeay noted that the gas supply event shed light on several issues regarding the lack of accuracy and diversity of the information provided to the market, which appear contrary to the primary purpose of the GBB and the objectives of the GSI Rules.
- A Pipeline Owners and Operators representative, Ms Rachel Smith, has also asked the GAB to consider:
 - requiring Production Facility Operators to provide daily production capacity data for publication on the GBB; and
 - whether the EMF should have a centralised contact provided when it is activated that includes contact information for gas marketers for each inlet point.

4.1 Nameplate Capacity and Data Compliance

Mr Jeay noted that deliverable capacity seems to be misrepresented on the GBB, which is a particular concern in times of major supply outages and disruptions.

Mr Jeay expressed concern that the information on the GBB relating to short-term natural gas supply in the State was inaccurate. As evidence, Mr Jeay pointed out that two gas plants – the Karratha Gas Plant (KGP) and Macedon – were not operating near their provided Nameplate Capacities during the gas supply incident.

EPWA notes that issues relating to the accuracy and usefulness of the relevant data provided to AEMO for publication on the GBB has been discussed at a number of GAB meetings over the last two years, including most recently:

- the ERA gave a presentation to the GAB on 28 October 2022 regarding its compliance processes under the GSI Rules; and
- the GAB discussed facility reporting requirements under the GSI Rules on 24 March 2022, including the information that all gas market participants are required to provide to AEMO for publication on the GBB.

A summary of the reporting requirements for Production Facility Operators is provided in Appendix A.

EPWA notes that production facilities may not be able to produce at their Nameplate Capacity at all times, and that any shortfall in their ability to do so should be reflected in their Medium Term Capacity Outlook and/or Capacity Outlook data.

Production Facility Operators must provide all data indicated in Appendix A to AEMO within the prescribed timelines, and must update the data (e.g. as a result of a supply incident). This means that, when there is a short-term gas supply incident such as the one in January 2023, all Production Facility Operators must update their Capacity Outlook and Daily Actual Flow data.

Ms Smith has suggested that Production Facility Operators should be required to provide daily production capacity for publication on the GBB. While EPWA would encourage GAB to consider this proposal, it is unclear how this would be different from the Capacity Outlook data that Production Facility Operators are already required to provide.

Mr Jeay noted that the impact of any shortfall in Facilities' ability to deliver gas in accordance with what they report on the GBB will impact on the efficiency of the market, particularly during gas supply incidents.

Appendix B provides an extract of the Capacity Outlook and Daily Actual Flow data from the GBB for 5 to 13 January 2023 (i.e. for the duration of the January 2023 gas supply incident plus one day on either side) for the following facilities:

- Wheatstone;
- Varanus Island;
- Devil Creek;
- KGP; and
- Macedon.

The data in Appendix B shows that:

- Wheatstone reported on its outage in its Capacity Outlook data;
- Varanus Island and Devil Creek were producing well below their Nameplate Capacity, but were reporting the reduced levels in their Capacity Outlook data; and
- KGP and Macedon were reporting that they would produce at their Nameplate Capacity but both produced below that amount (KGP produced 17% and Macedon 88%).

4.2 Suggested Improvements by GAB members

Mr Jeay suggested several improvements that could be made to the information provided in by the GBB and raised a number of related issues, including:

- market participants do not have access to pipeline pressure information, which would be useful to allow them to manage their positions in supply disruptions;
- some market participants get access to data, via the GBB, with a three day delay, while others get access to that data in real time due to their contractual arrangements;
- gas storage data could be improved by providing additional information on day-ahead and intraday nominations; and
- the meaning of the LCA Flags could be clarified.

Mr Smith suggested that the EMF should have a centralised contact provided when it is activated that includes contact information for gas marketers for each inlet point.

The GAB is asked to discuss whether:

- it would be useful or appropriate to publish pipeline pressure data on the GBB;
- the submission and publication of data on the GBB should be moved closer to real time and, if so, what data and when;
- additional gas storage data should be published on the GBB on day-ahead and intraday nominations; and
- additional information should be made available on the GBB to provide clarity on the meaning of the LCA Flags.

4.3 Suggestion regarding coal supply transparency

Mr Jeay also suggested that:

- greater visibility on the supply and stock levels of coal would be useful for all gas market participants to allow them to understand the risks of the overall energy system and anticipate future supply availability; and
- the increased visibility could be achieved by reporting of coal stocks at each power station site or daily mine production levels on the GBB.

