



Gas Advisory Board

Agenda

Meeting No.	13
Location:	IMO Board Room Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date:	Tuesday 17 th December 2013
Time:	4.00pm – 5.00pm

Item	Subject	Responsible	Time
1.	WELCOME	Chair	2 min
2.	MEETING APOLOGIES / ATTENDANCE	Chair	2 min
3.	MINUTES OF PREVIOUS MEETING	Chair	5 min
4.	ACTIONS ARISING	Chair	5 min
5.	EMERGENCY MANAGEMENT FACILITY TEST Presentation by the IMO	IMO	20 min
6.	DECEMBER GAS STATEMENT OF OPPORTUNITIES: KEY ASSUMPTIONS Presentation by the IMO	IMO	20 min
7.	GENERAL BUSINESS		
	Proposed GAB Meeting Dates for 2014	IMO	5 min
8.	NEXT MEETING: Tuesday 18th February 2014		

Gas Advisory Board Minutes

Meeting No.	11
Location	IMO Board Room Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date	Wednesday 17 July 2013
Time	4.00pm – 4.40pm

Attendees	Class	Comment
Allan Dawson	Chair	
Kate Ryan	Independent Market Operator (IMO)	
Mark Cooper	Pipeline Owner/Operator	
John Jamieson	Pipeline Owner/Operator	
Chris Campbell	Large Gas User	Proxy
Pete Di Bona	Gas Producer	
Michael Brooks	Gas Producer	Proxy
Andrew Sutherland	Gas Shipper	
Stan Reid	Gas Shipper	
Ray Challen	Coordinator of Energy	
Aden Barker	Small End Users, Minister's Appointee	
Matthew Martin	Minister's Appointee	Proxy
Natalie Jackson	Economic Regulation Authority (ERA)	Proxy
Hans Niklasson	Kleenheat	Observer
Erin Stone	IMO	Observer
Courtney Roberts	IMO	Minutes
Apologies	Class	Comment
Stephen Livens	Pipeline Owner/Operator	
Mike Shaw	Large Gas User	
Gordon Rule	Large Gas User	
Pete Ryan	Gas Producer	
Ben Coetzer	Gas Producer	
Stewart Gallagher	Gas Producer	Proxy attended
Geoff Gaston	Gas Shipper	
Nenad Ninkov	Large Gas User	Proxy attended

Paul Hynch	Public Utilities Office (PUO)	Observer
Nerea Ugarte	Minister's Appointee	Observer – Proxy attended
Wana Yang	ERA	Observer

Item	Subject	Action
1.	<p>WELCOME</p> <p>The Chair opened the meeting at 4:00 PM and welcomed all members to the 11th Gas Advisory Board (GAB) meeting.</p> <p>The Chair welcomed all new members to the GAB and thanked departing members for their contribution over the past year.</p>	
2.	<p>MEETING APOLOGIES / ATTENDANCE</p> <p>The following apologies were received:</p> <ul style="list-style-type: none"> • Ben Coetzer • Pete Ryan • Steve Livens • Nenad Ninkov • Geoff Gaston • Mike Shaw • Gordon Rule • Wana Yang • Nerea Ugarte • Paul Hynch • Stewart Gallagher <p>The following proxies and observers were noted:</p> <ul style="list-style-type: none"> • Chris Campbell for Nenad Ninkov (Large Gas User) • Michael Brooks for Stewart Gallagher (Gas Producer) • Matthew Martin for Nerea Ugarte (Minister's Appointee) • Natalie Jackson for Wana Yang (ERA observer) • Hans Niklasson (observer) 	
3.	<p>INTRODUCTION TO THE GAS ADVISORY BOARD</p> <p>The Chair provided a brief introduction to the 2013/14 GAB, outlined the GAB's role and reminded members that they have been appointed as individual members to represent their class and to act in the best interests of the WA natural gas market.</p>	
4.	<p>MINUTES OF PREVIOUS MEETING</p> <p>The minutes of GAB Meeting No. 10, held on 16 April 2013, were circulated prior to the meeting.</p> <p>No other comments were raised and the minutes were accepted as a true record.</p> <p><i>Action Item: IMO to publish the minutes of GAB Meeting No. 10 on the IMO website.</i></p>	IMO

