

Meeting Agenda

Meeting Title:	Gas Advisory Board
Meeting Number:	2024_08_29
Date:	Thursday 29 August 2024
Time:	2:00 to 3:30 PM
Location:	Online, via TEAMS.

Item	Item	Responsibility	Type	Duration
1	Welcome and Agenda	Chair	Noting	5 min
2	Meeting Apologies/Attendance	Chair	Noting	2 min
3	Actions Arising	Chair	Discussion	1 min
4	Overview of Rule Change Proposals	Chair	Noting	1 min
5	ERA's compliance monitoring and enforcement update	ERA	Noting	10 min
6	Findings and recommendations from the Inquiry into the WA Domestic Gas Policy	Coordinator of Energy	Discussion	40 min
7	Provisions of Information for Gas Bulletin Board (GBB)	Mr Whish	Discussion	20 min
8	General Business	Chair	Discussion	10 min
	Next Meeting: September meeting cancelled GAB Meeting Schedule for 2025 TBC			

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 2024_08_29

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. <i>Please note that this item will be moved to the 29 August 2024 meeting as the September meeting will now be cancelled.</i>
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

Item	Action	Responsibility	Meeting Arising	Status/Progress
				<p>industry working group, but that the DBNGP would participate if a working group was formed.</p> <p>At the 23 March 2023 GAB meeting, Mr Lauer volunteered to convene the working group. Ms 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.</p>
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	<p>Closed</p> <p>Mr McLaughlin advised the Coordinator of the GAB's comments and the Coordinator has advised that the report will be published.</p>
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	<p>Closed</p> <p>No comments were received by AEMO or the GAB Secretariat.</p>
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	<p>Closed</p> <p>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:</p> <p>“supply of natural gas can be maintained at maximum operational outlet capacity (allowing for forecast refilling) for less than three days.”</p>



Agenda Item 4: Overview of Rule Change Proposals (as at 29 August 2024)

Gas Advisory Board (**GAB**) Meeting 2024_08_29

- 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 2024_08_29

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 14 September 2023, 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 27 October 2022, 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 14 September 2023, the GAB discussed whether the accuracy and reliability of the Capacity Outlook reporting on the Gas Bulletin Board (GAB) is acceptable. Several GAB members emphasised the importance of ensuring this information is accurate.

Members also asked for an update on the ERA investigation regarding the compliance with the Capacity Outlook.

As at 14 September 2023, the ERA had not concluded its investigation.

At the 29 August 2024 meeting, 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

