



Meeting Agenda

Meeting Title:	Gas Advisory Board
Meeting Number:	2023_09_14
Date:	Thursday 14 September 2023
Time:	2:00 to 3:15 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	Actions Arising	Chair	Discussion	5 min
4	Overview of Rule Change Proposals	Chair	Noting	2 min
5	ERA's compliance monitoring and enforcement update	ERA	Noting	30 min
6	Five-Year Review of the GSOO	AEMO	Noting	20 min
7	GAB Meeting Schedule for 2024	Chair	Discussion	5 min
8	General Business	Chair	Discussion	9 min
	Next Meeting: Thursday 7 March 2024 (Proposed)			

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.



Agenda Item 3: Gas Advisory Board (GAB) Action Items

Meeting 2023_09_14

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
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	Closed This issue is to be discussed under agenda item 5. The GAB secretariat will schedule the next update for the September 2024 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	Closed 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. 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 the DBNGP is not the best fit to lead an industry working group, but that the DBNGP would participate if a working group was formed. At the 23 March 2023 GAB meeting, Mr Lauer volunteered to convene the working group. Ms

Item	Action	Responsibility	Meeting Arising	Status/Progress
				Smith and Ms Mason indicated, respectively, DBNGP's and APA's interest in participating. The Chair invited GAB members to contact Mr Lauer directly to express their interest in joining the working group.
115	Mr McLaughlin is to advise the Coordinator regarding GAB's comments on publication of the report from the review of the January 2023 gas supply incident.	Mr McLaughlin	2023_03_23	Closed Mr McLaughlin advised the Coordinator of the GAB's comments and the Coordinator has advised that the report will be published.
116	GAB Members to provide feedback to AEMO on their interpretation of the LCA Flag definition by 27 April 2023.	GAB Members	2023_03_23	Closed No comments were received by AEMO or the GAB Secretariat.
117	AEMO to provide an update on the LCA Flag Definition to the GAB at the GAB meeting on 14 September 2023.	AEMO	2023_03_23	Closed AEMO received no feedback from GAB members on the interpretation of the LCA Flag definitions and therefore the red LCA Flag definition will be interpreted as: "supply of natural gas can be maintained at maximum operational outlet capacity (allowing for forecast refilling) for less than three days."



Agenda Item 4: Overview of Rule Change Proposals (as at 14 September 2023)

Gas Advisory Board (**GAB**) Meeting 2023_09_14

- 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
None				

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
Fast Track Rule Change Proposals with Consultation Period Closed						
None						
Fast Track Rule Change Proposals with Consultation Period Open						
None						
Standard Rule Change Proposals with Second Submission Period Closed						
None						
Standard Rule Change Proposals with Second Submission Period Open						
None						
Standard Rule Change Proposals with First Submission Period Closed						
None						
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 5: The ERA's Compliance Monitoring and Enforcement under the GSI Rules

Gas Advisory Board (**GAB**) Meeting 2023_09_14

1. Purpose

In response to Action Item 112, the Economic Regulation Authority (**ERA**) will provide information and updates to the GAB on the ERA's compliance monitoring and enforcement process under the GSI Rules on an annual basis.

2. Recommendation

That the GAB notes:

- the information provided in this paper; and
- discusses the attached presentation from the ERA.

3. Background

At its meeting on 27 October 2022, the ERA presented to the GAB on its compliance and enforcement processes under the GSI Rules.

This presentation was provided following discussions at the GAB meetings on 24 March 2022, 23 September 2021 and 28 October 2021, at which the GAB discussed:

- the interpretation of the information provision requirements in Part 3 of the GSI Rules;
- a potential reporting gap related to producer outages, which may not be captured as part of the emergency management system reporting; and
- a gap analysis of the information provision requirements under the GSI Rules.

At its meeting on 24 March 2022, the GAB concluded that the issue is not caused by the information provision requirements in the GSI Rules and may instead relate to compliance with the reporting requirements. The GAB sought clarification on the process for stakeholders to raise compliance concerns, which was discussed at GAB meeting on 27 October 2022.

