

Gas Advisory Board

Agenda

Meeting No.	6
Location:	IMO Board Room Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date:	Thursday, 15 December 2012
Time:	2:30PM to 4:30PM

Item	Subject	Responsible	Time
1.	WELCOME	Chair	5 min
2.	MEETING APOLOGIES / ATTENDANCE	Chair	
3.	MINUTES OF PREVIOUS MEETING	Chair	5 min
4.	ACTIONS ARISING	Chair	
5.	GAS INFORMATION SERVICES PROJECT UPDATE	IMO	5 min
6.	GBB SYSTEM AVAILABILITY	IMO	20 min
7.	PROPOSED EMERGENCY INFORMATION REQUIREMENTS – DISCUSSION	IMO	30 min
8.	GIS RULES – ISSUES FOR DISCUSSION a) Nomination and re-nomination process b) Categories of Large User c) Duplicate information	IMO	20 min
9.	CONSULTATION DRAFT GIS RULES AND DESIGN – DISCUSSION No Paper – general discussion	IMO	20 min
10.	GENERAL BUSINESS		
11.	NEXT MEETING: Tuesday, 11 December 2012		

Independent Market Operator Gas Advisory Board

Minutes

Meeting No.	6
Location:	IMO Board Room
Date:	9 October 2012
Time:	1:00 PM – 2:45 PM

Attendees	Class	Comment
Allan Dawson	Chair	
Ben Coetzer	Producer	
Pete Ryan	Producer	
Stephen Livens	Pipeline	
Gordon Rule	Major User	
Jacinda Papps	Major User	Proxy for Mike Shaw
Suzanne Frame	Independent Market Operator (IMO)	
David Murphy	Small End Users (Public Utilities Office (PUO))	
Geoff Gaston	Shipper	
Paul Hynch	Observer, PUO	
Apologies	Class	Comment
Mike Shaw	Major User	Proxy sent
Wana Yang	Observer, Economic Regulation Authority (ERA)	
Nenad Ninkov	Shipper	
Also attended	From	Comment
Kate Ryan	IMO	Presenter
Natalia Kostecki	PUO	Observer
John Jamieson	APA Group	Observer
Jessica Shaw	Dampier Bunbury Pipeline (DBP)	Observer
Piero Cabrera	Apache	Observer
Jenny Laidlaw	IMO	Observer
Joachim Tan	IMO	Observer
Rebecca Denton	IMO	Minute-taker

Item	Subject	Action
1.	<p>WELCOME</p> <p>The Chair opened the meeting at 1:00 PM and welcomed members to the sixth Gas Advisory Board (GAB) meeting.</p>	
2.	<p>APOLOGIES</p> <p>Wana Yang (ERA) and Nenad Ninkov sent their apologies.</p> <p>Jacinda Papps attended the meeting as a proxy for Mike Shaw (Major User).</p> <p>The Chair advised the GAB that Steve Lewis has resigned from the GAB, and that the IMO would be proceeding with finding a replacement shortly.</p>	

Item	Subject	Action
3	<p>MINUTES OF PREVIOUS MEETINGS</p> <p>The Chair asked the GAB for any comments on the previous meetings minutes. There were no comments or disagreements raised and the minutes were accepted.</p>	
4	<p>ACTIONS ARISING</p> <p>Ms Ryan provided an update on the outstanding action points from the previous GAB meetings:</p> <p>The gap analysis between the Gas Bulletin Board (GBB) and National Gas Bulletin Board (NBB) has been deferred until the IMO has developed a detailed design for the GBB.</p> <p>The evaluation of the life cycle costs of the Gas Bulletin Board (GBB) is currently underway, and the IMO expects to be able to share details of this with the GAB in November.</p> <p>During drafting of the Gas Information Services (GIS) Rules the IMO will, if possible, note in the draft GIS Rules the source of certain provisions (e.g. Wholesale Electricity Market Rules or National Gas Law), where applicable.</p> <p>As proposed in the previous meeting, the IMO will investigate whether outage information for electricity generators is publicly available and whether it could be used to reflect large user outages in the GBB.</p>	
5	<p>GAS INFORMATION SERVICES PROJECT – UPDATE</p> <p>Ms Ryan provided a brief update on the Gas Information Services Project (GISP):</p> <p>The consultation period for the GBB and GSOO design document from Market Design has concluded, and Market Reform has submitted their final design document, which was released on the IMO website on 8 October 2012. This document will inform the IMO in their design of the GBB and GSOO and the first draft of the GIS Rules.</p> <p>There will be two rounds of industry consultation in the drafting GIS Rules, the first of which is planned for late October. This consultation period will be open for 4 weeks, followed by a second round of consultation before the Christmas period. The timelines for the rules development are constrained but the Christmas break period, followed shortly after by the 2013 State Election period.</p> <p>Throughout consultation on the draft GIS design, a number of industry stakeholders requested a cost-benefit analysis be carried out and the IMO requested the view of the GAB on undertaking such a study. The GAB discussed their views on having a cost-benefit analysis carried out. It was generally agreed that whilst there was support for the GIS as a whole, a cost-benefit analysis should be carried out on the types of information required to be submitted by participants, particularly information which is additional to that required by the Emergency Management Facility (EMF). Ms. Ryan added that the draft design of the EMF was due to be finalised shortly for consultation, and a cost-benefit study could be carried out after</p>	