5. Attachments

- (1) Dampier to Bunbury Natural Gas Pipeline – Amber Alert – 6-12 January 2023
- (2) Email from Quentin Jeay, dated 28 February 2023

Appendix A: Data Provision Requirements for Production Facility Operators

Data	Intent	Reporting Requirement	Timing
<p>Facility Data (Rule 69)</p>	<p>Provide standing data on the physical characteristics of the facilities.</p>	<p>The connected physical receipt points.</p>	<p>Must be submitted upon registration of the facility. Must be updated as soon as practicable after the facility owner becomes aware that the data is no longer accurate.</p>
<p>Nameplate Capacity (Rule 70)</p>	<p>Provide standing data on the long-term maximum physical capacity of facilities (TJ/d). Does not provide information about gas supply. Should only change as a result of a decommissioning or expansion of the facility, or a major outage or maintenance program that will impact the facility for over a year.</p>	<p>The maximum gas quantity that, can be produced by the facility and injected into pipeline(s) on a day, under normal operating conditions.</p>	<p>Must be submitted by 31 March each year. Must be updated as soon as practicable after the facility owner becomes aware that their facility's Nameplate Capacity data is no longer accurate and:</p> <ul style="list-style-type: none"> • the inaccuracy is >10% of Nameplate Capacity; and • the change is likely to impact the facility for >1 year.
<p>Medium Term Capacity Outlook (Rule 71)</p>	<p>Provide information about the expected physical capacity of facilities over the next 12 months (TJ/d) by providing information on outages and maintenance that will materially affect the facility's capacity. Does not provide information on gas supply.</p>	<p>A notice of all planned work on the facility for the next 12 months that the operator reasonably expects to have a material impact on the facility's capacity. The notice must include:</p> <ul style="list-style-type: none"> • the identity of the facility; • the expected start and end dates; 	<p>Must be submitted by 6:00 PM on the last day of each month for the next 12 months. Must be updated as soon as practicable for any material change (>10% of Nameplate Capacity or and >10TJ/day), but not if it is in the</p>

Data	Intent	Reporting Requirement	Timing
	Should only change as a result of an outage or maintenance program that will materially affect capacity of the facility.	<ul style="list-style-type: none"> the expected capacity of the facility during that period; and a description of the nature and location of the work. 	7-day period for the Capacity Outlook.
Capacity Outlook (Rule 72)	Provide information about the expected physical capacity of facilities over the next 7 days (TJ/d). This should reflect the operator’s estimate of the gas quantities that can be injected into pipelines on each of the next 7 days.	The operator’s estimate of the gas quantities that can be injected from the facility into pipelines on each of the next 7 days, based on knowledge of the facility’s capability and availability over that time.	Must be submitted by 6:00 PM on Gas Day D, for each facility, for each Gas Day D+1 to D+7, inclusive. Must be updated before 9:00 AM or 1:00 PM for any change for any Gas Day not yet ended.
LCA Flag Outlook	Provide information about pipelines’ and storage facilities’ expected ability to deliver nominated gas volumes over the next 3 days.	No requirements.	No requirements.
Nominated and Forecast Flow	Provide information on expected gas flow on pipelines and storage facilities over the next 7 days.	No requirements.	No requirements.
Daily Actual Flow Data (Rules 73 and 115A)	Provide information on actual daily gas flows on pipelines and storage facilities, 2 days in arrears.	The metered or estimated gas quantity that the facility has injected into each pipeline on the day.	Must be submitted for Gas Day D by 2:00 PM on Gas Day D+2. Must be updated as soon as practicable after the facility owner becomes aware of changes, but no later than 1 year after the end of the period.