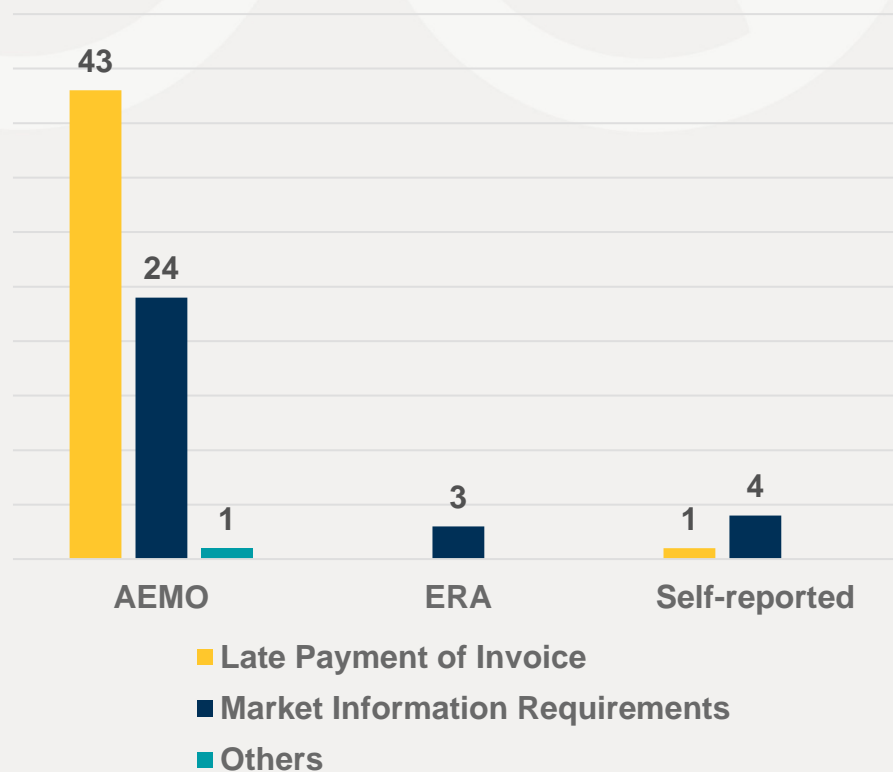
GSI Compliance

2023/24

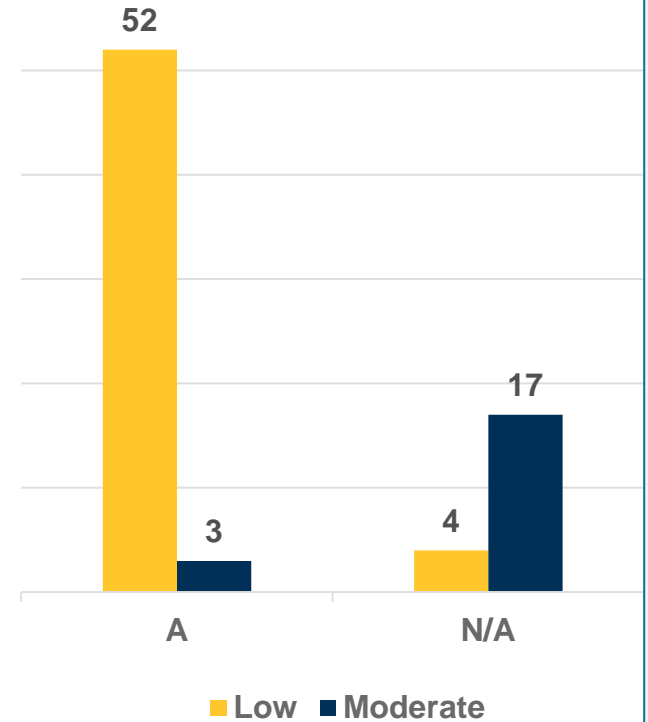
29 August 2024

2023/24 GSI breaches