At its meeting on 27 October 2022, the GAB concluded that the ERA should provide annual information and updates to the GAB on the ERA's compliance processes.

Capacity Outlook Reporting and Compliance Monitoring

At its meeting on 23 March 2023, the GAB discussed whether the accuracy and reliability of reporting of the Capacity Outlook on the Gas Bulletin Board is acceptable and whether the ERA should be asked to consider investigating whether all Production Facilities have complied with their Capacity Outlook reporting requirements.

Several GAB members were of the view that there are issues with the Capacity Outlook information provided under Rule 72 and, in particular, that some facilities were producing

reduced levels of gas but were reporting at their Nameplate Capacity while others were reporting actual expected volumes of gas.

The ERA undertook to investigate compliance regarding this matter and report back to the GAB.

As at 7 September 2023, the ERA had not concluded its investigation. A general update will be provided but details regarding the specifics of individual investigations underway will not be discussed with the GAB.

4. Attachments

- (1) ERA compliance update



Economic Regulation Authority

ERA Compliance update 2022/23

GSI Rules

14 September 2023

Legislative framework

Gas Services Information Act 2012

Gas Services Information Regulations 2012

Gas Services Information Rules (GSI Rules)



ERA's compliance functions

ERA
responsible
for GSI
compliance

Compliance monitoring – Rule 165 and Rule 165A (AEMO monitoring)

Investigations of alleged breaches – Rule 168

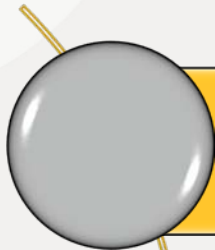
Enforcement – Warnings (Rule 170), Civil Penalties and ERB orders (Rule 171)

Reporting on compliance activities – Rule 167

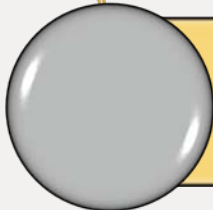
Reporting on AEMO's compliance – Rule 174



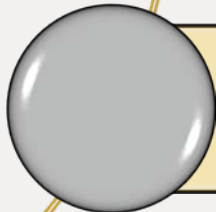
What should GSI participants be aware of?



Voluntary self reporting – [Report a breach to the ERA](#)



Information provision/co-operate with investigation – Rule 169



ERA Compliance documentation – [Compliance strategy](#), [6-monthly compliance reports](#)



2022/23 Compliance Priorities

Legislative Reporting	<ul style="list-style-type: none">• 6 Monthly compliance reports• Annual reports to the Minister on AEMO's and ERA's compliance
Investigations	<ul style="list-style-type: none">• High Risk Priority Investigations
Monitoring	<ul style="list-style-type: none">• GSI CAST Data• GBB public data
WEM Reform	<ul style="list-style-type: none">• WEM Rules change• Investigation strategy• Market readiness
Team Changes	<ul style="list-style-type: none">• New investigations team• Knowledge building



