

DRAFT MINUTES – GWCF

MEETING: Gas Wholesale Consultative Forum
 DATE: 20 June 2019
 TIME: 9.30 am – 12.30 pm AEST
 LOCATION: AEMO Offices and Teleconference
 MEETING #: 23
 CONTACT gwcf_correspondence@aemo.com.au

ATTENDEES:

Name	Company	Location
Roger Shaw (Chair)	AEMO	Melbourne
Robbie Flood	AEMO	Melbourne
Alison Foster	AEMO	Melbourne
Nicole Nsair	AEMO	Melbourne
Arjun Pathy	AEMO	Melbourne
Mark Pollock	AEMO	Melbourne
David Younger	AEMO	Melbourne
Duncan MacKinnon	Australian Energy Council	Melbourne
Melissa Chin	Jemena	Melbourne
Chotima Micallef	Lochard Energy	Melbourne
Shaun Cole	Origin Energy	Melbourne
Peter Wall	Powershop	Melbourne
Tao Le	RMHEDGE	Melbourne
Jamie Coombs	SEA Gas	Melbourne
Meredith Mayes	AEMC	Sydney
Owen Pascoe	AEMC	Sydney
Jenessa Rabone	AGL	Sydney
Daisy Correa	Alinta	Sydney
Mark Venning	Alinta	Sydney
Scott Young	APA Group	Sydney
Corey Hennessey	Jemena	Sydney
Mark Anderson	AEMO	Brisbane
Trent Morrow	AEMO	Brisbane
Jeremy Llewellyn	AER	Brisbane
Michael Cini	APA Group	Brisbane
John Jamieson	APA Group	Brisbane
Vanessa Taylor	GLNG	Brisbane
Alice Paridisi	Shell	Brisbane
Rick Abbott	APA Group	Adelaide
Jeff Olling	Epic Energy	Adelaide
Jordan Daly	AEMO	Teleconference
Daniel Tucci	APA Group	Teleconference
Nicholas Eades	CQ Partners	Teleconference
John Bartlett	Energetics	Teleconference
Sarah Kok	ERM Power	Teleconference
Kristin McDonald	Incitec Pivot	Teleconference

David Headberry	Major Energy Users	Teleconference
Jennifer Brownie	QUEN	Teleconference

1. Welcome and attendance / apologies – Roger Shaw, AEMO

Roger Shaw (AEMO) welcomed all to the meeting. Roger noted that Neale Scott, the former Gas Wholesale Consultative Forum (GWCF) chair, has moved on to another role in AEMO. AEMO's Market Change team will be taking charge of the GWCF going forward, with Roger as chair and Hugh Ridgway as alternative chair of the Forum.

2. Previous meeting minutes and actions – Roger Shaw, AEMO

There were no actions from the previous meeting.

Participants accepted the minutes from the previous meeting as accurate.

3. AEMC standing agenda item – Meredith Mayes and Owen Pascoe, AEMC

Roger Shaw (AEMO) noted that the Australian Energy Market Commission (AEMC) and Australian Energy Regulator (AER) will both be given standing agenda items in each GWCF going forward.

Northern Territory gas rule changes

Meredith Mayes (AEMC) noted that the draft determination on NT Emergency Gas Supply Arrangements (which exempts certain Northern Territory liquid natural gas (LNG) facilities from providing information to the Bulletin Board) is still open to submissions, closing on 4 July 2019. Meredith further noted that the final determination on the Northern Gas Pipeline's Derogation from Part 23 of the National Gas Rules (NGR) is due to be released 4 July 2019. *Secretariat note: you can find the AEMC's page for these two consultations [here](#) and [here](#) respectively.*