5.	<p>ACTIONS ARISING</p> <p>Ms Kate Ryan noted that all action points had been completed.</p>	
6.	<p>GAS INFORMATION SERVICES PROJECT – UPDATE</p> <p>Ms Ryan provided a brief update on the Gas Information Services Project (GISP):</p> <p>Ms Ryan recapped the recent key milestones of the GISP. She noted that the Gas Services Information Regulations were approved by the Minister and gazetted on 28 June 2013. The Gas Services Information (GSI) Rules were approved by the Minister and gazetted on 24 June 2013. The GSI Rules and associated two GSI Procedures commenced on 29 June 2013. Ms Ryan informed the GAB that all regulatory instruments to support the Gas Bulletin Board (GBB) and the Gas Statement of Opportunities (GSOO) are now in place. With the GSI Rules and Procedures now in effect, Ms Ryan advised that the formal registration process is underway as all gas market participants were required to submit their registration applications by 1 July 2013.</p> <p>Ms Ryan advised that the GBB is fully functional and software has been independently certified to confirm that it is compliant with the GSI Rules. The GBB will be available to participants one week prior to ‘go live’. The GBB IT User Group met for the first time in May 2013 and may meet again before 1 August if required.</p> <p>The GSOO is in its final stages of completion, with the IMO Board reviewing it for approval this week, in time for publication by the end of July 2013. The Chair advised members that the GSOO forecasts were based on available information only, and noted that this will be the first GSOO and any feedback and advice would be welcomed to further improve the next version of the GSOO, due by the end of December 2013.</p> <p>Mr Mark Cooper questioned if the GSOO contained appropriate disclaimers. The Chair advised that a detailed disclaimer has been included on the second page which was carefully drafted. The Chair invites any feedback from members on the disclaimer.</p> <p>Ms Ryan provided a budget update advising that the GISP is progressing well and is within budget. She advised that an adjustment of market fees will be made in the second year to reflect actual costs and not forecasts.</p> <p>Mr Matthew Martin questioned if the Allowable Revenue submission has been submitted to the ERA. Ms Ryan advised that on 1 July 2013 the GSI Budget Proposal for the first year was submitted to the Minister and the Allowable Revenue Submission for the 2013-2016 period was also submitted to the ERA. The Chair noted that the next cycle will align with the Allowable Revenue submission for the Wholesale Electricity Market (WEM) to accurately reflect costs of both the IMO’s services under same process.</p> <p>Ms Ryan noted that two GISP stakeholder updates were held in June</p>	

	<p>and invited members to attend the final update scheduled on 24 July 2013. The Chair noted that Ms Kylie O’Keeffe, Group Manager of the IMO’s Legal and Compliance team, will be presenting at the update. Ms Ryan reminded members that the invitation has been sent for the launch event for the GBB and GSOO which will be held at the IMO’s office on 2 August 2013 and to RSVP by 29 July 2013.</p>	
7.	<p>REGISTRATION AND GAS BULLETIN BOARD TRIAL OVERVIEW</p> <p>Ms Ryan presented a brief overview of the registration and GBB trial activities that are currently underway.</p> <p>Ms Ryan reminded members that all Facilities are required under the GSI Rules to be registered by 1 August 2013 and advised members that a register detailing Registered Participants and Facilities will be published on the GSI website. The Chair requested members to advise the IMO if they notice any facilities that have not been included on the register.</p> <p>Ms Ryan advised that the ‘GBB trial environment’ was made available to participants end of May and noted that there are currently 73 participant users. She also informed members that GBB user function checklists have been created in order to assist participants in their testing of the GBB trial and ensure smooth transition to the public GBB website. Participants are to complete the checklist before gaining access to the GBB.</p> <p>Mr Cooper questioned what members could do to encourage participants to have processes in place by 1 August 2013. The Chair suggested that participants be reminded of their obligations that will come into effect on 1 August 2013, under the GSI Rules and to contact the IMO if they require any assistance. The Chair invited members to contact Rebecca Denton or Laura Koziol of the Market Operations team if they have any questions.</p> <p><i>Action Point: Members to remind participants of their obligations that will come into effect on 1 August 2013 and to contact Rebecca Denton or Laura Koziol of the Market Operations team if they have any questions.</i></p>	All
8.	<p>GENERAL BUSINESS</p> <p>The Chair advised that the IMO intends to schedule quarterly GAB meetings for 2013/14 with meetings scheduled between if required. The Chair invited members in attendance to join the IMO in having a drink after the meeting to celebrate first meeting of the newly appointed GAB for 2013/14 followed by the ‘Inaugural GAB Appreciation Dinner’ for those who are attending.</p>	
<p>CLOSED: The Chair declared the meeting closed at 4.40pm.</p>		



INDEPENDENT
MARKET
OPERATOR

Gas Advisory Board Minutes

Meeting No.	12
Location	IMO Board Room Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date	Tuesday 15 October 2013
Time	1.00pm – 3.10pm

