

Minutes

Meeting Title:	Gas Advisory Board (GAB)
Date:	17 September 2020
Time:	1:00 PM – 2:00 PM
Location:	Virtual – Microsoft Teams

Attendees	Class	Comment
Stephen Eliot	Chair	
Martin Maticka	AEMO	
Matthew Martin	Small-Use Consumer Representative	Minister's Appointee
Kate Ryan	Energy Policy WA (EPWA)	
Sam Clark	Gas Producers	Proxy for Ms Willis
Hamish Wagner	Pipeline Owners and Operators	Proxy for Mr Jamieson
Michael Lauer	Gas Shippers	
Debra Rizzi	Gas Shippers	Proxy for Ms Sydney-Smith
Jana O'Kane	Gas Users	
Chris Campbell	Gas Users	
Lipakshi Dhar	Economic Regulation Authority (ERA)	Observer

Apologies	Class	Comment
Alexandra Willis	Gas Producers	Proxy attended
Kathryn Sydney-Smith	Gas Shippers	Proxy attended
Rachael Smith	Pipeline Owners and Operators	
John Jamieson	Pipeline Owners and Operators	Proxy attended

Also in attendance	From	Comment
Peter Ryan	Strike Energy	Observer
Adnan Hayat	RCP Support	Minutes
Laura Koziol	RCP Support	Observer
Vijeshni Ashna Nand	RCP Support	Observer

Item	Subject	Action
1	<p>Welcome</p> <p>The Chair opened the meeting at 1:00 PM and welcomed members and observers to the 17 September 2020 GAB meeting.</p> <p>The Chair advised that the Rule Change Panel (Panel) has completed the 2020 GAB composition review, and has:</p> <ul style="list-style-type: none"> • re-appointed Mr Mike Lauer as a Gas Shipper representative; • re-appointed Ms Rachel Smith as a Pipeline Owner and Operator representative; and • appointed Ms Jana O’Kane as a Gas User representative. <p>The Chair also advised that the Panel has received a nomination for the vacant Gas Producer representative position on the GAB and is currently considering this nomination.</p>	
2	<p>Meeting Apologies/Attendance</p> <p>The Chair noted proxies and observers, as listed above.</p>	
3	<p>Review of Minutes from previous meeting</p> <p>The GAB accepted the tabled minutes of the GAB meeting on 12 March 2020 as a true and accurate record of the meeting.</p>	
4	<p>Actions Arising</p> <p>The Chair noted that the following two items were closed:</p> <ul style="list-style-type: none"> • Item 93 – Woodside to provide feedback on the feasibility and cost of providing a monthly report on its trucked Liquefied Natural Gas (LNG) volumes for the Gas Bulletin Board (GBB). • Item 94 – RCP Support to circulate Woodside’s feedback to the GAB via email. <p><u>LNG Trucking Issue:</u></p> <p>The GAB noted that Action Items 93-95 dealt with the issue publishing trucked LNG volumes on the GBB and further discussed this issue as follows:</p> <ul style="list-style-type: none"> • The Chair briefed the GAB on the issue and the actions undertaken to date: <ul style="list-style-type: none"> ○ The GAB noted that including trucked LNG volumes on the GBB fit the policy intent for the GBB. ○ AEMO’s cost estimate to provide daily trucked LNG volume data on the GBB was \$65,000, but Woodside questioned the value and practicality of providing information on daily basis. 	