Three DWGM rule changes

Owen Pascoe (AEMC) provided an update on the three declared wholesale gas market (DWGM) rule changes. The AEMC has extended the date for publishing the draft determinations on the DWGM Simpler Wholesale Price and on Improvement to the AMDQ Regime. This is due to the complexity and interrelatedness of these two changes. The draft determinations are now likely to be released in September, with final determinations in early December. Seeing as the rule change regarding a Forward Trading Market is independent of the other two rule changes, its draft determination will still be released on 4 July 2019, with a final determination in October. The AEMC will be giving seven weeks' consultation on each of the changes and would appreciate submissions from participants. Scott Young (APA) echoed the AEMC's call for submissions, specifically with reference to AMDQ changes, given the high complexity of the change. *Secretariat note: you can find the AEMC's page for these three consultations [here](#), [here](#) and [here](#) respectively.*

Jenessa Rabone (AGL) asked the AEMC whether any workshops or forums will be held on the changes. Owen Pascoe (AEMC) replied that it would be too early to hold workshops or forums before the draft determination is released. Owen noted that the AEMC would keep participants updated if any workshops were to be held.

4. AER standing agenda item – AER

Day-Ahead Auction

Jeremy Llewelyn (AER) reported that the Day-Ahead Auction (DAA) has been live since 1 March 2019 and that the AER has been receiving monthly data from facility operators for nominations on the auction pipelines. The AER is reviewing this data and will raise any issues (if any are found) with participants. This data is also being used to determine if material renominations are occurring, as firm and auction shippers are required to keep a record of all material renominations (though this requirement does not apply to as-available nominations). Jeremy thanked industry for its compliance so far.

Jeremy Llewelyn (AER) further noted that AEMO has released 13 notices regarding delays in the auction or suspensions of auction participants. A major cause of this has been the requirement to reset passwords every 90 days. John Jamieson (APA Group) asked whether AEMO sends out reminders on the password resets. Robbie Flood (AEMO) replied that it does not. Alice Paradisi (Shell) asked whether participants are prompted to reset them upon login; Robbie replied that the prompting only occurs if a participant logs in through the market portal, not if they log in through APIs. AEMO is to investigate introducing the password reset prompt to APIs and report back to the GWCF ([Action item 23.4.1](#)).

Jeremy Llewelyn (AER) noted that the available auction quantity limit (AQL) is currently higher for compressor B (the higher specification compressor) and lower for compressor A (Australian standard) at Wallumbilla. The AER does not see this as a compliance issue. The AER brought the issue to the Forum for the sake of transparency; if that situation is likely to change, the AER requests as much notice as possible so that updates can be provided to industry.

Secondary capacity trading

Jeremy Llewelyn (AER) noted that all participants have been required to report secondary capacity trades to AEMO since 1 March 2019, but no capacity trades have been reported. Jeremy therefore asked participants to check with their internal teams to ensure that there had in fact been no secondary capacity trades. If any have occurred but have not been submitted to AEMO, Jeremy asked that they be submitted to AEMO ASAP ([Action item 23.4.2](#)). Jeremy clarified that swaps did not have to be reported.

Melissa Chin (Jemena) asked AEMO how often these needed to be reported. Robbie Flood (AEMO) replied that they were meant to be reported the following business day in Bulletin Board submission format. Jeremy Llewelyn (AER) noted that AEMO can still accept late submissions and therefore capacity trades that have occurred since 1 March should still be submitted.

Reporting on market liquidity

Jeremy Llewelyn (AER) noted that the AER is looking to increase reporting on the liquidity of markets (e.g. the degree of participation in the spot market, net trade, and so on). The AER will be engaging with industry in coming months regarding the format and content of those reports.

5. Bulletin Board updates – Robbie Flood, AEMO

Robbie Flood (AEMO) noted that AEMO is currently working to resolve some of the problems involved in the new Bulletin Board format. Robbie noted that this project will almost entirely focus on resolving logic and data issues with the current Bulletin Board; though some minor enhancements will be considered, the project will not (at this stage) consider broad enhancements to the Bulletin Board. A more detailed look at the changes being considered is provided in the slides accompanying these minutes.