Attendees	Class	Comment
Allan Dawson	Chair	
Kate Ryan	Independent Market Operator (IMO)	
John Jamieson	Pipeline Owner/Operator	
Nenad Ninkov	Large Gas User	
Pete Di Bona	Gas Producer	
Stewart Gallagher	Gas Producer	
Aden Barker	Small End Users, Minister's Appointee	
Nerea Ugarte	Minister's Appointee – Observer	
Wana Yang	Economic Regulation Authority – Observer	
Joachim Tan	IMO	Presenter
Courtney Roberts	IMO	Minutes
Apologies	Class	Comment
Ray Challen	Coordinator of Energy	
Mark Cooper	Pipeline Owner/Operator	
Mike Shaw	Large Gas User	
Andrew Sutherland	Gas Shipper	
Stan Reid	Gas Shipper	

Item	Subject	Action
1.	WELCOME The Chair opened the meeting at 1:00 PM and welcomed all members to the 12th Gas Advisory Board (GAB) meeting.	
2.	MEETING APOLOGIES / ATTENDANCE The following apologies were received:	

	<ul style="list-style-type: none"> • Ray Challen (Coordinator of Energy); • Andrew Sutherland (Gas Shipper); • Mike Shaw (Large Gas User); • Mark Cooper (Pipeline Owner/Operator); and • Stan Reid (Gas Shipper). 	
3.	<p>MINUTES OF PREVIOUS MEETING</p> <p>The minutes of GAB Meeting No. 11, held on 17 July 2013, were circulated prior to the meeting.</p> <p>The Chair advised that, as a quorum was not present at the meeting, the minutes would be carried over to the next GAB meeting.</p> <p><i>Action Item: IMO to include the minutes of GAB Meeting No. 11 on the Agenda for the next GAB meeting.</i></p>	IMO
4.	<p>ACTIONS ARISING</p> <p>Ms Kate Ryan noted that all action points had been completed.</p>	
5.	<p>FINAL GAS INFORMATION SERVICES PROJECT – UPDATE</p> <p>Ms Ryan provided the final update on the Gas Information Services Project (GISP):</p> <p>Ms Ryan recapped the milestones and key deliverables of the GISP. She noted that throughout the project, gas market participants were actively involved and provided feedback through the consultation periods as well as informal discussions with the IMO. The Chair advised that the IMO will seek stakeholder feedback on the operation of the Gas Bulletin Board (GBB) once it had been in operation for around 12 months.</p> <p>Ms Ryan advised that all key performance indicators set by the IMO had been met including being delivered in time and within budget. Ms Ryan noted that once the project has been finalised by the end of 2013, it is expected that it will come in under budget meaning that there will be fee adjustment in 2014/15 to ensure only costs actually incurred are passed on to participants.</p> <p>Mr Nenad Ninkov questioned whether the Emergency Management Facility (EMF) was complete. Ms Ryan advised that the EMF development is complete but it remains dormant until it is activated. Ms Ryan also confirmed that following activation, all information on the EMF will be archived for later use by the Coordinator of Energy.</p> <p>The Chair noted that the EMF is to be tested annually as required under the Gas Services Information (GSI) Rules. Mr Stewart Gallagher questioned who would take part in the test, the Chair advised that gas market participants would be involved and the test wouldn't be limited to a desktop exercise by the IMO.</p> <p>Mr Ninkov sought clarification on possible changes to the fee</p>	

	<p>arrangements. The Chair advised that the Shippers were allocated the GSI costs.</p> <p>Mr Gallagher questioned what GBB activities are likely to occur in the next 12 months. Ms Ryan advised that there will be an annual test of the EMF scheduled and the Chair noted that, once a longer time series of data became available, the IMO would look to developing some data visualisation of the GBB data to show trends over time.</p> <p>Mr Ninkov questioned whether the next phase in the evolution of the gas market would be the development of 'spot markets' in gas and capacity and whether this is a topic that the GAB should investigate in the next 12 months.</p> <p>The Chair noted that the IMO did not currently have a mandate to develop this and also noted the existing, privately operated, trading mechanisms. However, if stakeholders see the need for a 'spot market' to be established then the IMO would be happy to discuss it with the GAB. The Chair suggested that the GAB could develop a high level proposal at an upcoming meeting which the IMO put forward to the Minister and the Public Utilities Office for consideration.</p> <p>Mr Ninkov expressed his interest for this to be included on the agenda in late 2013 or early 2014 for the GAB to discuss the option of a short term gas market to enable a Government decision prior to the next election. The Chair agreed to add this to a GAB agenda in early 2014.</p> <p><i>Actions: The IMO to include an item on the development of gas and capacity spot market on the agenda for Meeting No. 14 due to be held in the first quarter of 2014.</i></p> <p><i>The IMO to circulate Ms Ryan's presentation to other GAB members who were absent from the meeting.</i></p>	<p>IMO</p> <p>IMO</p>
<p>7.</p>	<p>OVERVIEW OF JULY 2013 GAS STATEMENT OF OPPORTUNITIES</p> <p>The Chair introduced Mr Joachim Tan to provide an overview of the first Gas Statement of Opportunities (GSOO) published in July 2013.</p> <p>Mr Tan provided the GAB with an overview of the feedback received from the gas market on the GSOO and explained the methodology modeling done by NIEIR, which was used to determine the forecasts. Mr Tan noted that only projects for which a final investment decision (FID) had been made were included in the forecasts.</p> <p>Mr Gallagher questioned if the GSOO modelling considered constraints to the pipeline system when estimating gas supply to the domestic gas market. Mr Tan noted that this was not considered as gas supply projection figures appear to be handled by the current pipeline capacity, and it was assumed that the users demanding gas already had existing shipping capacity. Mr Tan clarified that the IMO had not been able to fully consider this issue yet as it didn't have access to the information needed but would be something that will be considered for the future.</p> <p>Mr Ninkov expressed his concerned around the way the forecast for</p>	

