

MINUTES – GWCF

MEETING: Gas Wholesale Consultative Forum
 DATE: Thursday, 15 September 2022
 TIME: 9.30 am – 12.30 pm AEST
 LOCATION: Teleconference-only
 MEETING #: 36
 CONTACT gwcf_correspondence@aemo.com.au

ATTENDEES:

Name	Company
Jordan Daly (Chair)	AEMO
Darryl White	AEMO
David Younger	AEMO
Hugh Ridgway	AEMO
Luke Stevens	AEMO
Myra Horomidis	AEMO
Robert Dickie	AEMO
Saul Milner	AEMO
Yvonne Tan	AEMO
Adele McCormack	ENGIE
Alana Gibson	GLNG
Allan McDougal	Agora Retail
Andrew Zancanaro	Jemena
Angus Holcombe	Telstra
Anthony Hill	ETSI
Ben Lewis	Westside
Brenda Yip	Energy Australia
Cary Cheng	Dodo
Chris Payne	Unknown
Christina Sutherland	GLNG
Daniela Moraes	AEMC
David Habib	Cooper Energy
Devrim van Dijk	AGL
Deepak Gupta	Energy Australia
Devvrat Patney	Hydro
James Tyrell	AEMC
James Harding	Jemena
Jamie Coombs	SEAGas
Jennifer Brownie	QEUN
Kirsten Kenny	Shell
Ivan Litvinov	Unknown
Liz Gharghori	AGL
Marcus Godfrey	SEAGas
Marika Suszko	AGL
Matt Arnold	Arrow
Matt Brown	EEBG

Name	Company
Melissa Perrow	Brickworks
Meredith Mayes	AEMC
Nick Flint	Epic
Patrick Lau	Tel Pacific
Patrick R Stock	Viva
Paul Bresloff-Barry	Agora Retail
Przemek Grobelski	Beach Energy
Rebecca Mason	APA
Robert Matton	AER
Robin Coombe	Venice Energy
Rupert Johnston	Cooper Energy
Ryan Middleton	Santos
Sarah Kok	FMGL
Scott Jeffrey	Energy Australia
Scott Young	APA
TB	Unknown
Thomas Lozanov	Origin
Vin Mani	Unknown

1. Welcome and attendance / apologies – Jordan Daly, AEMO

Jordan Daly (AEMO) welcomed all to the meeting. No apologies were received.

2. AEMO Competition Law Protocol – Jordan Daly, AEMO

The GWCF noted AEMO's Competition Law Protocol and its requirements on both AEMO and participants.

3. Confirm agenda and previous meeting minutes and actions – Jordan Daly, AEMO

The GWCF confirmed the agenda.

The GWCF confirmed the previous meeting minutes as accurate.

4. AER Update – Robert Matton, AER

Robert Matton (AER) spoke to the AER update. He noted the delay to the Gas Transparency Measures consultation and implementation and that the AER are working through this with AEMO. An update on this will be published as part of the Compliance Bulletin. The consultation page is [here](#).

The AER is also intending on publishing significant price variation reports over the next fortnight with regards to recent price events over winter. No questions were received

5. AEMC Update – Daniella Moraes, AEMC

Daniella Moraes (AEMC) provided the AEMC update. The DWGM Distribution Connected Facilities Rule Change has been finalised. The consultation page is [here](#).

Final Report for the AEMC Hydrogen Review to be published shortly – submissions due 13 October. Final Rules will be provided to Ministers by end of November. The consultation page is [here](#).

DWGM Interim LNG Storage Measures Consultation has been initiated. It is regarding the Dandenong Facility, allowing AEMO to act as buyer/seller of last resort. Submissions are due 29 September. Organisations are welcome to organise meetings regarding this. The consultation page is [here](#).

Questions were received:

- Scott Young (APA) stated they have published the DLNG storage product – and encouraged participants to consider how this will have an impact on their operations.
- Melissa Perrow (Brickworks) stated ‘AEMO is not a market participant and should not be able to influence the gas price. This is a conflict of interests for its primary purpose to operate the market, It should just pass through costs to participants.’. David Younger (AEMO) stated that a further updated would be given later in the meeting.