Appendix B: Capacity Outlook and Daily Actual Flow Data for Selected Production Facility Operators

Facility	Gas Day	Capacity Outlook							Daily Actual Flows
		D	D+1	D+2	D+3	D+4	D+5	D+6	
Wheatstone Nameplate: 205	05/01/2022	215	215	215	215	215	215	215	108
	06/01/2022	0	0	40	100	205	215	215	0
	07/01/2022	0	40	100	205	215	215	215	0
	08/01/2022	0	0	40	100	205	215	215	0
	09/01/2022	0	40	100	205	215	215	215	0
	10/01/2022	40	100	205	215	215	215	215	0
	11/01/2022	100	205	215	215	215	215	215	100
	12/01/2022	205	205	205	215	215	215	215	204
	13/01/2022	205	205	215	215	215	215	215	205
Varanus Island Nameplate: 345	05/01/2012	34	34	34	34	50	50	50	38
	06/01/2012	34	34	34	50	50	50	50	40
	07/01/2012	34	34	50	50	50	50	50	41
	08/01/2012	34	50	50	50	50	50	50	40
	09/01/2012	40	40	40	40	40	40	40	40
	10/01/2012	40	40	40	40	40	40	40	40
	11/01/2012	40	40	40	40	40	40	50	40
	12/01/2012	40	40	40	40	40	50	50	40
	13/01/2012	40	40	40	40	50	50	50	40
Devil Creek Nameplate: 220	05/01/2022	46	40	40	40	40	40	40	47
	06/01/2022	40	40	40	40	40	40	40	60
	07/01/2022	40	40	40	40	40	40	40	60
	08/01/2022	40	40	40	40	40	40	40	60
	09/01/2022	60	60	60	40	40	40	40	60
	10/01/2022	60	60	60	40	40	40	40	60
	11/01/2022	60	60	40	40	40	40	40	60
	12/01/2022	60	60	60	60	60	60	60	60
	13/01/2022	60	60	60	60	60	60	90	60
KGP Nameplate: 630	05/01/2022	630	630	630	630	630	630	630	112
	06/01/2022	630	630	630	630	630	630	630	172
	07/01/2022	630	630	630	630	630	630	630	102
	08/01/2022	630	630	630	630	630	630	630	98
	09/01/2022	630	630	630	630	630	630	630	113
	10/01/2022	630	630	630	630	630	630	630	94
	11/01/2022	630	630	630	630	630	630	630	94
	12/01/2022	630	630	630	630	630	630	630	88
	13/01/2022	630	630	630	630	630	630	630	87

Facility	Gas Day	Capacity Outlook							Daily Actual Flows
		D	D+1	D+2	D+3	D+4	D+5	D+6	
Macedon Nameplate: 213	05/01/2022	213	213	213	213	213	213	213	188
	06/01/2022	213	213	213	213	213	213	213	188
	07/01/2022	213	213	213	213	213	213	213	188
	08/01/2022	213	213	213	213	213	213	213	188
	09/01/2022	213	213	213	213	213	213	213	188
	10/01/2022	213	213	213	213	213	213	213	188
	11/01/2022	213	213	213	213	213	213	213	188
	12/01/2022	213	213	213	213	213	213	213	188
	13/01/2022	213	213	213	213	213	213	213	188

Agenda Item 6, Attachment 1



Government of Western Australia
Department of Mines, Industry Regulation and Safety
Energy Policy WA

Dampier to Bunbury Natural Gas Pipeline

AMBER Alert 6 – 12 January 2023

23 February 2023

Working together for a
brighter energy future.

Terms of Reference

Extract from the Terms of Reference:

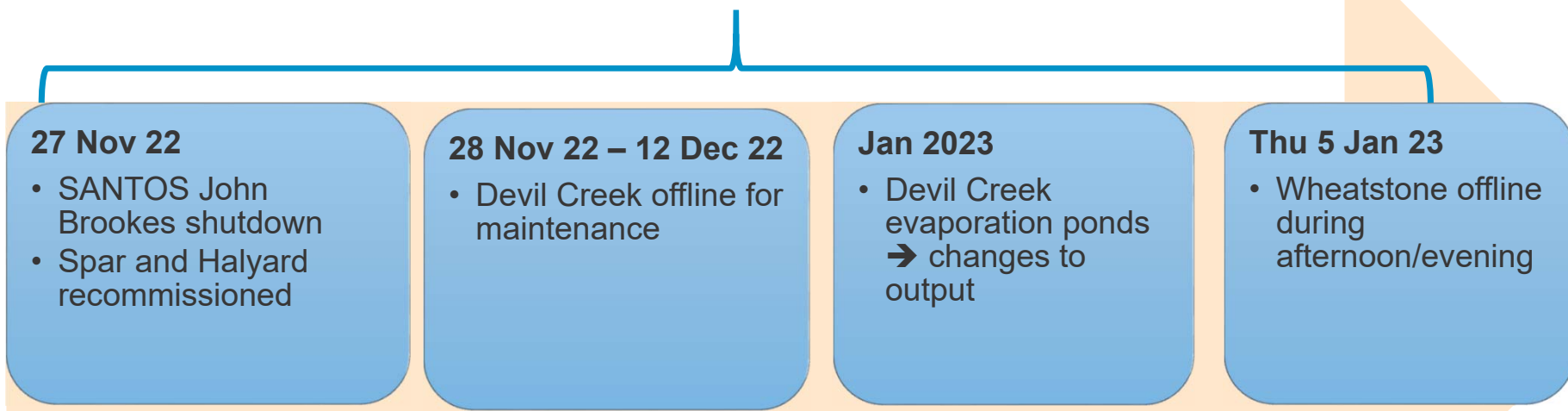
“...The Coordinator of Energy in their role as Hazard Management Agency has requested a review be undertaken to understand the causes [of the incident] and its effects to:

