

MINUTES – WA Gas Stakeholder Consultation Forum

MEETING: 1
 DATE: Tuesday, 12 April 2016
 TIME: 10:00 am to 12:00 pm
 LOCATION: AEMO WA Office; 197 St Georges Tce, Perth
 CONTACT: wa@aemo.com.au

ATTENDEES:

NAME	COMPANY
Cameron Parrotte	AEMO
Sandra McLaren (Chair)	AEMO
Courtney Roberts (Secretariat)	AEMO
Shanti Duger	Aditya Birla Minerals Ltd
John Rhodes	Alinta Energy
Adam Welch	APPEA
Michael Brooks	ATCO Australia
Shaun McLagan	Bluewaters Power
Robert Rintoul	Chevron Australia Pty Ltd
Trent Leach	DBP
Matt Brown	DOMGAS
Rajat Sarawat	Economic Regulation Authority
Elizabeth Walters	Economic Regulation Authority
Geoff Hobley	EDL LNG (WA) Pty Ltd
Don Bower	Energy Access Services
Maree Arnason	Energy Access Services (arrived 10:20am)
Neil Humphries	Fortescue Metals Group Ltg
Allan McDougall	Gas Trading
Vincent Blondeau	Kleenheat
Thomas Melsom	Melsom Energy Consulting
Rhys Shepherd	Murrin Murrin Operations Pty Ltd
Stewart Gallagher	North West Shelf Gas
John Nguyen	Perth Energy
Bryon McLaughlin	Public Utilities Office
Stephen Eliot	REMCo
Dave Rafferty	Santos
Alex Cokic	South32 Worsley Alumina Pty Ltd
Julie-Anne Simmons	South32 Worsley Alumina Pty Ltd
Jacinda Papps	Synergy
Adam Lees	Woodside Energy Ltd
Stephen Munday	Woodside Energy Ltd

1. Welcome

Sandra McLaren (Australian Energy Market Operator (AEMO)) opened the meeting at 10:05 am welcoming attendees to the first AEMO gas stakeholder consultation forum in WA.

2. Top issues in WA today

Sandra McLaren invited Cameron Parrotte (AEMO) to present an update on recent events in the industry.

Cameron Parrotte provided an update on recent changes in the industry and AEMO's role in the WA gas market going forward. Stakeholders were informed of the key milestones and split of functions between AEMO, the Independent Market Operator (IMO), Western Power and the Economic Regulation Authority (ERA) resulting from the Electricity Market Review (EMR), and the flow on effects for the WA gas market.

Cameron Parrotte noted that all the information in relation to the EMR is available on the Public Utilities Office (PUO) website.

The presentation along with AEMO contact details will be circulated after the forum. (Action item 2.1) Stakeholders with any questions or further comments are invited to contact Cameron Parrotte at Cameron.Parrotte@aemo.com.au.

3. Building a stakeholder engagement plan for WA

Sandra McLaren stated that the purpose of the forum was to invite stakeholders to give their views on how AEMO should engage with the WA gas industry in the future and highlighted that transparency is a key focus for AEMO moving forward.

Gas Statement of Opportunities (GSOO)

Matt Brown (DomGas Alliance) questioned how the WA GSOO will evolve and if it will follow the same structure of the National GSOO. Matt Brown noted that the Gas Advisory Board (GAB) has been providing input into the early stages of the GSOO and would like consultation to be more transparent to give other stakeholders an opportunity to provide feedback during these development stages.

Adam Welch (APPEA) suggested that each year a 'GSOO assumptions working group' be established and the working group be comprised of a broader range of stakeholders. Adam Welch noted that while stakeholders might not agree on the core assumptions of the GSOO, holding a forum in the early stages will promote transparency in the consultation process and enable any issues to be recognised and discussed. Adam Welch also noted that stakeholders would like to continue one-on-one meetings with AEMO as this provides different levels of input.

Adam Lees (Woodside Energy Ltd) offered to be the focal point to actively manage this consultation process from Woodside Energy Ltd and noted that face-to-face discussions with AEMO prior to commencing work on the GSOO would be extremely useful. Adam Lees further noted that the November 2015 GSOO contained some technical data that they felt was inaccurate. Having an opportunity to review and comment on an early version of the GSOO would prevent issues like this moving forward.

Allan McDougall (Gas Trading Australia) stated that the information presented in the GSOO has changed each year. Allan McDougall acknowledged that the GSOO will expand over time but highlighted the importance of building a baseline of information so that the structure of the GSOO remains consistent. This would also give stakeholders an opportunity to prepare for the coming year's GSOO and provide AEMO with information they could consider.