Item	Subject	Action
	<p>this. The study was likely to be carried out in parallel with the next round of consultation on the GIS design and draft GIS Rules to enable any findings to be incorporated in later drafts of the Rules. The IMO indicated the likely total cost of the cost-benefit analysis would likely be in the range of \$60,000 to \$100,000. The GAB agreed that a cost-benefit study be carried out at that point. It was requested that the organisation appointed to carry out the cost benefit study be a neutral party, without a vested interest in the outcome of the study or GIS design, which was agreed by the IMO.</p> <p>The scoping work for the development and build of the GBB system has just concluded and the build is due to commence in the coming week. Scoping work was accompanied by a visit from a member of the AEMO IT team in order to give a breakdown of the AEMO NBB system.</p> <p>Mr. Ryan questioned the finality of the GIS design, given that Market Reform had submitted their final design report. Ms. Ryan clarified that whilst Market Reform’s advice to the IMO on the GIS design was final, the design of the GIS would not be finalised until there is a final set of GIS Rules approved. Two further rounds of public consultation will be undertaken on the draft design and draft GIS Rules before they will be finalised for approval.</p> <p><i>Action Item: The IMO to commission a cost-benefit study on the information requirements from GIS participants, focusing on information which is additional to that required for the EMF.</i></p>	<p>IMO</p>
<p>6</p>	<p>GAS INFORMATION SERVICES RULES – DRAFT GOVERNANCE RULES</p> <p>Ms. Ryan walked the GAB through the initial draft GIS governance rules. Ms. Ryan pointed out that the governance rules and the Gas Services Information (GSI) Regulations were closely linked and the governance rules had been drafted early to ensure that these did not contradict each other. The Chair added that the drafted governance rules had been prepared to enable them to be shared with the Parliamentary Council and the PUO to assist with the drafting of the GSI Regulations.</p> <p>Ms. Papps noted that there was no requirement in the draft for the IMO to conduct consultation in good faith, as there was in the Wholesale Electricity market (WEM) Rules. Ms. Ryan acknowledged that this was the case and explained that that the IMO was required to conduct all of their business in good faith. The specific provision in the WEM Rules does not add to this existing obligation.</p> <p>Ms. Ryan clarified that the EMF was not specifically mentioned in the governance Rules because it was a part of the GBB and that the current drafting allowed for both the GAB and the IMO to set up working groups, reflecting a combination of the current arrangements in the Wholesale Electricity Market (WEM) and the National Gas Rules.</p> <p>Mr. Murphy questioned whether the Minister had been given the right to administer policy direction with respect to the development of the GIS only in its implementation, or ongoing. The Chair clarified that this was the same as the governance of the Wholesale Electricity Market Rules, which meant the Minister administered policy direction for the development of the WEM, both in the initial development, and the ongoing development or evolution.</p> <p>The Chair clarified that compliance monitoring by the IMO in the WEM focused on education and cooperation with market participants, as opposed</p>	