Robbie Flood (AEMO) noted that there will be a consultation on the changes to the BB Submissions Procedure and Guide. Robbie advised that this project needed to be balanced

across the many other major IT projects being undertaken by AEMO, and as such there is no specific implementation date as yet. Jamie Coombs (SEA Gas) asked when industry will be given a date; Robbie replied that he will escalate the issue, so a date will likely be given soon (**Action item 23.5.1**). Alice Paradisi (Shell) asked whether missing data or missing submissions will be published on the Bulletin Board itself or in the form of reports; Robbie responded that they would be published as reports.

6. Gas Day Harmonisation update – Roger Shaw, AEMO

Roger Shaw (AEMO) reminded the GWCF that facility operators that are required to have transition plans have until the end of June to complete them. These should be sent to AEMO at gdh@aemo.com.au as well as published on the facility operator's website. Only relevant facility operators need to provide a transition plan; market participants do not need to provide one. Nicole Nsair (AEMO) added that AEMO will not be reviewing the transition plans.

Roger Shaw (AEMO) noted that the transition plans only need to cover changes that users will see in contracts, that interconnected facilities will need to know about, and that AEMO would need to know about (if the facility is connected to an AEMO-operated gas market). Transitional requirements for network and pipeline operators in South Australia will be covered in changes to South Australian Retail Market Procedures. AEMO will publish a list of all facilities alongside the location of the transition plans for those facilities once they have been received (**Action item 23.6.1**).

7. DWGM Operations update – Robbie Flood, AEMO

Robbie Flood (AEMO) noted that AEMO has recently released two intervention reports for threats to DWGM system security (one for 27 May 2019 and one for 29 May 2019). *Secretariat note: you can find these intervention reports [here](#) and [here](#) respectively.* Another intervention report will be released within 10 business days for the threat to system security that occurred the night of 19 June 2019.

27 May 2019 intervention report

Robbie Flood (AEMO) spoke to the information contained in the slides. 27 May was a high demand day (1,025TJ) and Longford had been scheduled to account for 70% of that demand. Longford's injections unexpectedly dropped off, and only after 2.5 hours was AEMO able to obtain clear information from Longford (who asked AEMO to apply a constraint). AEMO called for a market response in the 6pm schedule, and out-of-merit-order LNG was scheduled in, causing ancillary payments of \$45,637. What information AEMO did receive initially came from Jemena, who informed AEMO that the Longford compressor on the EGP had tripped, rather than from Longford themselves. AEMO's assessment under NGR clause 219 is that Longford's behaviour was lacking with respect to facility operators' obligation to keep AEMO informed of material changes in injections; the full assessment is available in the intervention report.

Robbie Flood (AEMO) noted that AEMO will be conducting a broader program of work around threats to system security and the appropriate AEMO response. AEMO only constrains gas on as part of a threat to system security; under normal circumstances, AEMO will only constrain gas off. The NGR allows both of these actions. AEMO's procedures regarding constraints will be examined as the Western Outer Ring Main becomes operational, and if changes need to be made, AEMO will consult industry.

29 May 2019 intervention report

Robbie Flood (AEMO) again spoke to the information contained in the slides. There was a three-degree unpredicted drop in temperature between 13.30 and 15.30, which induced a

demand spike earlier than expected. The Dandenong City Gate showed an expected pressure breach, which meant that AEMO scheduled LNG on out of merit order. The resultant ancillary payments were \$33,267.

Owen Pascoe (AEMC) asked AEMO which uplift categories the ancillary payments were sourced from. Robbie Flood (AEMO) answered that the 27 May 2019 payments were 6% congestion uplift and 94% surprise uplift, whereas the 29 May 2019 payments were 19% congestion uplift, 55% surprise uplift, and 26% common uplift. Scott Young (APA Group) asked why an ostensibly surprise event (the 29 May unforeseen drop in temperature) generated less surprise uplift than the 27 May event. Robbie Flood (AEMO) noted that the distribution on 27 May makes sense, since participants would have scheduled in injections at Longford that were not then delivered. AEMO will look further into why the numbers were distributed this way and report back to the GWCF ([Action item 23.7.1](#)). Roger Shaw (AEMO) reminded participants that congestion uplift is determined in the intra-day schedules as the change in exceedance of authorised interval maximum quantity; as such, if participants increase their forecasts, they may have greater exceedance for that schedule, which will contribute to congestion uplift.