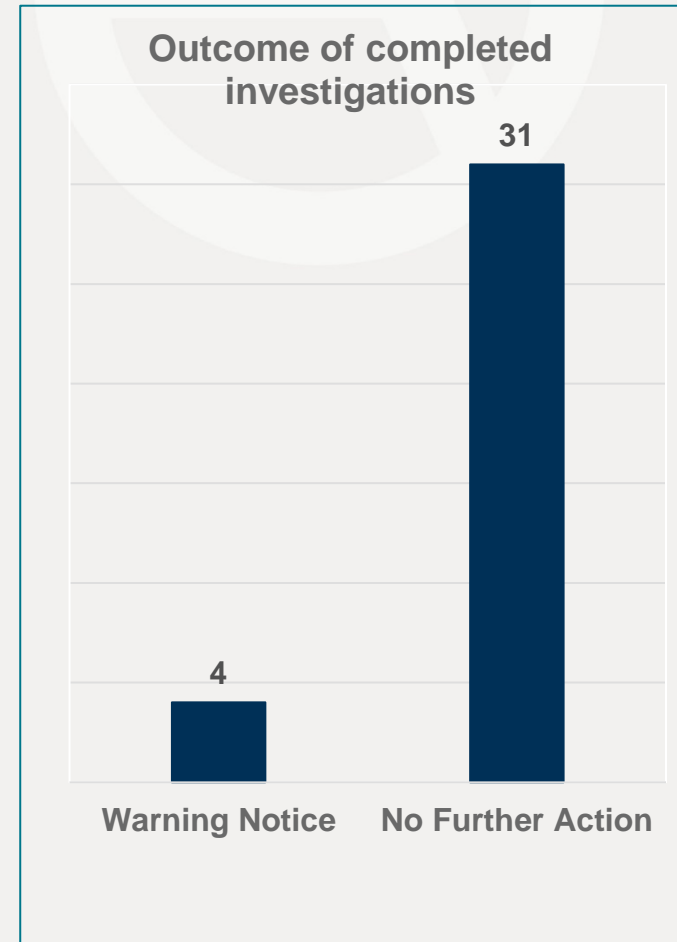
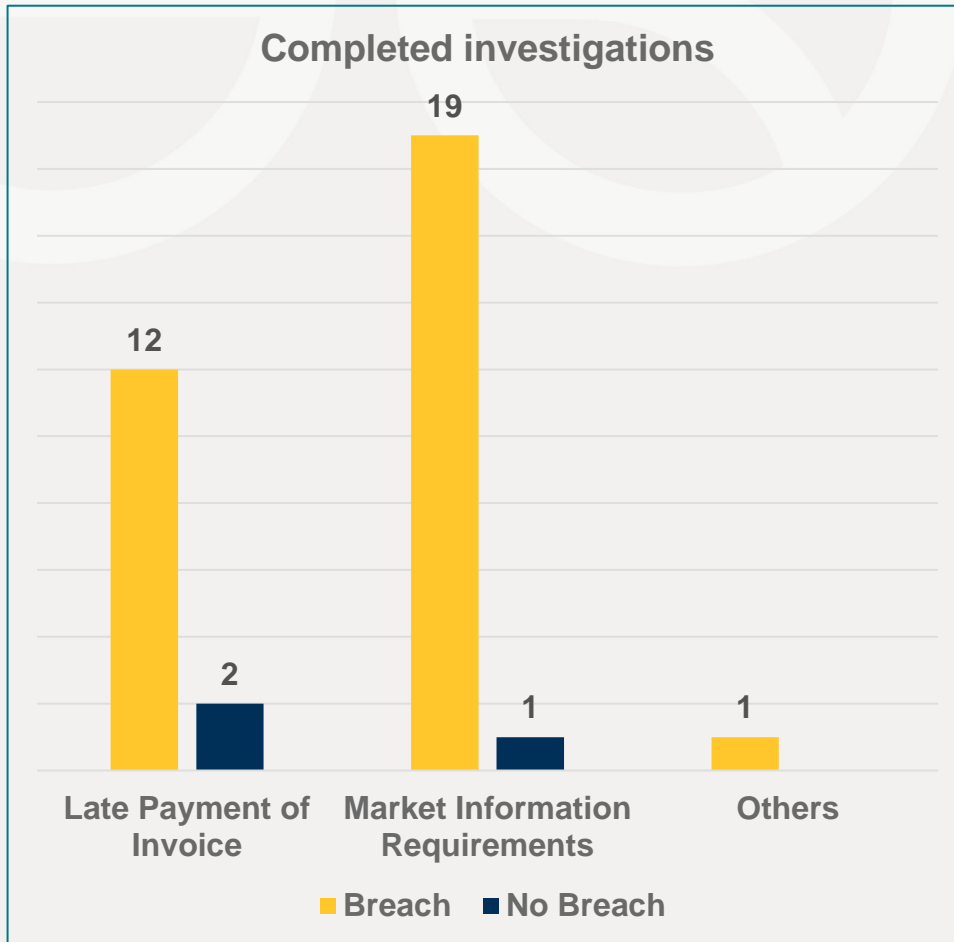
Reported breaches by category and reporting party