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	<p>to policing the market and issuing civil penalties. He added that a similar approach would be used for monitoring GIS compliance. Ms. Ryan added that the IMO will have an annual audit of their internal processes to ensure that they are compliant with the GIS Rules, and the results of this audit will be made public.</p> <p>Ms. Ryan highlighted that matters relating to approval of the IMO budget had not been included in the draft of the governance rules because it was linked to the fee regime and other design considerations that are still under development. Ms. Ryan noted that the proposed arrangements for approval of the IMO's budget for the GIS have not changed – the ERA will review GIS allowable revenue every three years and annual budgets will be subject to further approval by the Minister for Energy, which is the practice for the IMO's Wholesale Electricity Market allowable revenue and budget.</p>	
<p>7</p>	<p>GIS DESIGN DRAFT – DISCUSSION</p> <p>Ms. Ryan outlined a number of outstanding issues related to the GIS design and sought GAB input on how they may be resolved:</p> <p>a) Large Users – the definition of large gas users.</p> <p>The GAB discussed several different methods of defining which facilities exceeded the proposed 10TJ/day threshold for large gas users. Maximum contracted amounts, annual averages, maximum plant capability and annual peak usage were all suggested as determinations of gas usage. The Chair suggested that a combination of these could be used to define a large user.</p> <p>The issue of confidentiality in publishing the usage of large users was raised, and whether the gas usage of a facility was actually commercially sensitive. It was noted that it may be for very large gas users who may be in competition with each other for gas supply contracts. It was also noted that there was already a large amount of data publicly available on gas/energy usage.</p> <p>Mr. Rule questioned whether 10TJ/day was an appropriate threshold for large gas users. It was questioned what proportion of the total gas usage was captured in large users. Ms. Ryan stated that the IMO would investigate this further to determine if 10TJ/day is an appropriate threshold in order to illustrate gas usage across the state.</p> <p><i>Action Item: The IMO to investigate what portion of gas usage is captured across the state by large users, and to assess whether this threshold is appropriate.</i></p> <p>b) Gathering and Publishing Gas Usage Data – Forecast and ex-post usage data and maintenance schedules.</p> <p>Ms. Ryan pointed out that the gathering and publishing of forecast usage, and maintenance information for large users had been raised in consultation on the Market Reform report. The GAB was asked to discuss whether this was useful for the market.</p> <p>Mr. Rule commented that the requirement to provide a large quantity of data was potentially onerous on the large user. The Chair replied that</p>	<p>IMO</p>

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	<p>this would be captured in the cost-benefit analysis.</p> <p>GAB members also noted concerns with the accuracy and benefit of providing a 7 day-ahead forecast. It was suggested that a 2-3 day ahead outlook was more useful and likely to be more accurate.</p> <p>However, in general the discussion did not indicate that market participants would find it particularly useful to be able to see forecast or maintenance information from large users at this point.</p> <p>c) Pipeline Segments – definition</p> <p>Ms. Ryan circulated a working draft of the proposed zones for the GBB to provide GAB members with an indication of how many pipeline segments would need to be reported on.</p> <p>The issue of reporting of maintenance and pipeline capacity reduction was discussed by the GAB. The Chair mentioned that the Market Reform report was revised in this regard, with the final report recommending a transitional arrangement enabling pipelines to submit their maintenance notices to the IMO in the same format as they currently inform their shippers, in order to reduce data provision burden on their business.</p> <p>The Chair and Ms. Ryan explained that purpose of defining and requiring pipelines operators to report on the capacity of pipeline segments is to show any changes in the capacity or ‘health’ of a pipeline between zones. Ms. Ryan requested feedback from the GAB on how information about a pipeline should be illustrated on the GBB to show potential constraints. She noted that some pipelines may be contained in one region, but other longer pipelines may cross a number of regions. It was generally agreed by the GAB that the definition of a pipeline segment should be consistent across all pipelines.</p> <p>The GAB discussed the usefulness of collecting and publishing linepack adequacy and available capacity. It was pointed out that linepack is sometimes a commercial decision as opposed to an operational or maintenance constraints. It was proposed that the capacity adequacy flags for the pipeline would be nominated by the pipeline owners based on their own assessment of their pipeline capabilities.</p> <p>The Chair thanked the GAB members for their input and insight into the GBB design issues.</p>	
8	<p>GENERAL BUSINESS</p> <p>No further issues were raised.</p>	
9	<p>NEXT MEETING</p> <p>Tuesday, 8 November 2012.</p>	
<p>CLOSED</p> <p>The Chair declared the meeting closed at 2:45 PM</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
3	2011	The IMO to conduct a gap analysis to analyse the requirements of the GBB against what the NBB can deliver.	IMO	December	Deferred pending detailed design of WA GBB.
9	2012	IMO to evaluate the lifecycle costs of the GBB system (when funding is available to do so).	IMO	March	Underway. Expected to be available for stakeholder information in November 2012.
16	2012	The IMO to consider whether it can identify the source of provisions in the draft GIS Rules.	IMO	August	Completed – included in first consultation draft of GIS Rules.
18	2012	The IMO to investigate whether outage information for electricity generators is publicly available and whether it could be used to reflect large user outages in the GBB.	IMO	September	Underway – relates to work underway for the WEM.