Scott Young (APA Group) asked whether the AEMC and industry have an understanding of how much uplift comes from each category in the context of the three DWGM rule changes. Owen Pascoe (AEMC) replied that the AEMC is considering this but does not have operational expertise, which sits with AEMO. Scott responded that he would expect, if failure of APA Group's plant caused market issues, that APA Group would bear financial responsibility for that failure; as such, it is surprising that failures in Longford's plant do not cause Longford to bear financial responsibility. Scott recommends to the AEMC that this be considered as part of the Simpler Wholesale Price and Improvements to AMDQ Regime rule changes, since it does not appear as though the current market structure is effectively allocating cost to cause ([Action item 23.7.2](#)).

8. PCT / DAA / GSH updates – Trent Morrow and Mark Anderson, AEMO

Updates to capacity trading arrangements

Trent Morrow (AEMO) noted that AEMO has concluded several consultations on changes to capacity trading arrangements that will go live on 26 June. These changes are outlined below:

- Capacity trading platform to become applicable to the Northern Territory;
- Roma Pipeline to be registered;
- Longford Eastern Gas Pipeline (EGP) park service point to be moved into Longford EGP receipt zone (as opposed to being in its own zone); and
- Minor changes to be made to segments and zones along EGP.

These changes are outlined more fully in AEMO's Notice of Decision. *Secretariat note: you can find the Notice of Decision [here](#).* The changes are currently in pre-production to allow for testing ahead of the production release on 26 June.

Trent Morrow (AEMO) further noted that AEMO is lifting the minimum price floor from \$0 to \$0.0001. This will result in all bids having a positive value and prevent tie-breaking on \$0 bids. The principle of clearing at \$0 when bids are less than limits will still apply. AEMO does not expect that this will materially affect price outcomes.

Trent Morrow (AEMO) noted that the procedures formerly outlined restrictions on the publication of information for gas-powered generators. AEMO identified gaps in those restrictions, which have subsequently been closed. These gaps were:

- backhaul segments going to a gas-powered generator; and
- gas-powered generators for which there is only a single receipt or delivery zone on a pipeline.

AEMO also consulted on changes to the Transportation Service Point Register for the event that the EGP and VicHub Pipeline become bi-directional flow pipelines. These changes will not become effective until Jemena registers them, at which point AEMO will set an effective date and give notice to industry.

Gas Supply Hub update

Mark Anderson (AEMO) noted that a Gas Supply Hub (GSH) consultation recently closed. This consultation extended the trading hours for pre-matched, non-netted trades to be 24/7. *Secretariat note: the Notice to GSH Exchange Members on this consultation can be found [here](#).* The first trade for that occurred overnight on 19 June 2019.

Mark Anderson (AEMO) further noted that AEMO is currently running a consultation on extending the trading of monthly products and increasing the time allowed for AEMO to issue trade confirmation and delivery reports to participants. *Secretariat note: the consultation page for this consultation can be found [here](#).* The rationale for the change in report issuance timeframes is that participants do not need these reports within 15 minutes, and this will avoid trades becoming voided (as happened on 1 March 2019). There are some minor changes to the Moomba Sydney Pipeline in that the Moomba gas plant will be removed as a delivery point. The seller currently determines whether the delivery point will be the Moomba gas plant or the Moomba compound point, but few trades occur at the Moomba gas plant and any participant who is active at Moomba will be active at the Moomba compound point. This removes uncertainty for the buyer. Additionally, the name of the Moomba compound point will be changed to “Moomba Low Pressure Trade Point” to be consistent with APA Group’s terminology. This consultation closes 21 June 2019 and any changes will mostly likely be effective by 1 August.

