

Minutes

Meeting Title:	Gas Advisory Board
Date:	20 March 2025
Time:	1:30 – 2:40pm
Location:	Online, via TEAMS

Attendees	Class	Comment
Sally McMahon	Chair	
Katie McKenzie	Australian Energy Market Operator (AEMO)	Proxy for Amy Tait
Chris Alexander	Small-Use Customer appointed by the Minister	Proxy for Helen Grzyb
Rachael Smith	Pipeline Operators and Owners	
John Jamieson	Pipeline Operators and Owners	
Ana Stankovic	Gas Producers	Proxy for Steve Parks
Allan McDougall	Gas Shippers	
Nicholas Whish	Gas Users	
Noel Ryan	Observer (Appointed by the Minister)	
Frances Hobday	The Economic Regulation Authority (ERA)	Observer for agenda item 3
Katya Grimston	ERA	Observer for agenda item 3
Also in Attendance	From	Comment
Dora Guzeleva	GAB Secretariat	
Bronwyn Gunn	GAB Secretariat	
Sanna Pember	GAB Secretariat	
Apologies	Class	Comment
Richard Beverley	Gas Shippers	
Quentin Jeay	Gas Users	

1. WELCOME AND AGENDA

The Chair opened the meeting with an Acknowledgement of Country.

She noted that the main agenda item for today's meeting is the Review of the Gas Services Information (GSI) Rules, including the scope of work and the terms of reference for a working group established under the GAB.

The Chair noted her role as Commissioner at the Australian Energy Market Commission and that the views or advice provided by the GAB to the Coordinator do not necessarily represent the views of the Chair.

The Chair noted her role as a part-time Councillor on the National Competition Council but that she is not available for energy infrastructure related NCC matters.

The Chair noted the Competition and Consumer Law obligations, inviting members to bring to her attention any issues should they arise.

2. MEETING APOLOGIES/ATTENDANCE

The Chair noted the attendance and apologies as listed above.

Ms Guzeleva requested that if members are sending proxies to meetings, they should notify the GAB secretariat so the Chair can be informed of this.

3. ACTION ITEMS

Action Items

The Chair noted that item 112 is to remain open.

The Chair noted the closed Action Items (119 and 121).

The Chair asked Ms Smith to report back on item 120.

- Ms Smith noted that with regard to the classification and registration issue with the Gas Bulletin Board (GGB) discussed at the 29 August 2024 GAB meeting, that the information is available and has been provided to the AEMO as per the GSI Rules. The issue is now for AEMO to resolve and provide more clarity on the registration issues.
- Ms McKenzie confirmed that this issue is being reviewed by the legal team at AEMO. She noted that AEMO:
 - will reach out to the affected parties over the coming weeks and more information will be provided to the GAB members in due course.
 - will contact the GAB secretariat prior to the September meeting with an indication whether more information can be provided to the GAB members at that meeting.
- Mr McDougall inquired about the delay, noting that the issue had been ongoing for nine months and questioned whether there would be any retrospective reporting. He noted that this is a non-compliance with the rules and that if any other participant wasn't compliant they would be subject to fines, and that the behaviour is inconsistent with principles that underpin the GSI framework.
- Ms McKenzie acknowledged his concerns and noted she would address the query on retrospective reporting and clarify the resolution timeline.

The Chair concluded that item 120 (second dot point) would remain open but modified to note that AEMO would provide an update in the next few weeks to members regarding the work that has been undertaken to date, the reasons for the delay, and the timeline for further information to be provided, with a more fulsome update to come in September.

- Ms McKenzie agreed, and noted that some matters have been affected by confidentiality requirements and need to be worked through by AEMOs legal team.
- Ms Smith provided some clarifications on the first dot point in item 120. She noted that:
 - fuel gas is being reported within the total consumption data, but it is not carved out as a separate category as it's not a discrete class under the Rules.
 - The data is looking skewed because of other issues regarding the parcel of gas that is not being reported correctly.

ACTION: AEMO to provide the GAB members with further information in the next few weeks regarding the classification and registration issue with the GBB, the work that has been undertaken to date, the reasons for the delay, and when more detailed information can be provided.

ERA Report on GSI Rules Compliance

- Ms Hobday presented on Action Item 118. The presentation slides were taken as read.
- Ms Hobday noted that, with regard to GSI Rule breach trends, there has been an increased number of breaches in the 'other category' due to changes in how AEMO reports breaches regarding the Gas Statement of Opportunities (GSOO) submission of participants and new information relating to the Emergency Management Facility. Minor, low risk breaches persist and the ERA will be pursuing behaviour change in relation to these as they can cause unnecessary difficulty for the AEMO.
- Regarding the Capacity Outlook Reporting, Ms Hobday noted that:
 - Three market participants were found in breach of the capacity outlook obligations, with four breaches of the seven-day outlook and three breaches of the medium-term outlook.
 - Warning notices were issued to the three relevant participants.
 - No breaches of GSI Rule 72 were found regarding the January 2023 gas supply incident.
 - The Review of GSI rules will include the capacity outlook reporting, and the ERA will continue to collaborate with EPWA on this matter.
- Mr Alexander and Mr McDougall noted frustration with not being able to discuss this matter, given the impact it has on the market.

The Chair asked if the ERA has any insights or learnings from the investigation, even if specific details cannot be shared.