#	Year	Action	Responsibility	Meeting arising	Status / progress
19	2012	IMO to commission a cost-benefit analysis on the GIS information provision and publication requirements additional to the emergency management facility.	IMO	October	Underway – to be completed in late November 2012.
20	2012	IMO to investigate the proportion of total gas usage by Large Users based on 10TJ threshold.	IMO	October	Completed – estimated at least 80%. No change to threshold proposed at this stage.

Agenda Item 5: GISP Update

1. GAS SERVICES INFORMATION REGULATIONS

Drafting of the Gas Services Information Amendment Regulations 2012 (“tranche 2”), is underway. The Public Utilities Office is working towards the finalisation of these Regulations by the end of 2012, to enable the initial Gas Information Services (GIS) Rules to be made by the Minister for Energy by early February 2012.

2. DRAFT GIS DESIGN AND RULES

Consultation is underway on the first consultation draft of the Gas Information Services (GIS) Rules and Proposed GIS Design. A stakeholder workshop was held on 30 October 2012 and written submissions can be made up to 19 November 2012.

The IMO proposes to release the second (final) consultation draft of the GIS Rules on 3 December 2012. A stakeholder workshop is tentatively scheduled for the afternoon of 6 December with written submissions due by 21 December 2012. Because of the interrelationship between the Regulations and the Rules, this may be contingent on the development of the Regulations.

3. COST-BENEFIT ANALYSIS

The IMO has engaged the Sapare Research Group to undertake a cost-benefit analysis of the GIS Design, based on the version of the design released for consultation on 22 October with the first draft GIS Rules.

Sapare’s final advice will be published in late November / early December 2012 and Kieran Murray from Sapare will attend the 6 December stakeholder workshop to present the findings.

4. GBB SYSTEM

Development of the GBB system is now well underway. The following table summarises the four key milestones in the development project:

	Est. Timing	Features	Deliverables
1	07-Dec-12	Registration, Upload / Report / Processing Frameworks / User Interface Design and Layouts	Participant Interface Document
2	21-Dec-12	Mapping / Document Management	
3	8-Mar-13	Features completed, including Emergency Management Facility / Application Support / Operational Reporting / Security Audit	GBB Operational Procedures complete
4	22-Apr-13	User Acceptance Testing / External Audit / Participant Trial / Deployment	Available for Go Live

5. RECOMMENDATIONS

It is recommended that the GAB:

a) Note the update on the GISP.

Agenda Item 6: GBB System Availability

The IMO develops, maintains and monitors its systems to ensure they are operational at all times when required. However, there always remains a risk that the GBB system will be unavailable from time to time due to issues or incidents affecting either the GBB system software or the infrastructure which supports it.

1. PROPOSED DISASTER RECOVERY TIMEFRAMES

The IMO is proposing that it put in place arrangements and processes to facilitate recovery of the GBB system within a target timeframe of 4 hours of becoming aware of an incident.

This is the same target the IMO applies in the case of a “priority 2” incident affecting its Wholesale Electricity Market system, which is an incident where an important function of the systems is not working correctly, a work around is possible but is difficult and/or time consuming and it is not a priority 1 incident¹.