Energy Markets Compliance and Enforcement Team

Frances Hobday

Assistant Director

Melinda Anderson

Principal Compliance Officer

Katya Grimston

Principal Compliance Officer

Belinda Lee

Senior Compliance Officer

Wei Fisher

Senior Compliance Analyst

Peter Hutchinson

Compliance Officer

Sowmya Hindeskere

Administration Assistant

market.compliance@erawa.com.au

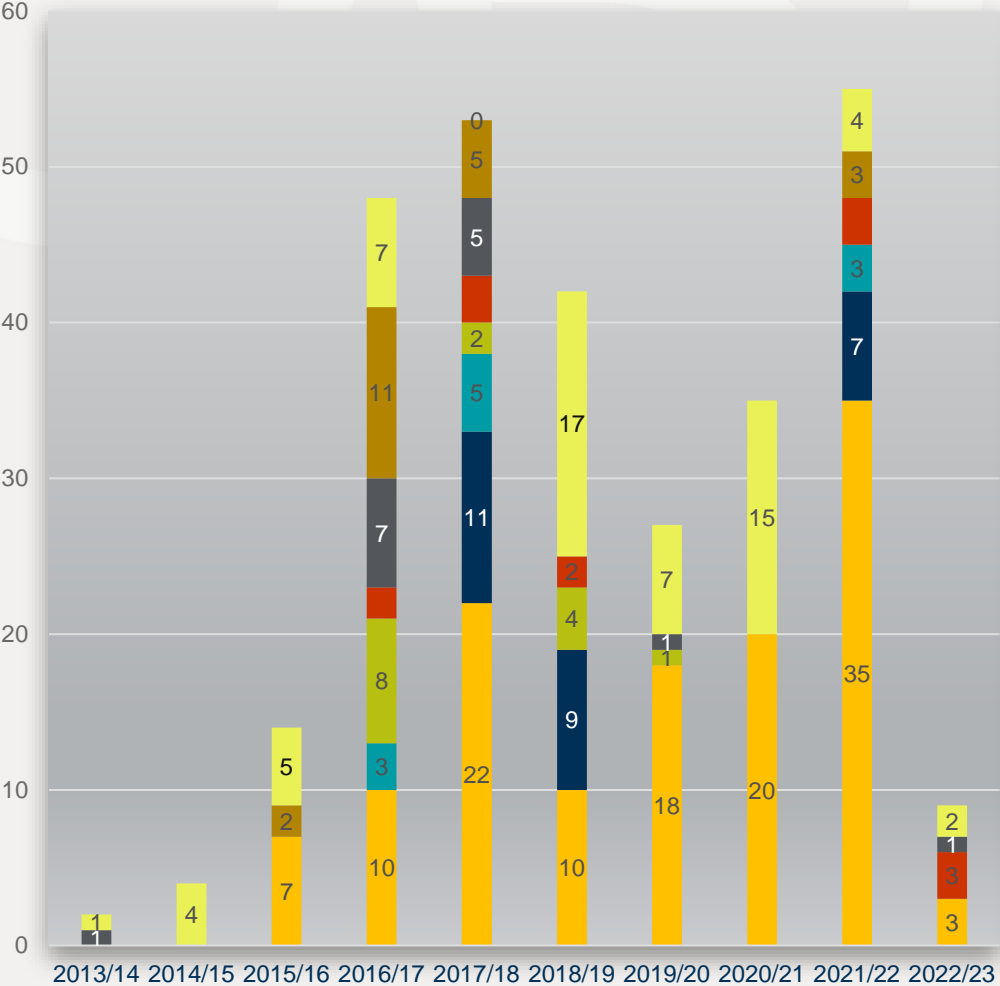


Economic Regulation Authority



GSI Investigations

Historical GSI Rules Reported Allegations



- Other
- Daily Actual Consumption 78(1)
- Gas Specification Data 74(4)
- Medium Term Capacity - Production 71(1)
- Contact Information 53(1)
- Nameplate Capacity Data 78(1)
- GSOO Information 106(2)
- GSI Invoices 118(1)



2022/23 GSI Rules Breach Allegations

Source	• AEMO Reported	6
	• Self-Reported	3
Type of Breach	• Late invoice payment	3
	• Information timeliness requirements	6
Priority	• Low	9

- Expect more allegations to come through – periodic reporting
- Backlog due to AEMO resource constraints & priorities



