



Minutes

Meeting Title:	Gas Advisory Board
Meeting Number:	2024_08_29
Date:	Thursday 29 August 2024
Time:	2 pm to 3:34 pm
Location:	Online, via TEAMS.

Attendees	Class	Comment
Sally McMahon	Chair	
Amy Tait	Australian Energy Market Operator (AEMO)	
Helen Grzyb	Small-Use Consumers appointed by the Minister	
Rachael Smith	Pipeline Operators and Owners	
Rebecca Mason	Pipeline Operators and Owners	Proxy for John Jamieson
Alexandra Willis	Gas Producers	Proxy for Steve Parks
Allan McDougall	Gas Shippers	
Richard Beverley	Gas Shippers	
Quentin Jeay	Gas Users	
Nicholas Whish	Gas Users	
Frances Hobday	The Economic Regulation Authority (ERA)	Observer for agenda item 5
Katya Grimston	ERA	Observer for agenda item 5
Jai Thomas	Coordinator of Energy (Coordinator)	Observer for agenda item 6

Also in Attendance	From	Comment
Dora Guzeleva	GAB Secretariat	Also acting as proxy for Noel Ryan
Bronwyn Gunn	GAB Secretariat	
Sanna Pember	GAB Secretariat	

Apologies	From	Comment
John Jamieson	APA Group	Proxy - Rebecca Mason
Steve Parks	Woodside	Proxy - Alexandra Willis
Noel Ryan	Observer (Appointed by the Minister)	Proxy - Dora Guzeleva



Item	Item
1	<p>Welcome and Agenda</p> <p>The Chair opened the meeting with an Acknowledgement of Country.</p> <p>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.</p> <p>The Chair noted her role as a part-time Councillor on the National Competition Council and noted that she is not available for energy infrastructure related NCC matters.</p> <p>The Chair noted the Competition and Consumer Law obligations, inviting members to bring to her attention any issues should they arise.</p>
2	<p>Meeting Apologies/Attendance</p> <p>The Chair noted the attendance and apologies as listed above and welcomed new members of the GAB and provided them with the opportunity to introduce themselves.</p> <ul style="list-style-type: none"> • New Members include Ms Amy Tait, Ms Helen Grzyb, Mr Allan McDougall, Mr Richard Beverley, and Mr Nick Whish. <p>The Chair noted that Ms Rachael Smith was also reappointed.</p>
3	<p>Actions Arising</p> <p>The Chair noted the several closed action items.</p>
4	<p>Overview of Rules Change Proposal</p> <p>The paper was taken as read.</p>
5	<p>ERA's compliance monitoring and enforcement update</p> <p>Ms Katya Grimson noted that:</p> <ul style="list-style-type: none"> • The main functions of the ERA are to investigate alleged breaches and monitor compliance of the GSI rules; • Some breaches have been reported, with most cases being low risk breaches, not requiring follow up action after the investigation. This is due to corrective action being put into place by participants before completion of investigations. • Last financial year there were 4 investigations that resulted in minor enforcement actions and warning notices were issued to participants who were not compliant with GSI rules. • Priorities for the next year include the investigation of high-risk breach allegations or suspected breaches. • ERA will be available to support EPWA and AEMO with regard to any recommendations from the Parliamentary Enquiry into the WA Domestic Gas Policy. • In 2024/2025 there is a focus on the Energy Management Facility (EMF) information requirements under the GSI Rules. <p>Ms Guzeleva reported a breach to be formally recorded.</p> <ul style="list-style-type: none"> • EPWA had recently undertaken a review of the Coordinator of Energy obligations under the GSI rules, and it has become clear that EPWA has been non-compliant with rule 93.7 of the GSI Rules. Under this rule the Coordinator must at least once a year



issue an Emergency Management Framework direction to the AEMO for the purpose of conducting a test of the EMF.