The proposed target timeframe reflects:

- The IMO will always try to resolve an issue as quickly as possible;
- That the GBB is an information service and not a market system with financial implications for participants;
- The IMO intends to clarify in the draft GIS Rules that a participant will not be considered to be in breach of the Rules if it is unable to provide information for the GBB as a result of the unavailability of the IMO’s system;
- The IMO’s normal operational and IT support arrangements will provide essentially “business hours” support (including some coverage during the day on weekends and public holidays) for the GBB system. The IMO also maintains after hours support via a message service which will refer any issues to the relevant on call IMO staff member for resolution or escalation as appropriate;
- Shorter target timeframes will come at additional implementation and ongoing support costs. For example:
 - To ensure the GBB database can be up and running almost immediately once an issue is identified, and no data is lost, the IMO would face an upfront cost of around \$200,000 for additional licenses and ongoing licensing costs;
 - To provide faster recovery following an infrastructure issue affecting the GBB system, the IMO may need to increase the levels of support

¹ A priority 1 incident is one where:

- A WEMS issue is affecting a participant’s ability to conduct market activities in the normal manner; and/or
- Multiple participants are affected; and/or
- Multiple Operations team members are affected; and/or
- Main market operation is affected by any means; and/or
- A Market Delay, STEM Suspension or Rule Breach may result; and/or
- The issue may be a security breach.



for the system (additional IMO staff and/or contractor costs on an ongoing basis) and possibly hire of additional space at offsite data centres for backup servers – which together could run to multiple \$100,000 per year.

2. EMERGENCY MANAGEMENT FACILITY

As the EMF will be a part of the GBB system, it is not possible to have different availability and recovery arrangements for the EMF. Also, as the EMF is not expected to be activated frequently, and the likelihood a failure of the system or associated infrastructure at the same time is very low, the cost of putting in place additional supports is not likely to be justified.

However, if the EMF is activated in response to a gas supply emergency, the IMO as a matter of course be monitoring the system more closely than otherwise, which should assist with the identification and resolution of any GBB system issues that may arise during an emergency.

3. RECOMMENDATION

It is recommended that:

a) the GAB **discuss** the appropriate level of system availability for the GBB.

Agenda Item 7: Emergency Information

The Draft GIS Rules and Proposed Design released on 22 October 2012 set out a proposed design for the inclusion of emergency information on the GBB. The part of the GBB on which this information would be published is generally referred to as the Emergency Management Facility (EMF).

1. PROPOSED EMF REQUIREMENTS

Requirements for the EMF fall broadly within three areas:

- Activation;
- Access; and
- Information requirements.

Each of these, as well as the *Westplan – Gas Supply Disruption* framework which the EMF is being developed to support, are outlined below.

The policy and requirements for the EMF are being driven by the Public Utilities Office (PUO) to support the role of the Coordinator of Energy as the designated “Hazard Management Agency” (HMA) for the purposes of managing a gas supply emergency. However, the IMO would appreciate any feedback from the GAB on the workability of the proposed emergency information requirements.

The PUO sought the input of the Gas Emergency Planning Committee (GEPC) into the requirements of the EMF. The proposed EMF requirements released by the IMO on 22 October reflect the requirements communicated to the IMO by the PUO, modified to reflect the details of the GBB which have been more fully developed in parallel.

The proposed emergency information requirements set out below incorporate some minor modifications to those released on 22 October 2012, reflecting further discussions between the IMO and PUO and a more detailed consideration of how the EMF fits within the broader legislative and regulatory framework for the GBB.

2. WESTPLAN – GAS SUPPLY DISRUPTION FRAMEWORK

Emergency management in Western Australia is managed under the *Emergency Management Act 2005* and *Emergency Management Regulations 2006*.

The Emergency Management Regulations:

- prescribe an energy supply disruption (gas, liquid fuels and electricity) as a hazard;
- specify that the Coordinator of Energy is the HMA in relation to a gas supply disruption; and
- prescribe that the HMA responsible for developing, maintaining and implementing the relevant Westplan.



The Minister for Emergency Services has overall responsibility, and operates through the State Emergency Management Committee (SEMC). The *Westplan - Gas Supply Disruption* was approved by the SEMC in June 2011.

A “traffic light” warning system is included in the Westplan to provide a common understanding of the severity of a gas supply disruption incident:

- Green – Normal operating state
- Amber – Limited demand curtailment
- Red – Widespread demand curtailment – threat to energy infrastructure and the provision of essential services.