- The stability of the Dampier to Bunbury Natural Gas Pipeline.*
- The effectiveness of the supply and demand market mechanisms of the domestic gas market during the situation; and*
- The processes and mechanisms used by government and industry to manage the situation.*

The review will examine and report on the engagement with industry participants in the lead-up to, during and post the incident....”

Incident Observations and Insights – Buildup

Pre-Incident



Dampier-Bunbury Natural Gas Pipeline LCA

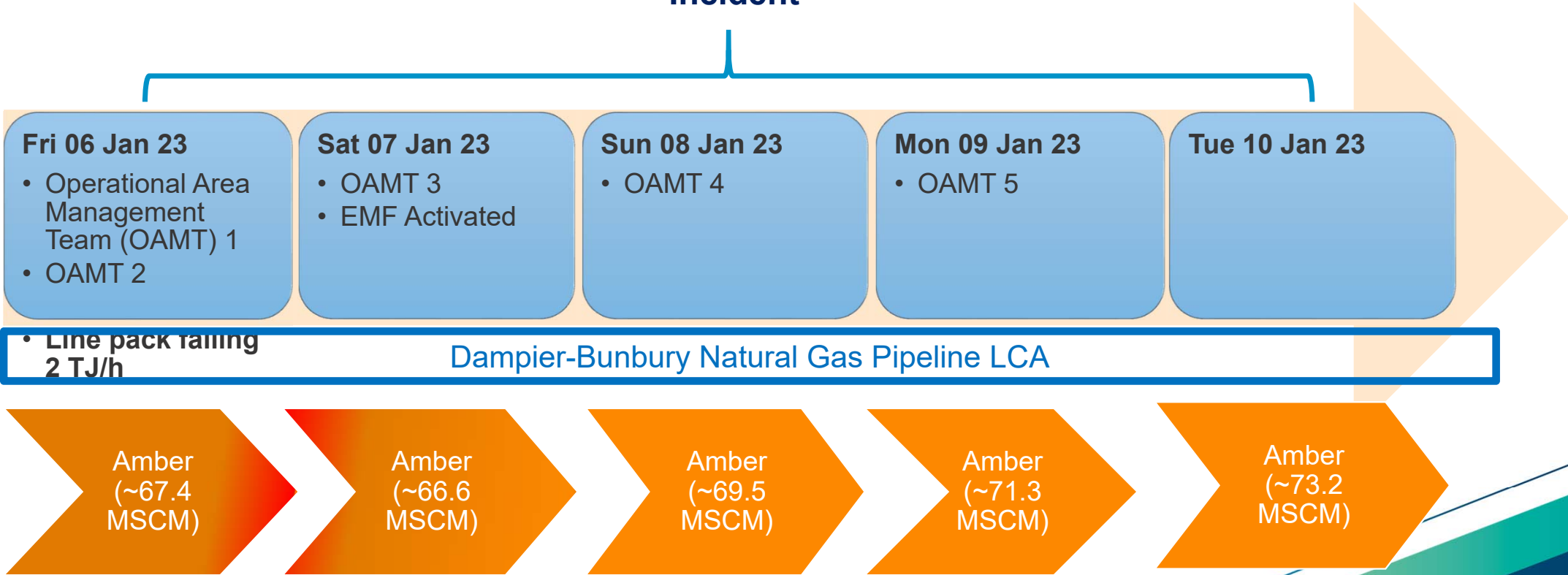
Green

Green

Green

Incident Observations and Insights – Amber Alert

Incident



Incident Observations and Insights – Post Incident

Post Incident

Wed 11 Jan 23

- Wheatstone 40TJ/d

Thu 12 Jan 23

- Stable pipeline
- EMF Deactivated
- Wheatstone back to capacity

Dampier-Bunbury Natural Gas Pipeline LCA

Green

Thank you

Bryon McLaughlin

bryon.mclaughlin@dmirs.wa.gov.au

Assistant Director Emergency Management Team



From: Quentin Jeay
To: [EPWA - Energy Markets](#)
Subject: Gas Advisory Board - Matters of concern related to the Amber Alert (6-12 January)
Date: Tuesday, 28 February 2023 9:44:54 AM
Attachments: [image011.png](#)
[image012.png](#)
[image013.png](#)
[image014.png](#)
[image015.png](#)

Good Morning DMIRS team,

Please note that this email is for the Gas Advisory Board Secretariat.

As a Gas User's Representative on the WA Gas Advisory Board (the GAB), I would like to raise the items set out below, related to the Amber Alert to the Dampier to Bunbury Natural Gas Pipeline (DBNGP) from 6 to 12 January 2023 following concurrent outages at three major gas projects in Western Australia. I am also asking for these matters to be put on the agenda for discussion at the GAB meeting scheduled for 23 March 2023.

The Amber Alert event shed light on several issues regarding the accuracy and diversity of the information provided to the market, which appear contradictory to the primary purpose of the Gas Bulletin Board (the GBB) and the objectives of the Gas Services Information (GSI) Rules .

The matters of concern are listed below:

- Nameplate Capacity and data compliance

It is public knowledge that gas users had to curtail gas use to manage reduced imbalance limits and lack of access to gas throughout the Amber Alert period, whilst the GBB continuously displayed an unrealistic capacity response from some plants. It is surprising that in the market context of gas scarcity, gas plants were not operating at their Nameplate Capacities to support the system. Two examples are listed below:

- The Northwest Shelf (NWS), at 630TJ/d, which far exceeded the system support offered by NWS JV. Karratha Gas Plant (KGP) production topped at 173TJ on 6 January 2023. NWS has maintained a Nameplate Capacity of 630 TJ/d on the GBB since then.