Stewart Gallagher (North West Shelf Gas) noted that identifying the relevant contacts when consulting with industry will make the process more efficient as there will be different contacts involved in the GAB versus the GSOO.

In general stakeholders acknowledged that the briefings held after the publication of the GSOO are useful and should be continued however, there is a definite need for increased engagement with stakeholders during the early stages and throughout the development of the report.

Allan McDougall suggested that AEMO advise stakeholders of the proposed content of the GSOO, which will then give interested parties an opportunity to actively engage with AEMO in the initial stages.

Robert Rintoul (Chevron Australia) queried whether extending the date of publication is possible and if this would result in better and more accurate assumptions as he believed the industry would prefer an accurate but delayed GSOO than an on time but inaccurate GSOO. Sandra McLaren advised Robert Rintoul that this would be investigated. (Action item 3.1)

Communication

Alex Cokic (South32 Worsley Alumina Pty Ltd) noted that a more personable service would be preferred when dealing with AEMO. Participants prefer knowing the key contact that is dealing with their query so they don't always have to go through a generic email address. Sandra McLaren advised stakeholders of a process currently being trialled on the east coast where 'Engagement Managers' act as a key point of contact for participants and assists with directing enquiries to the right areas of AEMO as well as conducting face-to-face meetings periodically.

Adam Welch noted that a generic email address is sufficient for after-hours queries however a more personal approach would be preferred on other occasions.

Allan McDougall commented that a lot of focus has been put on the electricity market in the past and that AEMO's proposed future stakeholder engagement activities would be critical to the gas industry.

The uncertainty around the role of the GAB in the future was raised and stakeholders noted the importance of continuing a forum similar to the GAB where issues can be raised and discussed (e.g. the need for a short term gas market in WA). Jacinda Papps (Synergy) added that the GAB Constitution states that the GAB has a role in advising AEMO on the rules and operations of the GBB, development of the GSOO and other aspects of the gas market. Potentially there is a need for different stakeholder groups for GSOO and GBB.

It was noted that some stakeholders felt the process around the appointment of members for the GAB lacked transparency and that it would be good to have an open forum that invites views from both large and small stakeholders so that all voices can be heard.

General Business

Shanti Dugar (Aditya Birla Minerals Ltd) questioned whether benchmarking on gas generation costs and pricing had been explored. It was highlighted that unless stakeholders are actively engaged in the gas market, it is hard to know where to go to gain the information needed. Sandra McLaren noted that there appears to be some stakeholders that are able to access lots of information and others that are not, and suggested that a mechanism developed where appropriate information (e.g. where to obtain tariff pricing from) can be accessed from all sides of the market.

Stakeholders agreed that it would be useful for AEMO to hold training on the Gas Bulletin Board and on Gas Services Information arrangements in general.

There were mixed views on whether there was a need for a WA Gas Market and uncertainty as to whose role it was to consider this. A review of establishing a WA Gas Market had been undertaken in the past however there were concerns raised on the transparency and equity of the approach taken. It was suggested that holding a workshop based on the East Coast gas markets as being a good way to have a more informed discussion on whether the industry should explore a WA gas market. There were mixed views on this from attendees as the need for one but if a WA gas market.

Allan McDougall supported AEMO's approach to developing a stakeholder engagement plan but noted that AEMO would need to look at the potential costs to the market and how those costs would be recovered.

Bryon McLaughlin (PUO) provided stakeholders with a summary of the effectiveness of the Emergency Management Facility (EMF) of the GBB and noted that this had been a significant investment for the WA gas market. He highlighted that the national GBB had decommissioned its emergency pages and questioned whether the EMF would be integrated nationally in the future.

B. McLaughlin acknowledged that while there could be improvements made to the communication protocol, it served its purpose and should remain in place.

4. Next steps

Sandra McLaren advised participants that a stakeholder engagement plan would be developed based on the discussions raised and would be circulated to attendees once finalised. (Action item 4.1)

5. Close

Sandra McLaren thanked stakeholders for their contribution and closed the meeting at 11:35 am.

Action items raised at meeting - WA Gas Stakeholder Consultation Forum

Item	Topic	Action required	Responsible	By
2	Top issues in WA today	AEMO to circulate presentation provided on 'Electricity Market Review in WA' along with C. Parrotte and S. McLaren's contact details.	AEMO	
3	Building a stakeholder engagement plan for WA	S. McLaren to investigate whether the GSOO publication date can be extended.	AEMO	
4	Next steps	Stakeholder Engagement Plan to be circulated to attendees for feedback.	AEMO	