The HMA is supported by the following two groups, which are both chaired by the Coordinator of Energy:

- The GEPC, which is an advisory body comprised of key industry and government stakeholders that assists with the operational planning of the management of gas supply disruptions.
- The Operations Management Group (OMG), which comprises of government, industry and other stakeholders, is the group responsible for coordinating the response to gas supply disruption incidents –the operational arm of the HMA.

3. ACTIVATION

It is proposed that the GIS Rules will provide that:

- the EMF will be activated and deactivated where the HMA advises the IMO to activate or deactivate the facility; and
- the GBB must indicate when the EMF has been ‘activated’ (although the EMF itself is not publicly accessible) – it is proposed that this be by way of a notice published to a notice board on the GBB.

The instruction to activate will occur when the HMA has determined that an incident is to be declared Amber or higher, and the instruction to deactivate will occur when the HMA has determined that the incident is no longer declared Amber or higher. Activation of the EMF for the purposes of testing or post-incident evaluation will also be enabled.

Communications protocols for activation and deactivation will need to be developed between the IMO and Coordinator of Energy and are likely to be included in the *Westplan - Gas Supply Disruption*.

4. ACCESS

Access to view the information published on the EMF will be restricted to persons authorised, and to the extent authorised, by the HMA.



It is proposed that the GIS Rules will provide that only authorised persons will have access to the EMF and that:

- the IMO will provide access to the EMF to parties identified by the HMA; and
- as soon as practicable following the activation of the EMF the IMO must, via email, advise all authorised EMF Users that the EMF has been activated.

Communication protocols for advising which persons are to have access and the scope of that access will also be developed between the IMO and Coordinator of Energy for inclusion in the *Westplan - Gas Supply Disruption*.

5. INFORMATION REQUIREMENTS

All information published on the GBB will also be available on the EMF. In addition, information may be collected specifically for the EMF and be made available, once the EMF has been activated, to those persons authorised to access information published on the EMF.

Emergency information requirements may fall within three categories:

- Standing data only published on the EMF;
- Daily (or more frequent) information requirements which are triggered by the activation of the EMF; and
- Other 'ad hoc' information that may be specifically requested in a particular emergency.

Standing data

It is proposed that the Rules will require that registered pipeline or facility operators, as applicable, provide the following information for the EMF:

- Nameplate capacity (injection, withdrawal and storage) of any storage facility used solely as part of a gas production facility;
- Maximum hourly production capacity of a production facility, and the maximum number hours (or part thereof) the facility can operate at this level;
- Maximum hourly inlet and outlet flows (capacity) of a gas storage facility and the maximum number of hours (or part thereof) the facility can operate at these levels;
- Maximum daily capacity of a pipeline (or pipeline segment) and the number of days (or part thereof) it can operate at this level.

This information must be provided initially upon registration of the facility and be updated if any of the information changes by 10% or more and both:

- by 31 March each year, or
- if the EMF is activate, as soon as practicable following any change.

The IMO must publish this information on the EMF.

Daily data provision once EMF active

Although not included in the consultation documents released on 22 October 2012, it has been proposed by the PUO that actual production, flow and usage information be provided more frequently once the EMF has been activated.

Specifically, it is proposed that actual production, flow and usage data (based on operational metering) should be provided regularly (e.g. hourly, every four hours or some other period) during the gas day with only a minimal time lag (e.g. closer to real-time). The obligation to provide this information would be triggered by the activation of the EMF.

Other 'ad hoc' information

When the HMA advises the IMO to activate the EMF, the requirements to provide additional data will take effect.

It is proposed that the GIS Rules will provide that when the HMA instructs the IMO to activate the EMF, the HMA will advise the IMO what (if any) additional information is required from gas market participants. The IMO must request additional information if instructed to do so by the EMF and a gas market participant (note, this may include participants that are not registered for the purposes of the GBB) that is requested to provide the information, must do so in the manner, form and time notified by the IMO.