- Macedon's gas production had held at 189TJ/d from 6-12 January whilst its Nameplate Capacity was signalled to be 213TJ/d on the GBB.

It is worth noting that, during the WA Gas Consultative Forum held on 16 February 2023, AEMO's presentation on this incident stated that *"Production facilities such as KGP (...) increased production above nominations to support the pipeline on 6 January but could not maintain output due to LNG commitments"*.

The Nameplate Capacity issue has already been discussed in previous GAB meetings and I do not want to go through the details again, but I would like to highlight that there has been a clear underperformance of GBB, partly due to misrepresentation of deliverable capacity. That is a great concern in times of major supply outages and disruptions.

I would like to emphasise that gas users can only rely on GBB data to form a view on the

system status and assess risks. I believe that credibility of GBB has been dented as the aggregate gas supply capacity was misleadingly represented as healthy during the Amber Alert event.

In summary, I am of the view that information relating to short and near term natural gas supply in the State (clause 2.2 of the GSI Rules) was inaccurate and, therefore, that the objectives of the GBB have not been met during this event.

- Improvement of the gaps in access to information

It is key for an efficiently operating market to eliminate information asymmetry. Every participant should know when there is a problem in the market, as near as possible to the time.

The Amber Alert event highlighted the importance of data **transparency regarding pipeline pressure**, line pack healthiness and system buffer. The market has no visibility on the system status and there is an argument that the publication of this data on an ongoing basis could be valuable for the entire market in order to be prepared for a similar disruption in the future, and change their positions on the pipelines or their consumption profile to support pipeline pressure when a production plant shuts down.

Also, making sure the market can **access data in real-time** is essential. The publication of the information which currently occurs with a three-day delay is unfit for purpose. In the case of a supply disruption, most of the market does not immediately have access to the information, while some of the participants do, due to their contracted position. With regard to the Amber Alert event, most of the relevant information was shared during the Operational Area Management Team (OAMT) meetings where coordination was made and actions decided. Several market participants may have missed these and GBB could not be relied on at the time given the lag in data publication. I do not think there is a confidentiality or sensitivity issue with the publication of that information closer to the time.