- It appears that no record that tests of the EMF function have been conducted between the years 2018 and 2022.
- A test has been conducted this year in the week commencing 15th of April 2024. EPWA is reviewing the internal procedures to ensure that improvements are made, and this does not occur in the future.

Ms Grimston requested a record of this breach to be sent to the ERA via email so it could be formally logged in the ERA's system.

The Chair opened the meeting up for questions.

- Mr Jeay asked about trends observed by the ERA.

Ms Hobday advised that there is a good level of overall compliance and most breaches are accidental.

Ms Grimston added that about two thirds of breaches related to late invoice payments for GSI fees and that the breaches usually trivial and due to technical issues, and are quickly resolved.

The Chair asked if it was possible for the ERA to:

- provide more historical data in future reports to the GAB to give an idea of the trends; and
- for the ERA to report back on whether the number of minor breaches being reported means there is some systemic issue, or whether the rules are requiring something to be reported on that isn't necessary to report.

Ms Hobday agreed to bring that information back to the GAB.

- Ms Guzeleva noted that the ERA reporting at the GAB commenced as a result of discussions at the GAB about whether the reporting on nameplate capacity, medium term capacity and short term capacity was sufficient.

The Chair noted that the investigation on that matter was ongoing and asked whether more detail could be provided to the GAB on that matter before the next meeting, with a timeframe to be agreed out of session.

Ms Hobday agreed.

Ms Mason asked what is involved in the monitoring of EMF requirements on slide 5.

Ms Grimston advised that the ERA usually assess the risks associated with the rules and work through the non-compliances that require further action from the ERA, with the assistance of analysis from AEMO.

ACTION: ERA to provide more historical data on breaches over time at the next GAB meeting, and to undertake further analysis on the nature of breaches for consideration by the GAB.

ACTION: ERA and EPWA to discuss the timeframe for providing GAB members with information regarding the investigation into the Capacity Outlook reporting.

6	<p>Findings and recommendations from the Inquiry into the WA Domestic Gas Policy</p> <p>The Chair noted that the purpose of the discussion is to discuss the recommendations of the Parliamentary Inquiry into the WA Domestic Gas Policy (the Inquiry) that are relevant to the operation of the GSI Rules.</p>
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Mr Thomas noted that while the Government had to table its response within 30 days, each of the recommendations point to more work to be done and that he would like to hear the GAB's view on the findings/ recommendations and what the GAB's role could be in contributing to ongoing discussions about the recommendations.

- Ms Willis stated that there is a role for the GAB to play in some of the recommendations and findings, particularly those that relate to the GSI Rules.
- Ms Tait supported Ms Willis' view, noting that the GAB spans the full range of users and requirements. She notes the Inquiry recommended an establishment of an industry working group and questioned how this may interact with the GAB.
- Mr Beverley agreed with Ms Willis and Ms Tait. He also posed a question about Recommendation 15 about reviewing the GSI Rules, noting it is the role to provide advice on GSI rule changes.

Mr Thomas confirmed that the existing mechanisms under the GSI for GSI rule changes will continue as they are now, which requires GAB involvement.

- Mr Beverley questioned the timing of the GAB meetings, noting that more regular meetings may be warranted given the work underway.

The Chair advised that the schedule for next year hasn't been set but if there is more work coming from the inquiry it would make more sense to meet more frequently.

Mr Thomas agreed, noting there will be a series of work packages that need to be scoped following the Government's response to the Inquiry, and more frequent meetings by the GAB to carry out that work will likely be warranted.

- Ms Mason queried whether the intent was for a GAB to provide a collective response or whether there was the opportunity for each member to be part of a working group with a broad industry representation. She noted that each individual company or stakeholder would likely be wanting to put their own view forward through consultation processes.

Mr Thomas advised that EPWA is open to different models of feedback whether that be a statement, mapping exercise, or other approach.

