

MINUTES – Gas Wholesale Consultative Forum (GWCF)

DATE: Tuesday, 9 October 2018
 TIME: 9.30 am – 11.00 am
 LOCATION: AEMO's Offices and teleconference
 CONTACT: GWCF_Correspondence@aemo.com.au

ATTENDEES:

NAME	COMPANY
Neale Scott (Chair)	AEMO
Hayley George (Secretariat)	AEMO
Darryl White	AEMO
Luke Garland	AEMO
Luke Stevens	AEMO
Mark Pollock	AEMO
Nicole Nsair	AEMO
Trent Morrow	AEMO
Shari Boyd	AEMC
Janessa Rabone	AGL
Scott Young	APA Group
Duncan MacKinnon	Australian Energy Council
Phil Platt	BlueScope
Andrew Godfrey	EnergyAustralia
Tharkam Varghese	EnergyAustralia
Zulfil Syed	EnergyAustralia
Sarah Kok	ERM Power
Tim Ammundsen	HydroTasmania
Chotima Micallef	Lochard
Shaun Cole	Origin
James Shead	Powershop
Jamie Coombs	SEA Gas
Panos Priftakis	Snowy Hydro

1. Apologies and attendance

Neale Scott (AEMO, Chair) welcomed attendees to the GWCF meeting.

2. Confirmation of agenda, previous meeting minutes and actions

Neale Scott (Chair, AEMO) confirmed the meeting agenda.

Minutes of the previous GWCF meeting (12 June 2018) were accepted by the group, and it was noted there are currently no outstanding action items.

3. Australian Energy Market Commission (AEMC) update

Shari Boyd (AEMC) provided the following updates:

- DWGM Rule Changes: The AEMC and AEMO are working with the Victorian Government to develop three Rule Changes as a result of the review in 2017. The Rule Changes will follow the usual rule change process once received.
- A Review of Economic Regulation is being undertaken, specifically Parts 8-12 of the National Gas Rules (NGR).
- Two new Rule Changes requests have been recently received and will be published shortly.

Further information on all AEMC Rule Changes can be found via the following link:

<https://www.aemc.gov.au/our-work/changing-energy-rules/rule-changes>.

Further information on all AEMC Market Reviews can be found via the following link:

<https://www.aemc.gov.au/our-work/market-reviews-and-advice>.

4. Post Winter Review

Darryl White (AEMO) talked through the *Post Winter Review* presentation included in the meeting pack, giving an overview of the 2018 winter and highlighting;

- The price gap between Queensland and the southern markets that emerged in 2017 disappeared, with Brisbane becoming the highest priced hub.
- Despite a decrease in market demand, and a large decrease in GPG demand, prices in Adelaide, Brisbane and Victoria increased, with a small decrease in Sydney.
- The Bureau of Meteorology stated it was one of the warmest ten winters on record in Queensland, New South Wales, South Australia and Northern Territory.
- Average prices were higher compared to preceding months in all markets.
- A supply shift was observed, with southern markets more heavily supplied by Queensland and Moomba, with Longford and Otway reducing production. Iona Gas Storage was relied upon more heavily to make up the difference.
- Gas Supply Hub trade volumes were down slightly but remained strong.
- GPG demand was down significantly compared to 2017, due to a combination of periods of high wind generation and higher coal generation.

Darryl also provided key statistics and gas market price information, as well as expanding on GPG, Pipeline Flows, Demand, DWGM, Gas Supply Hub, and STTM broken down by state specifically.

Several links were provided on the final page of the presentation, showing where additional information on each market can be found by stakeholders if interested.

5. Bulletin Board Rule Change and Scoping Study

Darryl White (AEMO) provided an update on the Gas BB Rule Change which took effect on 30 September 2018. The key change is that facilities greater than 10TG a day are now obligated to report on the BB. Another change is that all connection point data is now being published. This new

information is now visible through the *Reports* tab on the BB. All old flow data is still accessible, via the zip file on the front page of the BB. New guides and procedure documents have also been published, to explain the new features and data. Additional enhancements and fixes are still to come.

Nicole Nsair (AEMO) updated on the BB Scoping Study being prepared by consultant Oakley Greenwood, to be delivered to the Commonwealth Department of Environment and Energy on 14 December 2018. Stakeholder submissions have been received and one-on-one interviews have also been undertaken to discuss the feedback received. The next phase is the delivery of the results from the stakeholder consultations which will then feed into the preparation of the interim report which will inform the cost-benefit analysis and technology components. This study is fully funded by the federal government and as such the reports may not be made public. If however, the Minister agrees, the final report, which will include all aspects of the study, will be published on AEMO's website.