While it is not intended that the Rules set out an exclusive list of information that can be requested, this information may include things like:

- planned maintenance at a pipeline or facility for a specified period (e.g. three months), including the expected reduction in capacity (in both volume and percentage) as a result of the maintenance;
- production and usage forecasts for a period (e.g. up to one month);
- the volume of gas in storage;
- from pipeline operators, the volume and details of any interruptible supply at each delivery point;
- current status of flow through a distribution system (traffic light, as per the linepack capacity indicator for pipelines on the GBB);
- for pipeline operators, the peak day gas demand (nomination) forecasts for the coming period (e.g. a month), by delivery point and/or zone;
- for dual fuel user facilities, the estimated profile of alternative fuel capacity – quantity and how long the alternative fuel is expected to last, and the user's ability to switch to alternative fuels (including lead in time);
- operators of facilities producing alternative fuel for user facilities to provide information on availability of alternative fuels (e.g. existing diesel stocks and maximum average daily production capability over the next month).

The key restrictions on what information can be requested in these circumstances will be that it:



- is requested from a gas market participant (as defined by the Gas Services Information Act and Regulations); and
- relates to the primary purpose and objectives of the GBB.

The IMO may request updates of any of this information at the request of the HMA (e.g. if the HMA believes the emergency may continue longer than one month, updates of any monthly information may be requested).

6. RECOMMENDATION

It is recommended that:

a) the GAB **discuss** the proposed emergency information requirements.

Agenda Item 8: GIS Rules – Issues for discussion

The IMO welcomes GAB members' feedback and advice on the following issues relating to the development of the GIS Rules.

1. NOMINATION AND RENOMINATION PROCESSES

Under the Draft GIS Rules, pipeline and storage facility operators are required to provide nomination and forecast information. This information needs to be provided by 5pm the day before the first gas day in the forecast horizon and also needs to be updated more frequently if the information changes.

Rather than requiring updates when this information changes by more than a specified threshold, it would be logical to link the intraday updates to the process for renomination or update by shippers during the day.

To assess whether this is possible and, if it is, to amend the draft Rules accordingly, the IMO would appreciate GAB members' feedback on the following:

- What is the current process for nomination and renomination by shippers;
- Is this the same for different pipelines and if not, what are the differences; and
- Is the process similar for nominations to and from a storage facility?

2. CATEGORIES OF LARGE USER

In order to collect and publish information about the main uses of gas, it is proposed that large user facility operators be required to nominate, from a list, the predominant use of gas at the facility. The GBB will then publish the aggregate use within a zone based on these categories (and others that are not derived from the large user facility information, namely distribution-connected consumption).

The following categories of large user facility consumption are proposed:

- Electricity generation for mining;
- Electricity generation non-mining;
- Mining;
- Refining; and
- Other.

The IMO welcomes GAB feedback on whether these categories are appropriate in the context of the WA natural gas market.

3. DUPLICATE INFORMATION – ACTUAL DATA

Market Reform, in its advice to the IMO on the design of the GIS, recommended that the Rules set out a process where the IMO may exempt an operator of a specific facility from providing actual flow data where the IMO determines it can collect the information from another source.

This could apply in the following cases:

- Where a production facility supplies gas into a GBB pipeline at a unique receipt point;
- Where one GBB pipeline intersects with another GBB pipeline;
- Where gas is injected into or withdrawn from a storage facility at delivery or receipt points from a GBB pipeline; and
- Where a large user facility is the only customer supplied at a delivery point.

The advantages of adopting such an approach include:

- More efficient (lower cost) information collection; and
- Lower risk of different data being provided by different parties where the information should be the same (and the IMO then needing to determine which information to use).

However, this also gives rise to a number of issues, including:

- Which party should receive any such exemption?
 - Is there any reason to treat different facilities differently?
 - Is it appropriate to treat the pipeline operator as the “default” provider of information on the basis that it will always be required to provide some other actual data where as other facility operators may have no other obligations?
 - Alternatively, should an exemption be granted to the party that applies for it?
- Should such exemptions be granted on a case by case basis, or do they need to be generally provided for in the Rules (e.g. if a facility meets certain conditions it is exempt from providing specified information without having to apply)?
- How likely is it that the circumstances of the facilities connected at a delivery or receipt point change? Exemptions could only apply where only one facility is connected at the relevant point and if an initially exempt facility operator subsequently needed to provide the information, would the overall implementation costs be higher?
- Are there advantages in receiving the information from multiple sources, such as to assist in identifying possible errors?

The IMO seeks GAB members’ feedback on these issues and how such a regime could work in practice.

4. RECOMMENDATION

It is recommended that:

*a) the GAB **discuss** these issues and provide advice to the IMO to assist with the drafting of the GIS Rules.*