- Mr McDougall highlighted that there is scope to respond as a committee. He noted that the Gas Statement of Opportunities (GSOO) has moved away from reporting on pricing, and questioned whether this should be reinstated or whether another entity should be responsible for that. He stated that the GAB could form a pretty representative view of most of the industry quite comfortably.
- Ms Willis agreed it would be pragmatic to step through the findings and recommendations and see which ones relate then having a discussion about them and potentially developing a rule change proposal.
- Ms Grzyb noted she had consulted with her colleagues on the Expert Consumer Panel and they would support the report and recommendations, in particular the ones about proposed working groups as getting industry and users together to discuss implementation is very important. She noted that the GAB is a good representative group that is sensibly placed to provide input.
- Ms Smith agreed with Ms Willis and Mr McDougall that to have meaningful involvement the GAB should meet more often, and that the GAB is well placed as it spans the whole supply chain.
- Mr Jeay, and Mr Whish agreed with the above points.



- Mr Whish noted that the report focused on transparency and that a lot of the data on the Gas Bulletin Board is outdated as far back as 2022, and questioned whether there was more scope for live data to be provided. He noted the information is used quite broadly.
- Mr McDougall noted that the list of information currently on the GBB was developed following the Varanus Island incident and that things have evolved considerably since then. He stated the role of the GAB was to improve transparency and provide information to the market and that this opportunity should be seized.

The Chair expressed that she would meet with EPWA discuss with the GAB meeting schedule and frequency and the role of the GAB in supporting the implementation of the Inquiry recommendations.

The Chair summarised that:

- There is general support to do something;
- the GAB is well placed as a broad representative group of the sector, covering the whole supply chain; and
- there a willingness and capability to do something.

With regard to what the GAB might do, she noted there are two parts:

- Does the committee provide a consolidated GAB response; and
- Does the response only address issues relevant to the GSI Rules or is there a broader role for the GAB in relation to some of the other recommendations.

Mr Thomas noted that the State Government response to the Inquiry will set out whether each recommendation is supported, noted or rejected, likely with some brief commentary on each in regard to next steps. He suggested the GAB might want to take the Government's response and consider its role in any of the relevant actions and how to take that forward.

- Mr McDougall noted that particular recommendations may have different implications for members so unless there is a unanimous view then the GAB may not be able to respond as a committee. He noted the GAB should be able to achieve consensus on which recommendations can be progressed through the GAB.
- Mr Thomas clarified that as the Government response is well underway that the role of the GAB would be more in the implementation of the recommendations than in influencing the response.
- Ms Tait noted that the report did not mention the GAB, but that it mentions establishing an industry group not dissimilar to the GAB. She stated there may be an opportunity to notify the government of the GAB and provide an offer to support.

The Chair agreed, and summarised that there is a need alert the Government to the existence of the GAB and communicate that while the role of the GAB may be narrow now but there is potential for it to broaden to help with the implementation of the recommendations, and that the GAB is ready to consider the government's response and work with the government to refine that role.

- Ms Tait noted that alternatively, the role of the GAB can remain as is but can feed into another entity with a broader role.

Mr Thomas stated that the GAB making itself known could be useful.

The Chair stated she would seek to meet with EPWA after the meeting to discuss what form that advice takes, but that there is appetite and interest in picking up some of the issues in the Inquiry which may mean the GAB needs to meet more frequently in the future.