Any feedback from GWCF stakeholders, or requests to become involved in the study can be sent to: GWCF_Correspondence@aemo.com.au.

6. Capacity Trading Project

Trent Morrow (AEMO) talked to the *Pipeline Capacity Trading Project* presentation included in the meeting pack, explaining the project background, what the reform package will include, how the developments will be implemented and the project timeline. Trent also expanded on the Market Procedure changes, explaining the STTM and DWGM integrations, legal and regulatory requirements, Bulletin Board Procedures and the overall project next steps.

For further information on the project follow this link to the project webpage: <https://www.aemo.com.au/Gas/Pipeline-Capacity-Trading>.

Any questions relating to the project can be submitted to the pipeline capacity trading inbox: pct@aemo.com.au.

7. MIBB Operating Schedule Report

Luke Stevens (AEMO) explained the *MIBB Operating Schedule Report* paper included in the meeting pack, explaining that AEMO is proposing to implement two new operating schedule MIBB Reports (for Market Participants and DWGM facility operators respectively) to aggregate any sub-allocation of contractual capacity. The proposed reports will better facilitate the increased use of sub-allocations by participants. The paper expands on the background of the proposal and explains the justification for creating the two new operating schedule and the consultation process that will be followed.

A draft of the MIBB report specification is provided in Appendix A and Appendix B of the paper. Market participants and facility operators were asked to consider additional fields that they may require be included or excluded from these reports. Formal consultation is expected to commence in late October 2018.

Feedback can be sent to Luke Stevens directly by COB 25 October 2018, via email to: Luke.Stevens@aemo.com.au.

8. Other Business

Threats to system security and intervention reports

Nicole Nsair (AEMO) gave a verbal update, explaining that AEMO has looked further at the threats to system security and intervention reports and have decided that the following clarification is the most practical interpretation of National Gas Rule (NGR) 343.

In this rule, AEMO can intervene in the market by taking steps necessary to overcome a threat to system security as notified to registered participants under rule 341(1). Within 10 business days after an event listed in 351(1)(a)-(d) (including both an AEMO intervention and a threat to system security), AEMO is obliged to investigate the event and prepare a report. This report is to be published on completion.

It is not clear what aspect(s) of investigation and reporting is intended to be covered by the timeframe of 10 business days in rule 351(1). It could be interpreted as the timeframe within which AEMO must commence the investigation, complete the investigation, or complete the report.

AEMO considers that a report can only provide useful insights to market participants if it is based on a thorough investigation into the circumstances of the event sufficient to make a proper assessment of the matters required by rule 351(1)(e) to (g).

Therefore, AEMO considers the most practical interpretation of rule 351 is that AEMO must commence the investigation and report preparation process within 10 business days of the event. However, AEMO recognises there is a balance between providing information to the market on system security threats as early as possible, as well as providing a detailed analysis of the causes and consequences. AEMO will adopt the following approach to reporting on these events, wherever possible:

- Investigate and publish a report based on immediately available data within 10 business days of the relevant event.
- Where not all information necessary to complete the required assessment is available, that report will be flagged as preliminary, with a final report to be published once the additional information is received and analysed.

A clarification is to be written on AEMO's website under DWGM Market Notices;
<http://aemo.com.au/Gas/Declared-Wholesale-Gas-Market-DWGM/Market-notice>.

Gas Supply Guarantee

Luke Stevens (AEMO) noted that a Gas Supply Guarantee Exercise will be held in late October. Invitations to the Gas Supply Guarantee working group, plus additional relevant stakeholders will be circulated shortly for participation in the exercise.

Gas Emergency Management Consultative Forum

Mark Pollock (AEMO) noted that a Gas Emergency Management Consultative Forum (GEMCF) meeting was held on Monday 8 October 2018, and the group discussed making changes to gas emergency protocols that currently mandate the use of fax numbers, as this type of technology is recognised as outdated. AEMO will investigate the actual Rule obligation, and the equivalent electricity Rule requirements and will start the process to bring gas in line and remove the use of faxes. A formal consultation will be undertaken so stakeholders will be able to submit to the suggested changes. AEMO will inform the GWCF of the consultation timeline once determined.

9. Next Meeting

The next meeting will likely be held in early 2019. AEMO will circulate calendar placeholders once the 2019 dates are confirmed.