

MINUTES – WA Gas Consultative Forum

MEETING: 4
 DATE: Monday, 31 October 2016
 TIME: 1:00 pm to 2:45 pm
 LOCATION: AEMO WA Office; 197 St Georges Tce, Perth
 CONTACT: WAgasforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Jenessa Rabone	AEMC
Andrew Truswell	AEMC
Cameron Parrotte (Chair)	AEMO
Courtney Roberts (Secretariat)	AEMO
Andrew van de Werve	AEMO
Neetika Kapani	AEMO
Martin Maticka	AEMO
Brett Hausler	AEMO
Joachim Tan	AEMO
Amanda Rudd	Alinta Energy
Michael Puls	APA Group
Jodie Winnett	APA Group
Adam Welch	APPEA
Michael Brooks	ATCO Australia
Ian Whitehead	BHP Billiton
Pete DiBona	Chevron
Dominic Rodwell	Citic Pacific
Colin Sadlier	DBNGP
Matt Brown	Domgas Alliance
Natalie Robins	Economic Regulation Authority
Don Bower	Energy Access Services
Paul Keay	FMG
Allan McDougall	Gas Trading
Vincent Blondeau	Kleenheat
Tim Norman	NWSG
Aaron Kerrigan	Perth Energy
Erin Stone	Point
Aden Barker	Public Utilities Office
Matthew Leech	Quadrant Energy
Stephen Eliot	REMCo
Dave Rafferty	Santos
Nathan Turner	Shell
Shirley Qiu	Shell
Hans Dopheide	South32
Adam Stephen	Summit Southern Cross Power
Carole Clare	Synergy
Morgan Peart	Transalta
Michael Glossop	Woodside

1. Welcome

Cameron Parrotte (Australian Energy Market Operator (AEMO)) opened the meeting at 1:05pm and welcomed attendees to the fourth AEMO WA Gas Consultative Forum (WAG-CF).

Cameron Parrotte provided a status update of the actions raised at the previous meeting.

Stakeholder's endorsement was sought on the minutes from the 16 August WAG-CF. No further comments were raised and the minutes of the previous meeting were accepted as a true record. AEMO to publish minutes from the previous meeting as final on the website (action item 1.1).

2. AEMC Review

Jenessa Rabone and Andrew Truswell (Australian Energy Market Commission (AEMC)) presented the outcomes of the Gas Bulletin Board (GBB) review recently undertaken by AEMC as part of the Stage 2 Final Report for the East Coast Wholesale Gas Market and Pipeline Frameworks Review.

An overview of the key outcomes and recommendations from the review was highlighted including:

- Information available to the gas market is currently fragmented and needs to be consolidated
- Information currently is not sufficient to support price recovery
- Information available on the bulletin board only shows net flows
- Participants need access to more timely and accurate information

It was noted that the Australian Competition and Consumer Commission (ACCC) carried out an inquiry during the same time and reported similar outcomes around a lack of transparency and quality of information. The COAG Energy Council is currently amending the gas laws. The AEMC highlighted that the WA GBB is very effective and was referenced throughout the review of the east coast GBB. AEMO to circulate a link to the report and draft rule to stakeholders (action item 2.1)

The report and draft rule is available on the AEMC website:

- <http://www.aemc.gov.au/getattachment/59f71049-a61d-4ed5-9edc-949246ac920d/Stage-2-Final-Report-Information-Provision.aspx>
- <http://www.aemc.gov.au/getattachment/415eed69-4822-4a7b-8dd8-088d09c7faac/Information-Provision-%E2%80%93-Proposed-Rule.aspx>

3. AEMO's Allowable Revenue 4 Submission

Andrew Van Der Werve (AEMO) presented on AEMO's Allowable Revenue 4 submission and its impacts on the WA gas market.

Andrew Van De Werve noted that this is AEMO's first submission since taking on the functions of the Wholesale Electricity Market (WEM) and the Gas Services Information (GSI) in WA. It was highlighted that AEMO's aim is to focus on making expenditure efficient and sustainable as well as focusing on a reduction in market fees.

No questions were raised. AEMO to circulate the presentation on the Allowable Revenue 4 submission to the WAG-CF (action item 3.1)

4. Gas Statement of Opportunities Update

Neetika Kapani and Joachim Tan (AEMO) provide an update on the progress of the 2016 Gas Statement of Opportunities (GSOO).

It was noted that the key messages have been updated where possible based on the feedback from the previous WAG-CF (16 August). The GSOO will be finalised late November and Board approval sought early December.

Specific scenarios around the emissions targets have not been considered in the 2016 GSOO due to no conclusive announcements made by the WA government to date however, this will be considered in next years GSOO. It was highlighted that the gas demand scenario's considered are formed from low and high base scenarios, noting that the high base scenario includes an allowance for prospective projects.

It was advised that the graphs provided in the GSOO were shown in PJs to align with the format of the national GSOO. Stakeholders requested that the graphs be converted back to TJs per day for the WA gas market. AEMO agreed to revise (action item 4.1).

It was noted over the longer term the GSOO should consider the implications of a decline in current exploration and the location of gas reserves.

It was asked if the graph on the total gas demand included both LNG and domestic gas. It was advised that this was the case. Stakeholders asked if a separation could be shown on LNG and domestic gas. It was advised that domestic gas is about 1/10th of the total WA gas market, therefore the influence of LNG is fairly large. AEMO to include a graph on total gas demand separating LNG and domestic gas (action item 4.2).

It was asked if Pluto had been included in the potential gas supply assumptions. Pluto is not included as part of the assumptions as it will only start reserving gas for the domestic market in May 2017, and AEMO is unclear to the availability, timing and quantity of gas to the domestic gas market.

5. Gas Bulletin Board (GBB) Reference Group

Stakeholder comment was sought on AEMO establishing a GBB reference group.

Stakeholders discussed that more information was needed around the interaction between the rule change process governed by the Independent Market Operator and AEMO's WAG-CF. It was advised the WAG-CF is an open forum for all stakeholders and does not make decisions regarding rules. Stakeholders agreed GBB issues should be through the WAG-CF and a separate Reference Group was not required.

6. Stakeholder Engagement Action Plan update

Cameron Parrotte provided stakeholders with a progress update on the items included in the Stakeholder Engagement Action Plan. The WAG-CF noted the progress on the action items.

7. Other business

Cameron Parrotte announced that the gas retail market operations functions in WA has been transferred to AEMO. There are no changes to the services provided but any issues experienced are to be escalated through AEMO's support hub.

Stakeholders were advised that AEMO is also now responsible for the system management functions in the Southwest Interconnected System (SWIS)

8. Future agenda items

No items were suggested.

9. Next meeting

Cameron Parrotte thanked stakeholders for their attendance and advised that there will be a GSOO briefing on 12 December and the next WAG-CF meeting is scheduled for 31 January 2017.

The meeting was closed at 2:20 pm.

Action items raised at meeting - WA Gas Stakeholder Consultation Forum

Item	Topic	Action required	Responsible	By
1.1	Previous meeting minutes	AEMO to publish minutes from the previous meeting as final on the website.	AEMO	November
2.1	AEMC Review	AEMO to circulate link to the report and draft rule to stakeholders.	AEMO	November
3.1	Allowable Revenue 4 submission	AEMO to circulate the presentation on the Allowable Revenue 4 submission.	AEMO	November
4.1	Gas Statement of Opportunities Update	AEMO to convert all graphs in the GSOO to be shown in TJs per day.	AEMO	November
4.2	Gas Statement of Opportunities Update	AEMO to include a graph on total gas demand separating LNG and domestic gas	AEMO	November