- Ms Hobday noted that more detailed findings from the investigation have been provided to the Coordinator of Energy (Coordinator).
- She added that the current wording of Rule 72 has made it difficult to prove that the information provided didn't meet the requirements. There appears to be a gap between the intended purpose of the rule and the practices of a few participants.
- Mr Alexander emphasised the importance of all participants complying with both the letter and the spirit of the law.
- Ms Hobday agreed with Mr Alexander but pointed out that the ability to enforce compliance is limited to measuring adherence to the letter of the law.

The Chair agreed with the above and the need to ensure policy intent is given effect through the wording of the Rules.

- Mr McDougall noted the investigation took nine months, during which time a rule change could have been progressed to correct these issues with the definition, and that this situation seems to be a significant breach of the rule's intended purpose.

- Ms Hobday accepted that the timing of the ERA investigation may not have met the expectations of external stakeholders.

4. OVERVIEW OF RULE CHANGE PROPOSAL

The Chair noted the information regarding the recent rule change proposal (GRC_2024_01) regarding AEMO's Allowable Framework under the GSI Rules as per the papers.

5. REVIEW OF THE GAS SERVICES INFORMATION RULES

The Chair noted that the purpose of the discussion is for EPWA to brief the GAB on the Scope of Work for the Review of the GSI Rules (the Review) and request the establishment of a GAB Working Group to support the Review. She asked GAB members to note any consultancy costs for the Review will be recovered from Gas Market Participants.

Ms Guzeleva provided background on the Review, highlighting the following points.

- During the August 2024 GAB meeting, there were discussions regarding the Inquiry into the Western Australia's Domestic Gas Policy (the Inquiry) report and the GAB's role in relation to the recommendations made by the Inquiry.
- At the meeting, Mr Thomas (the Coordinator) proposed waiting for the government's response to the recommendations before taking further actions.
- The WA Government has published its response to the final report, supporting or supporting in principle several recommendations related to the GSI regime.
- In response, the Coordinator is proposing to undertake a review of the GSI Rules, supported by the GAB, in accordance with the Scope of Work included in the papers.
- A working group will be formed under the GAB to assist with the analysis.

The Chair sought views from GAB members on the establishment of the working group and it was agreed to do so.

The Chair invited the GAB members to provide feedback on the Terms of Reference

- Mr Whish noted that with regard to the Domestic Gas Policy, it is important to have all the data in a timely manner so if there are any issues with obligations being met, they can be raised before fields reach end of life.

Ms Guzeleva noted that the issue is related to transparency regarding commitments to make gas reserves for the domestic market, and that this lies with the Department of Jobs, Tourism, Science and Innovation (JTSI), who are responsible for addressing a number of the recommendations arising from the Inquiry. If issues arise in this Review that impacts the domestic gas policy or producers, they will be referred to JTSI, and an invitation will be extended to JTSI to join the working group to hear concerns firsthand.

<p>Action: Ms Guzeleva to invite JTSI to participate in the working group.</p>

Ms Guzeleva noted that part of the review will focus on the GSOO and will require close collaboration with AEMO, and elements of transparency on this matter could be addressed in this part of the Review.

- Ms McKenzie noted that several recommendations from the Inquiry have been integrated into the 2024 GSOO, and for there is an intent to expand the horizon for the 2025 GSOO to 20 years as per the Inquiry recommendations.
- She noted that AEMO is limited to providing the information that JTSI provides on their website due to confidentiality. However, there has been increased communication with JTSI recently to explore opportunities for improvement.

- In terms of the working group, Ms McKenzie noted that there is currently a maximum of one working group participant per organisation. However, there may be instances where having more than one AEMO representative would be beneficial. She suggested that this could be addressed by granting additional AEMO representatives observer status rather than member status for the meetings.
- Mr Jamieson noted that working group should be kept small to avoid becoming unwieldy, possibly one from each member of the GAB. Further, he recommended applying a cost-benefit analysis to any proposed rule changes and aligning with other regulations, especially those on the East Coast, where possible. He noted that the working group will be well suited to making recommendations, but that responsibility for rule drafting should sit with EPWA.

Ms Guzeleva clarified that membership will not be limited to GAB members only. While participation is open to other stakeholders, she emphasised that only one representative per organisation, company, or department will be allowed and the membership often self-regulates as participating on the working group requires members to assist with analysis.

Regarding the cost-benefit analysis, Ms Guzeleva acknowledged the challenge of such analyses, given that their accuracy depends on the assumptions made. She assured that the review will carefully examine any potential costs involved in changes to the GBB and the GSOO. As for the benefits, she indicated that the working group would be asked to help assess whether any benefits can be quantified or at least described for inclusion in the consultation paper.

- Mr Jamieson clarified that the cost-benefit analysis should consider not only AEMO's costs but also the costs to the broader industry as well.

Ms Guzeleva agreed that any proposals must align with the GSI objectives and improve them where possible and consider all relevant costs.

- Mr McDougall noted that:
 - He supports the recommendations from the Inquiry that are being progressed.
 - Alignment with national regulations would be advantageous and tweaks to the National Gas Law imposed by WA should be minimised.
 - Liquefied natural gas (LNG) exports are captured by the GBB on the East Coast, and consideration should be given to doing the same in WA.

The Chair noted the general support from the members for the Scope of Work and Terms of Reference. She agreed that it's valuable to consider issues in the national market and apply learnings across jurisdictions.

Ms Guzeleva acknowledged the points raised by members that will be taken on board as being:

- proposals must be assessed against the objectives, and to extent practical costs and benefits should be quantified; and
- drafting of the rules is a responsibility of EPWA and to be reviewed by the Working Group.

Ms Guzeleva noted the comments from members and considered that the Scope of Work and Terms of Reference did not require any updates in response to this because they were already captured.