Mark Anderson (AEMO) provided an update on another GSH consultation, which intends to introduce a “Broker Participant” category at the GSH. *Secretariat note: the consultation page for this consultation can be found [here](#).* Transaction anonymity is common in markets elsewhere, and AEMO believes that this will minimise concerns about counterparty identity and therefore help promote price stability. A “Broker Participant” will need to have a net position of zero at the end of each trading day.

Mark Anderson (AEMO) notes that the upcoming volume of work on the GSH includes the introduction of scrip trades, which will enable participants to enter a start and an end date. Currently, if GSH participants want to execute a bespoke 10-day trade, they have to enter 10 individual day trades; the scrip trade will allow the entry of the entire 10-day trade at once. This is intended to increase useability of the GSH. Additionally, AEMO is reviewing prudential requirements for all gas markets, since they have not been reviewed since market start.

Jeremy Llewelyn (AER) asked whether the broker-submitted OTC trades would be included in the reference price. Mark Anderson (AEMO) replied that they will not; only trades executed via the GSH will go into the reference price.

9. OTSCP consultation outline – Jordan Daly, AEMO

Jordan Daly (AEMO) noted that AEMO will soon start consultation on the election procedures and operating manual for the Operational Transportation Service Code Panel (OTSCP). A notice will be placed in a newspaper in roughly four weeks, after which point AEMO will invite comment on the proposed procedures. The NGR clauses relevant to the OTSCP are clauses

599–609; more information can also be found on the AER’s website [here](#). The OTSCP will meet biannually and will advise the AER on amendments to the Operational Transportation Service Code. It will consist of an AEMO member, two transportation service provider members, and two transportation facility user members: one for transportation facility users generally and one specifically for large users. If GWCF members have any questions regarding the OTSCP consultation, they can email otscod@aemo.com.au or contact Jordan on 02 9239 9134.

10. Other business – Roger Shaw, AEMO

DTS access arrangements

Scott Young (APA Group) asked AEMO to include a standing agenda item on the GWCF agenda in which APA Group can consult on the Declared Transmission System (DTS) access arrangements. Roger Shaw (AEMO) agrees that AEMO will include this as an agenda item for the next meeting (**Action item 23.10.1**). Scott noted that APA group is eager to engage with participants on these arrangements and asked that any participants with comments on the access arrangement email him at scott.young@apa.com.au.

Call-in details

David Headberry (Major Energy Users) noted that GWCF meetings have had teleconference information available on the invite and agenda until this meeting. Arjun Pathy (AEMO) noted that, as per the new Terms of Reference, dial-in information was to be provided on-request only to encourage participants to attend in one of AEMO’s offices and thereby better facilitate discussion. Roger Shaw (AEMO) noted that AEMO would include teleconference information on invites going forward, but he noted it was far preferable for participants to attend in person (**Action item 23.10.2**). *Secretariat note: AEMO has had subsequent discussions regarding the format of meetings going forward and has decided to provide WebEx links but not physical “call-in” information on meeting agendas and invites (i.e. participants will have to call in via a computer). This is because WebEx makes it easier to track who is in attendance at the meeting and because it ensures participants will be able to see the slides being presented. Dial-in information will be given to the Reception staff at AEMO’s offices; if last-minute events prevent a participant from being able to dial-in from a computer, they will be able to call their nearest AEMO office and obtain the relevant phone number and meeting ID. The Terms of Reference will need to be adjusted to reflect this new arrangement; these will be distributed along with the papers for the next meeting (Action item 23.10.3).*

COAG Hydrogen Working Group

Roger Shaw (AEMO) noted that AEMO has received several enquiries regarding hydrogen and therefore commented to the GWCF that the COAG Energy Council has established a National Hydrogen Strategy Taskforce, which contains as part of it a Hydrogen Working Group. AEMO’s Operations team is involved in this group, and once policy direction has been established, AEMO will advance relevant changes to procedures through its consultative forums. Duncan MacKinnon (Australian Energy Council) noted that the Hydrogen Working Group, in particular Chief Scientist Dr Alan Finkel, has been engaging with high-level representatives of a number of energy companies and that the group is not intended as a “closed consultation”.