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	<ul style="list-style-type: none"> ○ Based on this, the GAB considered the possibility of monthly reporting of trucked LNG volume on GBB and AEMO indicated that monthly reporting can be implemented at minimal cost. ○ Woodside indicated that it can report trucked LNG volumes on a monthly basis but proposed that all truck volumes are reported on an aggregated basis. ● Mr Maticka considered that monthly reporting and aggregating the data and presenting it as a static number can be implemented under business as usual at minimal cost. Mr. Maticka agreed with Woodside that data should be reported in aggregated form to address issues around confidentiality. ● Mr Maticka suggested that the reporting aspects can be considered in detail during the rule development. The Chair agreed with this view. ● Ms. O’Kane asked how presenting aggregated data on the GBB will provide a clear indication of Woodside’s trucked LNG volumes and ensure that there is no double counting of other trucked LNG volumes. ● Mr. Sam Clark indicated that the current information available on the GBB does not segregate the trucked LNG volumes from other volumes, for example Wesfarmers’ trucked volumes. Mr Clark suggested that the rules should be applied equitably across all of the LNG producers so that the market participants are able to understand how much trucked LNG is used outside of the pipeline network. ● Mr Lauer pointed that there are two issues with aggregating trucked LNG volumes on the GBB. <ul style="list-style-type: none"> ○ Firstly, LNG trucked by Wesfarmers is already counted on the GBB, so if we aggregate these volumes with Woodside’s trucked LNG, there will be issue of double counting. There is no confidentiality gain by publishing two numbers as a single aggregate because, to keep the GBB useful, we would need to be able to see how much is coming from each site. ○ Secondly, the GBB is spatially oriented, with visibility of gas going into the Pilbara, Karratha and Southeast, etc., and we will lose this spatial orientation if the trucked LNG volumes are displayed in aggregate form. <p>Mr Lauer advised that, in his opinion, aggregating trucked LNG volume on the GBB is not a workable solution.</p>	

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	<ul style="list-style-type: none"> • In response to a question from the Chair, Mr Clark indicated that there are three companies that truck LNG: Woodside, Wesfarmers and EDL. • Ms O’Kane stated that the Wesfarmers and EDL volumes would be double counted if all trucked LNG volumes were aggregated on the GBB. • Mr Clark clarified that it is Woodside’s trucked LNG that is used in the state but does not enter in the pipelines and is not reported on the GBB. • The Chair questioned the benefit of reporting the data on the GBB if the questions around confidentiality can be addressed and considering the suggested low implementation costs. • Mr Ryan indicated that he agrees with Mr Lauer’s comments on aggregation and suggested that to address the issue of double counting we may use the analogy of virtual gas pipeline for trucked LNG. Mr Ryan also informed the GAB that another party, Clean Energy Fuels Australia (CEFA), is planning to start LNG trucking operations in the Midwest. • Mr Ryan further advised that he understands that the trucked LNG volume are currently around 15-25 TJ/day, which is not significant on a day-to-day basis. However, it will be useful to understand these volumes on a monthly or annual basis. Mr Ryan suggested that reporting trucked LNG volume is a good initiative in terms of informing the extent and breadth of gas penetration in WA. • The Chair questioned about the threshold for LNG trucking volume that should be reported. • Ms O’Kane indicated that Waitsia and Beharra Springs current production rates are analogous to the volumes from trucked LNG. • Mr Lauer agreed that data on trucked LNG volumes is necessary to complete the information on the market. Mr Lauer questioned the feasibility of aggregating LNG volumes of various regional markets and citing it as a single LNG volume and suggested that for this information to be useful, it should be cited in same market spaces. Regarding the question about threshold, Mr Lauer suggested that a threshold of 5-8 TJ/day may be appropriate, as 8 TJ/day is current threshold for a major user. Mr Lauer also suggested that trucked LNG volumes that are not currently being accounted for on the GBB may be taken out and reported as trucked LNG volumes. 	