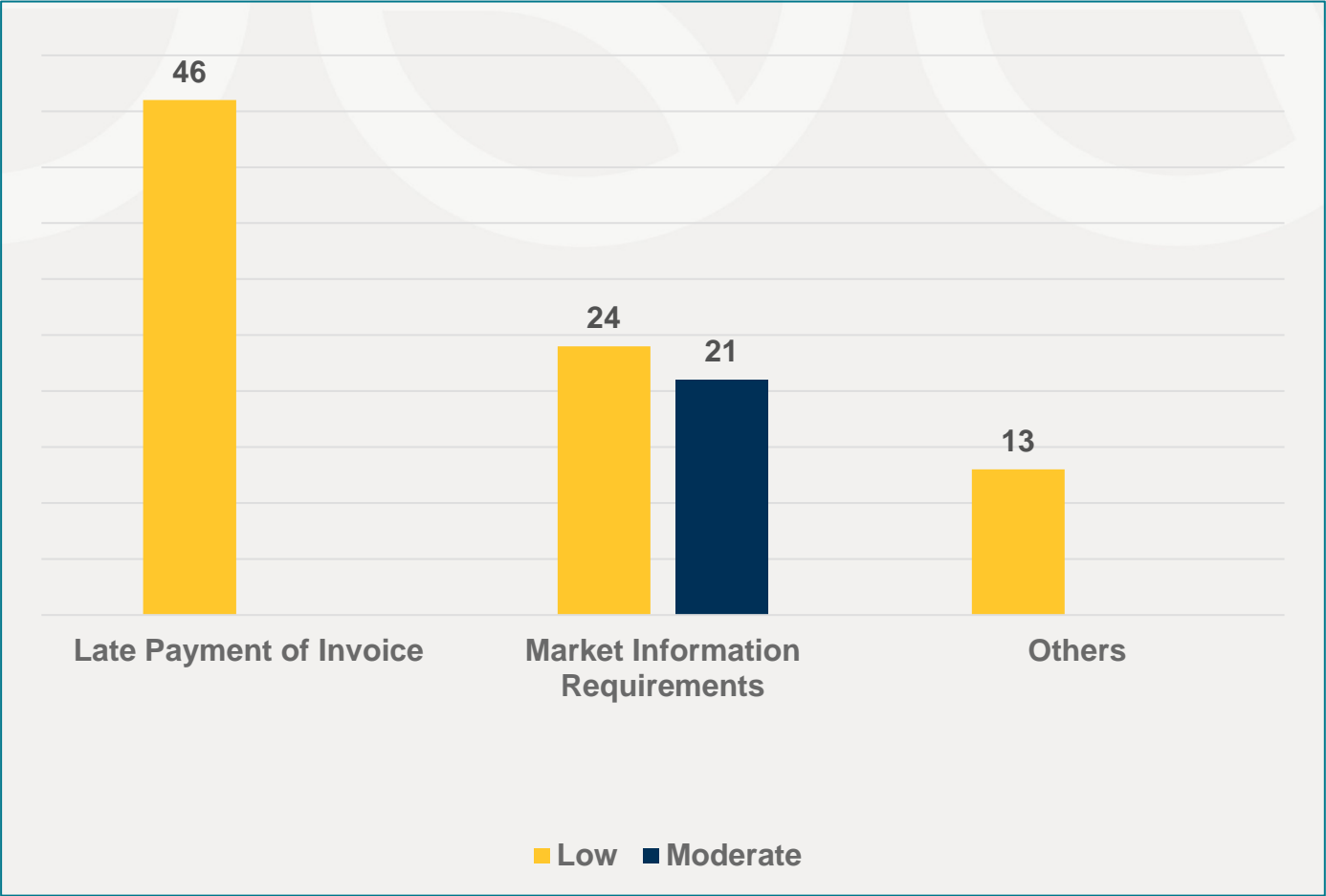
Reported breaches by risk and civil penalty category



2023/24 GSI investigations



Current GSI investigation backlog



ERA 2024/25 GSI Compliance Priorities

- High priority breach allegations and investigations
- Parliamentary Commission recommendations
- Monitoring EMF information requirements compliance



thank you

Ask any questions



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Economic Regulation Authority

Agenda Item 6: Findings and recommendations from the Inquiry into WA Domestic Gas Policy

Gas Advisory Board (GAB) Meeting 2024_08_29

1. Purpose

To facilitate a GAB discussion on issues relevant to the operation of the Gas Services Information (GSI) Rules, in response to the Western Australia's Economics and Industry Standing Committee's final report on the WA Domestic Gas Policy – "Domestic Gas Security in a Changing World: Inquiry into the WA Domestic Gas Policy" (the Report).