2022/23 Resolved Investigations

Breach type

Late Payment of Invoice 20

Market Information Requirement 15

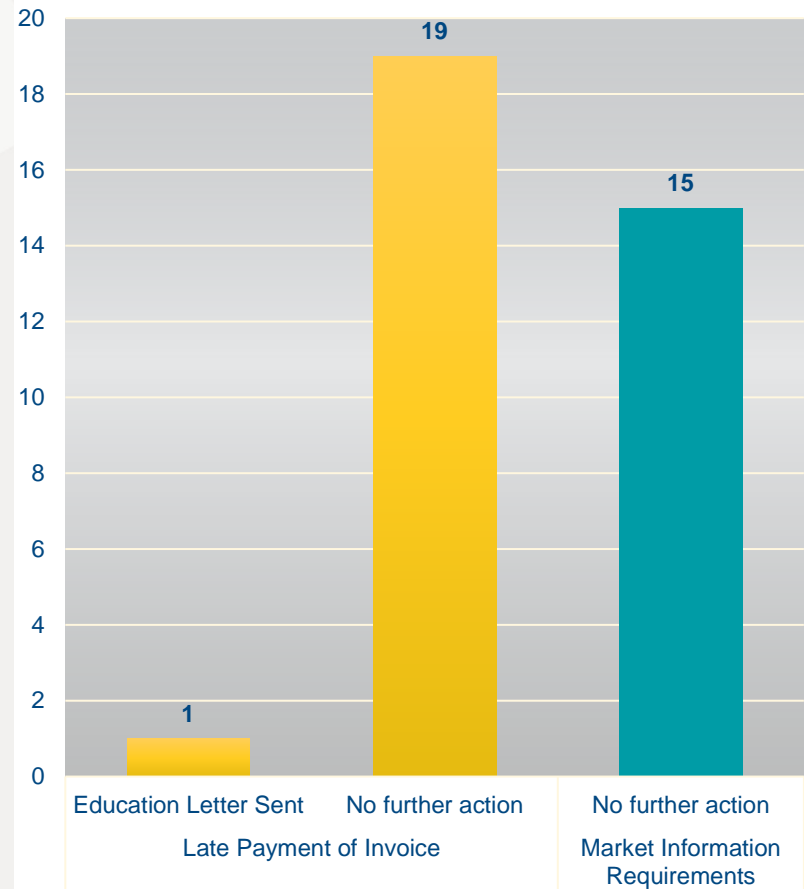
Reason for breach

Human Error 35

Outcome

NFA 34

Education Letter 1





GSI Data Monitoring

2022/23 Timeliness monitoring

GSI Rules define Timeliness Requirements – High Levels of Compliance

Participant Submission Timeliness					
Submission Type	# Checked	Submitted on Time	Not Submitted Or Late	Missing Data	% Fail
Actual Flow	2,744	2,744	-	-	0.0%
Gas Specification	1,401	1,400	1	-	0.1%
Medium Term Capacity	152	149	3	-	2.0%
Nominations & Forecasts	2,173	2,156	17	6	1.1%
Trucked	8	8	-	-	0.0%
Total	6,478	6,457	21	6	0.4%

AEMO GSI CAST Data



Economic Regulation Authority

thank you

Ask any questions



08 6557 7900



info@erawa.com.au



L4, Albert Facey House
469-489 Wellington St
Perth WA 6000



Economic Regulation Authority



Agenda Item 7: GAB Meeting Schedule for 2024

Gas Advisory Board (**GAB**) Meeting 2023_09_14

1. Purpose

GAB members to approve the schedule for the GAB's 2024 meetings.

2. Recommendation:

That the GAB considers and approves the proposed GAB meeting dates for 2024.

3. Background

The GAB will continue to meet twice per year, and will hold additional meetings as necessary to consider specific issues as they arise.

The proposed meeting dates for 2024 are:

- 2:00pm on Thursday, 7 March 2024; and
- 2:00pm on Thursday, 19 September 2024.



Agenda Item 6: Five-Yearly Review of the GSOO

Gas Advisory Board (**GAB**) Meeting 2023_09_14

1. Purpose

To update the GAB on the outcomes of AEMO's five-yearly review of the Gas Statement of Opportunities (GSOO).

2. Recommendation

That the GAB notes the outcomes of AEMO's five-yearly review of the GSOO.

3. Background

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

At the GAB meeting, AEMO will present the outcomes of its review.

4. Attachments

- (1) AEMO will provide an update on its five-year review of the WA GSOO at the GAB meeting.