	<p>domestic gas prices was presented.</p> <p>Mr Gallagher questioned how the United States (US) LNG export prices would be shown in the next GSOO. Mr Tan noted that he is considering the different degrees of linkage recently developed across Australia to assess the approach taken in the first GSOO. Mr Tan indicated he believed the linkage would remain similar for some time as changes to the US gas market would take time to be fully developed.</p> <p>Mr Tan advised that the IMO will also be taking up suggestions to investigate reserves in the Carnarvon basin and in particular supporting production at the North West Shelf. The Chair indicated that the IMO is considering requesting reserves information directly from Gas Market Participants for future GSOOs due to challenges with current data sources. However, the IMO would discuss the proposed request for information, including the standard of reserves measurement, with GAB before doing so.</p> <p>In response to a question from Mr Pete Di Bona, Mr Tan noted that there were challenges with existing third party data sources for reserves and the IMO was not sure to what extent it could rely on them for the purposes of preparing the GSOO.</p> <p>Mr Ninkov questioned whether the IMO intended to present the next GSOO to the GAB prior to being released. The Chair responded that time constraints would make this difficult but the IMO could include a presentation on the key assumptions at the next GAB meeting, scheduled for 17 December 2013.</p> <p>The Chair invited members to contact Mr Tan and provide any feedback to be considered for the next GSOO due to be published in December.</p> <p><i>Actions: The IMO to present the key assumptions of the December 2013 GSOO to the GAB at the next meeting.</i></p> <p><i>The IMO to circulate Mr Tan's presentation to other GAB members who were absent from the meeting.</i></p>	<p>IMO</p> <p>IMO</p>
<p>8.</p>	<p>GENERAL BUSINESS</p> <p>No general business was raised.</p>	
<p>CLOSED: The Chair declared the meeting closed at 3.10pm.</p>		

Gas Advisory Board (GAB) - Action Points

Legend:

Unshaded	Unshaded action points are still being progressed.
Shaded	Shaded action points are actions that have been completed
Missing	Action items missing from sequence have been completed from previous meeting and subsequently removed from the log.

#	Year	Action	Responsibility	Meeting arising	Status / progress
31	2013	IMO to include the minutes of GAB Meeting No. 11 on the Agenda for the next GAB meeting.	IMO	Oct	Complete.
32	2013	The IMO to include an item on the development of gas and capacity spot market on the agenda for Meeting No. 14 due to be held in the first quarter of 2014.	IMO	Oct	Underway.
33	2013	The IMO to circulate Ms Ryan's presentation to other GAB members who were absent from the meeting.	IMO	Oct	Complete.
34	2013	The IMO to present the key assumptions of the December 2013 GSOO to the GAB at the next meeting.	IMO	Oct	Complete. To be presented at the December GAB.
35	2013	The IMO to circulate Mr Tan's presentation to other GAB members who were absent from the meeting.	IMO	Oct	Complete.

Proposed GAB Meeting Dates for 2014

The proposed dates for GAB meetings in 2014 are contained in the table below.

The meeting time, subject to change on some occasions, is 1.00 – 3.00 pm.

Table 1: Proposed GAB Meeting Schedule 2014

Month	Meeting #	Date
January		
February	14	18 February 2014
March		
April		
May	15	20 May 2014
June		
July	16	16 July 2014*
August		
September		
October	17	14 October 2014
November		
December	18	16 December 2014

** Newly appointed and previous GAB members are invited to attend the July meeting which will be held on a Wednesday followed by the 'Annual GAB Appreciation Dinner'.*