2. Recommendation

That the GAB discusses the Report's findings and recommendations relevant to the operation of the GSI Rules.

3. Background

The Western Australia's Economics and Industry Standing Committee commenced an inquiry in June 2023 into matters relating to the WA Domestic Gas Policy.

The purpose of the inquiry was to consider:

1. The adequacy of mechanism to ensure:
 - a. Timely delivery of gas into the domestic market.
 - b. Transparency of supply and prices of gas available to the domestic market.
2. The State Government's role in ensuring availability of domestic gas into the future, particular over the short to medium term.
3. The findings and recommendations of the 2011 *Inquiry into Domestic Gas Prices*, prepared by the previous Economics and Industry Standing Committee (2008–2013), to the extent that they are relevant to the current inquiry's terms of reference 1 and 2.

On Thursday 15 August 2024 the Committee tabled its final report on the WA Domestic Gas Policy – "Domestic Gas Security in a Changing World: Inquiry into the WA Domestic Gas Policy".

This concludes the Committee's inquiry into the WA Domestic Gas Policy. The report contains 77 findings and 30 recommendations to the State Government, see [Committee Details - Inquiry \(parliament.wa.gov.au\)](#).

Questions to be discussed by the GAB includes:

- Is there a role for the GAB regarding the recommendations of the inquiry?
- If yes, then in what ways should the GAB approach the findings and recommendations from the Report regarding the operation of the GSI Rules?
- What is the GAB's response to the Report's recommendations for improving the GSI framework to enhance market transparency and forecasting?



Agenda Item 7: Provisions of Information for Gas Bulletin Board (GAB)

Gas Advisory Board (**GAB**) Meeting 2024_08_29

1. Purpose

Mr Nick Whish, a Gas User representative, to raise two issues related to the provision of information on the Gas Bulletin Board (GAB) for discussion by the GAB.

2. Recommendation:

That the GAB discusses the issues raised by Mr Whish (**Attachment 1**), and provides initial views on whether it would be useful or appropriate for such information to be provided on the GBB.

3. Process and detail of the issues raised

On 2 August 2024, Mr Whish requested that the GAB Secretariat includes a paper about reporting requirements for System Use Gas and Gas Diverted to Liquefied Natural Gas (LNG) on the agenda of the GAB's meeting on 29 August 2024 (**Attachment 1**).

In the paper, Mr Whish asks the GAB to provide initial views on his recommendations for the following information to be explicitly reported on the GBB:

- (1) fuel gas used by pipelines; and
- (2) domestic gas diverted into LNG for export.

Mr Whish will provide further background at the meeting on 29 August 2024.

4. Attachments

- (1) File Note: GAB Recommendation to include System Use Gas & Gas Diverted to LNG

**End User – Gas Advisory
Board WA**

FILE NOTE

DATE: August 2024

SUBJECT: GAB Recommendation to include System Use Gas & Gas Diverted to LNG

AUTHOR: Nick Whish (End User Representative)