I also note that **storage data** is shown on GBB but greater clarity would be helpful regarding the period covered by this data. Injection and withdrawal volumes change several times a day, which makes it difficult to understand if spare capacity is available. Given the importance of storage in times of supply disruption, increased transparency would contribute to the reading of the situation. For example, day-ahead and intraday nominations could be an added feature. In the long term, this will be even more important as storage is seen as an important flexibility lever to help alleviate supply shortages, as highlighted in the 2022 WA Gas Statement of Opportunities.

Clarifying the **definition of Green, Amber or Red Alerts** and detailing the concrete impact of these for shippers and users could be beneficial for the understanding of the market, noting that there are several definitions depending on the document we are referring to. What does a green line pack mean? What is the system buffer before moving into Amber or Red? A user of GBB does not have access to this information easily.

- Coal supply transparency

This matter relates to clause 4.2. of Part 2 of the GSI Act 2012, which allows for the Gas Bulletin Board to include information relating to fuels other than natural gas, to the extent

relevant to the primary purpose of the GBB.

The operation of coal fired generation significantly affects the availability of natural gas in Western Australia. Replacement gas for coal generation in the SWIS represents circa 200TJ/d of supply, which is substantial in the current market. Greater visibility on the supply and stock levels of coal to all participants would allow all participants in the WA gas market to understand the risks of the overall energy system and anticipate future supply availability. This could take the form of GBB reporting of coal stocks at each power station site or daily mine production levels.

Feel free to reach out to me if you need more details or information.

Thank you.

Best Regards,

Quentin Jeay

Principal Advisor | Kleenheat Wholesale

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Agenda Item 7: LCA Flag Definition

Gas Advisory Board (GAB) Meeting 2023_03_23

1. Purpose

To note AEMO's paper regarding the interpretation of the definition of LCA Flags for Storage Facilities and discuss whether clarification of the definition is required.

2. Recommendation

That the GAB members:

- (1) note AEMO's paper (**Attachment 1**);
- (2) provide their views on what the LCA Flag should mean for Storage Facilities; and
- (3) provide their views on whether the definition of LCA Flags for Storage Facilities meets this intent, and if not, whether a Rule Change Proposal is required.

3. Background

AEMO has advised that the Registered Storage Facility Operators have asked questions on the interpretation of LCA Flags for Storage Facilities.

AEMO has identified two possible interpretations of the definition and has asked for the GAB's views on the interpretation of this definition and whether clarification is required via a Rule Change Proposal.

AEMO has provided a paper with further information on this matter – see Attachment 1.

Energy Policy WA notes that the term 'maximum operational outlet capacity' in the definition of LCA Flag for Storage Facilities is not defined.

The GAB is asked to consider what the meaning of the LCA Flags should be and whether the current definition meets this intent. If not, then the GAB is asked to consider what changes need to be made to the definition of LCA Flag to meet this intent.

Any Rule Change Proposals that arise from this discussion will be the subject of further discussion and development at a later date.

4. Attachments

- (1) LCA Flag Definition

23 March 2023

Gas Advisory Board

Agenda item 7: LCA Flag Definition

For Discussion

Under the Gas Services Information Rules (GSI Rules), Registered Pipeline Operators (clause 58) and Registered Storage Facility Operators (clause 66) must provide an Linepack Capacity Adequacy (LCA) Flag to the Australian Energy Market Operator (AEMO) for each Gas Day for each of its GBB Pipelines or GBB Storage Facilities (as applicable) over a three-day horizon. Where changes require an update, these must be made as soon as practicable. The relevant clauses are civil penalty provisions.

AEMO wishes to seek clarification from the Gas Advisory Board (GAB) regarding the definition of LCA Flag, as it relates to a GBB Storage Facility, under the GSI Rules.

The definition of LCA Flag under the GSI Rules is:

LCA Flag means for a Gas Day:

...

- (b) for a GBB Storage Facility, a green, amber or red flag indicating the best estimate of the Registered Storage Facility Operator of the number of days for which supply of natural gas can be maintained at maximum operational outlet capacity (allowing for forecast refilling), where:
 - (i) a green flag indicates more than seven days;
 - (ii) an amber flag indicates three to seven days; and
 - (iii) a red flag indicates less than three days.