	<ul style="list-style-type: none"> ○ Ms Guzeleva noted that the GAB has been established under a set of rules, which are established under primary legislation and regulations. She noted that there may need to be legislative change to implement some of the recommendations. She noted the need to be mindful of that GABs remit under the current regulatory framework. ○ Mr McDougall noted that this legislation can be changed and that the GAB can form views and advise on that. <p>The Chair summarised that the GAB is interested in assisting in the implementation of the recommendations. The GAB should meet again once the Governments response has been finalised to review it as a group and decide how to contribute.</p>
	<p>ACTION: The Chair and EPWA to meet to discuss the GAB meeting schedule and frequency and the role of the GAB in supporting the implementation of the Inquiry recommendations.</p>
7	<p>Provisions of Information for Gas Bulletin Board (GBB)</p> <p>Mr Whish presented this item to discuss the transparency of data that is presented on the GBB.</p> <p>Slide 2 and 3: Mr Whish presented data and indicated that his expectation was that when the total gas in and total gas out were netted off, the data should sit around zero and show a delayed line pack, however, it was always positive. He noted that the number looked too big to be fuel gas and there was a lack of transparency regarding the data.</p> <p>Slide 4: Mr Whish suggested publishing data on fuel gas and any domestic gas that gets sent to LNG on the GBB to improve transparency.</p> <ul style="list-style-type: none"> • Ms Smith noted that the linepack data is correct, but that there are some data registration matters that are being worked through at this time that have resulted in the sharp increase. AGIG has been working with AEMO to resolve this. • Mr McDougall stated that there should be no reason why fuel gas shouldn't be displayed, and that currently it is a hidden number in the market. • Ms Smith noted that there is a level of confidentiality that sits around it. Single users are not recorded, so there would have to be a way to do it in aggregate. • Mr McDougall noted that anyone that uses more than 10TJ's is reported individually. • Ms Smith indicated AGIG can look into that. • Ms Willis indicated support for transparency and, in particular, publishing domestic gas being diverted to export, and sought to clarify that no rule change is required to resolve the registration issues mentioned by Ms Smith. • Ms Smith confirmed this, the data is available and correct it is just confirming the classification through the registration process is correct. • Mr Jeay noted to be fit for purpose the data on the GBB must be complete and reliable, with supply being equal to demand at any point in time. He supported fuel gas and domestic gas being diverted to export being published. • Mr McDougall stated that if there is a delivery being made, it should be shown as a delivery just like a delivery to a power station or major user. If that doesn't come out in the data then there is a misrepresentation. • The Chair summarised that there is some support for reporting fuel gas and domestic gas being diverted to export. There is also an issue with the classification and registration of information and AEMO is working through, and it will be resolved within a certain time frame.



	<p>ACTION: Ms Smith to:</p> <ol style="list-style-type: none"> 1. advise the GAB of where further information about fuel gas is being reported outside of the GBB. 2. report back to the GAB on how/when the classification and registration issue with the GBB is being resolved.
8	<p>General Business</p> <p>Ms Tait noted that</p> <ul style="list-style-type: none"> • on Wednesday 28 August, AEMO submitted a rule change under the WEM rules and the GSI rules to replace the existing allowable revenue framework with a new framework for determining AEMO's business priorities, budget, and fees. • This rule change has primarily arisen though the issues emerging in the WEM and the pace of the energy transition, but for the purposes of alignment and consistency the change to the GSI rules has also been proposed. • The existing allowable revenue framework means that AEMO recovers the cost for performing its function under the GSI from gas market participants through GSI fees. The current process involves a three yearly submission of allowable revenue and forecast expenditure proposal to the ERA, who review the proposal and determine the amount it considers meets the requirements set out in the rules and the ERA guidelines. <p>Ms Tait presented slide 2 (issues with the current framework and case for change). She noted that multiple in period submissions were being made under the current framework, which has a cost for AEMO and the ERA.</p> <p>Ms Tait presented Slide 5 (proposed design).</p> <p>Ms Tait presented Slide 6 (proposed next steps) and noted that AEMO is required to submit allowable revenue for the GSI submission on the 31st of October and that deadline is unlikely to be met, but the process has commenced.</p> <p>The Chair noted that the next meeting hasn't been scheduled. EPWA will develop a schedule for the next year to be shared to the GAB, taking into account the discussion about the Inquiry.</p>
	<p>ACTION: Ms Tait will send the slide deck to the GAB and each member can provide feedback directly to Ms Tait.</p>

The meeting closed at 3:34 pm