Jennifer Brownie (Queensland Electricity Users Network) noted that she had made contact with the Hydrogen Working Group, which intends to open consultation in July or August. Dr Finkel intends to bring his final report to the COAG Energy Council in December. Jennifer is to provide the AEMO Secretariat with contact details for the Hydrogen Working Group in case other GWCF members wish to become involved (**Action item 23.10.4**). The AEMO Secretariat

is to distribute these details, along with Hydrogen Working Group details, to the GWCF (**Action item 23.10.5**). *Secretariat note: the Hydrogen Working Group has a web presence split across the COAG Energy Council's website ([here](#)), the Department of Industry, Innovation and Science's website ([here](#)), and the DIIS's Consultations website ([here](#)). They have a mailbox which you can reach at hydrogen@industry.gov.au. One relevant contact is Shaneen Coulson, who can be reached at shaneen.coulson@environment.gov.au.*

11. Meeting close – Roger Shaw, AEMO

Roger Shaw (AEMO) closed the meeting at 10.44 am.

DRAFT

ACTION ITEMS RAISED AT MEETING

Item	Topic	Action required	Responsible	By
23.4.1	API password reset	AEMO is to investigate introducing the password reset prompt to APIs and report back to the GWCF.	Robbie Flood (AEMO)	September meeting
23.4.2	Secondary capacity trade reporting	All GWCF attendees are to ensure that any secondary capacity trades that have occurred since 1 March 2019 have been reported to AEMO.	All	ASAP
23.5.1	Bulletin Board change timelines	AEMO to provide timelines for Bulletin Board changes and any consultations on the Bulletin Board Submission Procedure and Guide.	Robbie Flood (AEMO)	September meeting
23.6.1	Transition plan document	AEMO to publish a list of all facilities alongside their transition plans after the June deadline.	Roger Shaw (AEMO)	Early July
23.7.1	Ancillary payment distribution investigation	AEMO to look into why the 27 and 29 May 2019 ancillary payments were distributed the way that they were across the different uplift categories.	Robbie Flood (AEMO)	September meeting
23.7.2	Cost-to-cause for plant failure in DWGM	AEMC to consider comments in the GWCF from Scott Young (APA Group) regarding the cost-to-cause of plant failure and ancillary payments as a submission to the DWGM rule changes.	Owen Pascoe (AEMC)	Draft determinations for AMDQ and Simpler Wholesale Price rule changes
23.10.1	DTS access arrangements agenda item	AEMO to include an agenda item for the September meeting in which APA Group can consult on the DTS access arrangements.	Arjun Pathy (AEMO)	September meeting

23.10.2	Teleconference information	AEMO to include teleconference information on invites going forward.	Arjun Pathy (AEMO)	September meeting
23.10.3	GWCF ToRs	AEMO to adjust GWCF Terms of Reference to reflect new teleconference arrangement and distribute along with the papers for September meeting.	Arjun Pathy (AEMO)	September meeting
23.10.4	Hydrogen Working Group contact details	Jennifer Brownie (Queensland Electricity Users Network) is to provide the AEMO Secretariat with contact details for the Hydrogen Working Group in case other GWCF members wish to become involved.	Jennifer Brownie (Queensland Electricity Users Network)	ASAP
23.10.5	Hydrogen Working Group general details	The AEMO Secretariat is to distribute Hydrogen Working Group details to the GWCF.	Arjun Pathy (AEMO)	ASAP

DRAFT

ACTION ITEMS RAISED BEFORE MEETING

Item	Topic	Action required	Responsible	By
N/A				

DRAFT