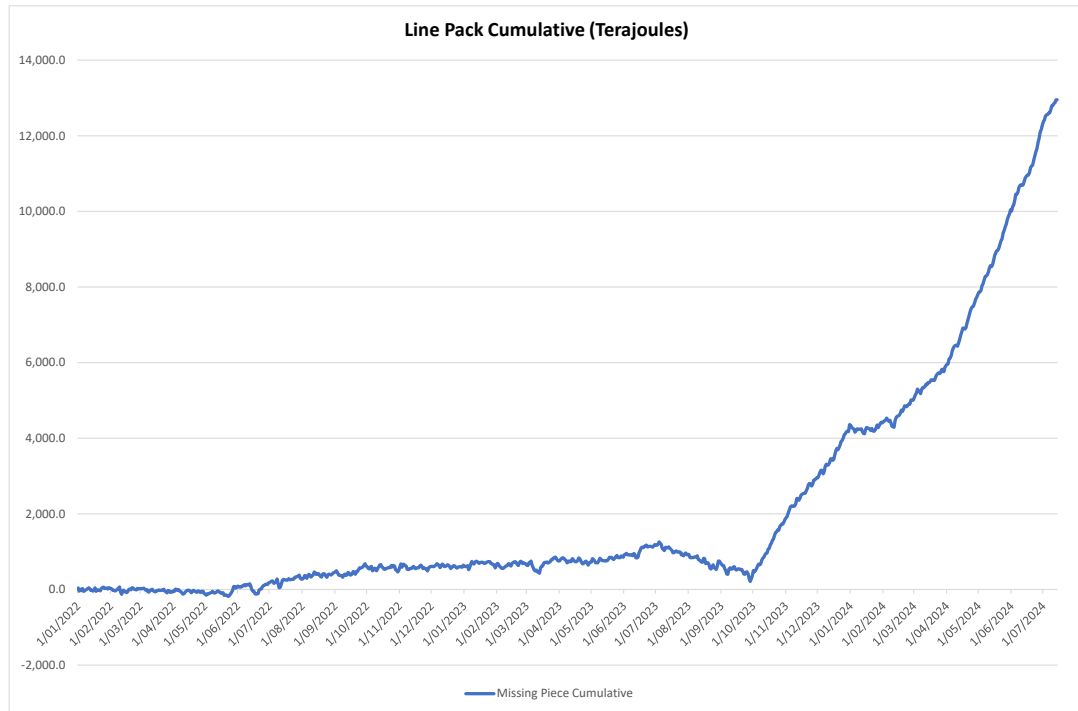
1. RECOMMENDATION

- Explicitly report fuel gas used by pipelines in the GBB
- Explicitly report any domestic gas diverted into LNG for export in the GBB

Item #	Concern	Proposed Solution	GSI Act 2012 relevance
1	Pipeline fuel gas use is not explicitly reported in GBB. This causes difficulty in knowing; 1. The data integrity and 2. The market balance 3. CO2 emissions	Report fuel gas as used in GBB. Either by pipeline or just as a total. Safeguard facilities such as DBNGP are publicly reporting CO2e already & detailing fuel gas assumptions in tariff documents	The objectives of the GBB and GSOO are to promote the long term interests of consumers of natural gas in relation to 6.(b.) the efficient operation and use of natural gas services in the State
2	Domestic gas diverted into LNG is not reported in GBB. Initial calculations show this may be a significant quantity which will impact: -Current market balance in 2024 -Future market balance when physical gas is delivered to fulfill leg2 of the swaps (Future years) -Monitoring of onshore produced gas exports	Report Domestic gas diverted into LNG in GBB. Once Waitsia starts this would help to balance production with 'End User' which doesn't appear to balance at the moment	The objectives of the GBB and GSOO are to promote the long term interests of consumers of natural gas in relation to 6.(a.) the security, reliability and availability of the supply of natural gas in the State
3	Items 1 & 2 would both be required to reach a reliable daily market balance in GBB	Report both items 1 and 2	as above

2. REASONING / WORKINGS

A set of calculations were undertaken with aim understand line pack & prove that the GBB data balances. It was surprising to find that even after removing 29TJ per day of 'fuel gas' my cumulative line pack equation reached a level of over 12,000 TJ's since 1 January 2022. The chart below shows a significant slope change since 1 October 2023 which is the main concern;



The equation used is below, and the full set of data was provided to AEMO who advised the gap was “System use gas”.

Line pack = [Production receipts from ActualFlows] + [Storage withdrawals from Actualflows] – [End User total] – [Storage injections from Actualflows] – [29TJ system fuel gas per day, assumed]

One theory is that the slope change appears to correlate with Waitisia exports shown in ASX published reporting. This remains just a theory though and is not proven, however this is the reason for the second bullet point in the recommendation section.

3. GBB DATA SOURCES USED

- Actualflows .csv files
- EndUser .csv files
- Assumed 29TJ/day system use gas