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	<ul style="list-style-type: none"> • The Chair asked whether there is any reason that trucked LNG volume should not be reported on the GBB and no GAB members indicated any reasons. • Ms O’Kane noted that she is supportive of reporting trucked LNG on the GBB but is not supportive of aggregating the data as suggested by Woodside. • The Chair noted that there is general support from the GAB that trucked LNG volumes should be reported on the GBB, and we are looking for something like monthly rather than daily reporting. The remaining issues are around what data is to be reported and how to report it. The Chair suggested that RCP Support and AEMO work together to prepare a discussion paper for feedback from the GAB, and that a Rule Change Proposal can be developed if we get agreement. Mr Maticka agreed that AEMO can work with RCP Support on the options. • Ms O’Kane indicated that the solution proposed should also be economical and easy to implement. • Mr Lauer suggested that an option could be for LNG plants to report trucked LNG volumes to AEMO on a disaggregated basis in such a way that AEMO could manage and report the data to avoid double counting. The shortfall with this approach is that Woodside represents additional domestic production which is not being captured on the GBB. This maybe a low-cost option without trying to rebuild whole group of reporting volumes in the GBB. • Mr Clark indicated that Woodside had investigated and found monthly reporting to be feasible, but believe that the same reporting rules should apply to all LNG producers because the information regarding other trucked LNG volumes will also be useful to the market. Mr Clark indicated that he understands the double counting issue and that Woodside will consider the GAB’s feedback regarding reporting of trucked LNG data on an aggregated basis and will provide further views to the GAB. <p>Actions:</p> <ul style="list-style-type: none"> • Woodside to respond to the GAB on the GAB’s views regarding reporting trucked LNG data on the GBB on an aggregated basis. • RCP Support and AEMO to develop a discussion paper regarding reporting of trucked LNG volumes on the GBB. 	<p>Woodside (30/10/2020)</p> <p>RCP Support/ AEMO (30/10/2020)</p>

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	<p><u>Outage Reporting by Production Facilities:</u></p> <p>The GAB noted that Action Items 96 and 97 arose out discussions at the GAB meeting on 12 March 2020 regarding some linepack adequacy events. The GAB further discussed this issue as follows:</p> <ul style="list-style-type: none"> • The Chair summarised that AEMO presented some information online pack adequacy events which led to a discussion about whether some form of outage notification is required from production facilities. The GAB agreed that the issue is worth considering. Action Item 96 was for GAB members to provide some information to AEMO on what sort of information they would find useful and what they would use it for. • Mr Maticka indicated that AEMO received only one submission so AEMO has not progressed this issue any further. Mr Maticka indicated that if the GAB is still interested in pursuing this matter, then they should provide a response on Action Item 96 to AEMO as soon as possible. The GAB agreed that the matter is still of interest and GAB Members indicated that they would provide a response on this Action Item. 	
5	<p>Overview of Rule Change Proposals</p> <p>The Chair noted that there were no open Rule Change Proposals.</p>	
6	<p>RCP Support and Rule Change Panel KPIs for 2019/20</p> <p>The Chair advised that the Panel is required to annually develop and submit an Activities Report to the Minister for Energy by the end of August, and the Minister must table that report in Parliament within 21 business days. The Panel is not required by any legislation, regulations or rules to report on KPIs, but does so in the Activities Report as a matter of good practice. The Panel will publish the Activities Report on its website once it has been tabled, and RCP Support separately reports on the Panel's and RCP Support's KPIs to the GAB and the Market Advisory Committee.</p> <p>The GAB noted the RCP Support and Rule Change Panel KPIs Report for 2019/20 and had no further feedback for the Panel.</p>	
7	<p>Gas Advisory Board Review and Appointment Process</p> <p>The GAB noted discussion paper tabled for Agenda Item 7 regarding changes to the GAB review and appointment process, which was developed by RCP Support and Energy Policy WA (EPWA) following discussions at the GAB meeting on</p>	

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	<p>12 March 2020. The discussion paper proposed a way to implement the changes to the GAB review and appointment process that were previously discussed by the GAB.</p> <p>The GAB generally supported the discussion paper and the commencement of a process to amend the GSI Rules, GAB Constitution and GAB Appointment Guidelines to reflect the content of the discussion paper.</p> <p>RCP Support and EPWA agreed to discuss development and submission of a Rule Change Proposal.</p>	
	<p>Actions:</p> <ul style="list-style-type: none"> • RCP Support and EPWA to develop and submit a Rule Change Proposal to extend the timing of the GAB review and appointment process. 	<p>RCP Support/ EPWA 30/11/2020</p>
<p>8</p>	<p>GAB Meeting Schedule for 2021</p> <p>The GAB agreed to 25 March and 23 September meeting dates for the GAB for 2021. The Chair pointed out that additional meetings can be held if a Rule Change Proposal need to be discussed.</p>	
	<p>The Chair noted that next meeting is scheduled for 25 March 2021.</p>	

The meeting was closed at 1:42 PM.