AEMO understands that the intention of the LCA Flag is to notify gas consumers that pipeline line pack is outside normal operating range and may result in curtailment of interruptible (amber LCA Flag) and firm (red LCA Flag) gas flows. For a GBB Storage Facility the definition may be less clear.

AEMO has been approached by Registered Storage Facility Operators for clarification, particularly in circumstances where a facility is undergoing maintenance. In such instances, the definition could be interpreted as requiring a red flag where the maintenance activities mean that the supply of natural gas from the storage facility cannot be maintained at maximum operational outlet capacity during the maintenance activities. However, it would not appear that this the intention of the definition.

An alternative interpretation may be to apply the relevant flag based on the quantity of gas in the GBB Storage Facility and whether 3-7 days of supply of natural gas can be maintained at maximum operational outlet

capacity (amber flag) or less than 3 (red flag) are available. There may be other ways in which the definition can be interpreted that AEMO has not considered.

AEMO seeks GAB's view of the issue, including the potential for a rule change to provide any necessary clarification.

Agenda Item 8: LCA Flag Definition

Gas Advisory Board (**GAB**) Meeting 2023_03_23

1. Purpose

To update the GAB on AEMO's five year review of the Gas Statement of Opportunities (GSOO) information and provide the GAB with an opportunity to provide input into the review.

2. Recommendation

That the GAB notes the five year review of the GSOO information that is currently being conducted by AEMO and provides input to AEMO on this review.

3. Background

Rule 105 of the Gas Services Information (GSI) Rules requires AEMO to undertake a review of the GSOO information at least once every five years, in consultation with Gas Market Participants.

At the GAB meeting, AEMO will update the members regarding the status of its review (**Attachment 1**) and will seek their feedback on the review.

4. Attachments

- (1) Five-year review of the WA GSOO



Five-year review of the WA GSOO



We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

We pay respect to their Elders past, present and emerging.

Agenda

1. Context
2. GSI rule requirements
3. Findings and outcomes from previous 5-year review
4. Stakeholder survey
5. Timeline

Context

- The WA GSOO must be reviewed at least once every five years under Clause 105 of the Gas Services Information Rules.
- The first review was completed in 2018.
- This second review will cover GSOOs published between 2018 and 2022.
- Aims:
 - Guide the content of the WA GSOO for the next five years (2023 to 2027).
 - Seek feedback from gas market participants.

GSI Rule requirements

105 Consultation on GSOO information

- (1) AEMO must, at least once in every five year period, conduct a review of the GSOO information.
- (2) The review must be carried out in consultation with Gas Market Participants and gas industry groups.
- (3) The review of the GSOO information may consider any of the following:
 - (a) the regions (if any) to be specifically considered in a GSOO;
 - (b) assumptions upon which a GSOO is developed;
 - (c) scenarios to be considered by a GSOO;

Findings and actions from the 2018 five-year review

- Gas demand forecasts were more realistic than supply or price forecasts.
- The modelling assumptions for gas supply and price forecasts were unclear.
 - The GAB members supported the discontinuation of domestic gas price forecasts
 - Commissioned new gas supply model from ACIL Allen
 - Potential gas supply updated to take LNG-linked domestic gas agreements into account
 - Increased use of GBB data
- Further granularity in the analysis was desirable, including identification of sensitivities.
 - Analysis updated to include low and high scenarios
- Peak gas demand forecasts needed review
 - Discontinued the peak gas day forecast

Stakeholder survey questions – for discussion

- Questions include:
 - Relevance of assumptions upon which the GSOO is based
 - Relevance of scenarios
 - Supply and demand methodologies
 - Types of information AEMO collects for the GSOO
 - Effectiveness of stakeholder engagement for GSOO development
 - Rating of benefits of the GSOO for stakeholder organisations
 - Format of the GSOO – graphics text etc.
 - Open-ended responses allowed to address other issues

Timeline

- 17 February 2023
 - AEMO emailed market participants and industry groups (using the GCF contact list) with link to survey and request to complete
- 21 February 2023
 - AEMO published survey on its website
- 17 March 2023
 - Close of survey submissions period
- 23 March 2023
 - GAB meeting to report on progress
- WA GCF May 2023
 - Presentation of review results
- June 2023
 - Final review report completed and published