6. Gas Market Monitoring Markets Update – Darryl White (AEMO)

Darryl White (AEMO) provided the Winter Update and spoke to the slides which were circulated after the meeting.

Scott Young (APA) asked ‘Is there any evidence of a move to electric heating in Vic on the high EDD days?’. Darryl White (AEMO) confirmed this was not the case.

Jennifer Brownie (QEUN) asked ‘Why was Northern Territory Pipeline to Mt Isa down 2.5PJ?’. Darryl White (AEMO) and Andrew Zancanaro (Jemena) confirmed there were production issues.

Scott Young (APA) stated ‘Good summary as always, Darryl - thanks.’ Adele McCormack (ENGIE) stated ‘Thanks Darryl’.

Darryl White (AEMO) signposted that the DWGM Enhancements would be discussed in further detail later in the meeting. A timeline for implementation was provided according to the slides circulated after the meeting. An update was provided regarding the CC Auction.

7. Gas Market Monitoring General Update – David Younger (AEMO)

David Younger (AEMO) gave the GMM update according to the slides circulated after the meeting, and addressed the following topics:

Iona Storage Depletion. No questions were received.

DWGM LNG Storage Measures. This is an urgent Rule change request to allow AEMO to act as a buyer or supplier of last resort.

Questions were received as below:

- Melissa Perrow (Brickworks): ‘Could AEMO please advise what they see as the issue with the way they have currently been using LNG?’. David Younger (AEMO) stated that this is seen as a temporary measure prompted by the Victorian Government and designed to provide more clarity to the existing law on an ongoing basis. Melissa Perrow (Brickworks) stated her concerns regarding how AEMO would influence gas prices as ‘AEMO is NOT a trader in the market. It is a market operator’. David Younger (AEMO) stated that this is in response to gas depletion and avoiding curtailment, ensuring intraday system operability. Melissa Perrow (Brickworks) also said ‘The cost to the market, is the cost that AEMO pays for the LNG service. Not artificially increasing the market price that impacts all market participants.’. David Younger

(AEMO) stated this would be the outcome if AEMO wasn't the supplier of last resort, but noted that these concerns should be raised by the participant through engagement in the AEMC rule change process.

- Scott Young (APA) asked 'If the DWGM "cleared" at \$25 but AEMO had to inject its LNG, would the DWGM then settle at VOLL, or would AEMO's Out of merit Order dispatch be an uplift limited by the volumes injected?'. This was followed by 'I sense that we are all good with AEMO keeping DLNG full for security of supply - the question is about the bidding in at VOLL...'. David Younger (AEMO) stated the way costs would be passed on would have to be considered in the consultation.
- Scott Young (APA) noted that 'that the current contract provides for us to vaporise on Direction from AEMO'. David Younger (AEMO) stated the current scheduling approach is different to what's proposed. AEMO currently would issue directions to inject its quantities, and in terms of costs both the commodity and facility charges are currently paid by AEMO and would be covered by market fees. One of the benefits of having this rule change is it provides a more definitive framework for this going forward.
- Jennifer Brownie (QEUN) asked 'Maybe a question on notice - what is the historical and forecast maximum GPG demand in Victoria and South Australia during February and March? And with renewable gas and hydrogen being part of the future mix how does this impact on GPG volumes going forward? ie can all existing gas-fired power stations operate on a mix?'. It was agreed to follow up on this after the meeting.
- Devrim van Dijk (AGL) asked 'If AEMO had to inject DLNG into a capped price would AEMO need to seek compensation from itself?'. David Younger (AEMO) stated this would have to be worked out during the consultation.
- Scott Young (APA) stated 'Point is everyone should work through the nuts and bolts of how the Rule change would work in practice, and comment to the AEMC. Cheers Scott'. This was agreed upon by Hugh Ridgway (AEMO). David Younger (AEMO) stated the best way to influence this discussion would be via the AEMC consultation.

DWGM Participant Compensation Claims. The claim is that costs were higher than APC of \$40/GJ. A formal notification will be sent on this matter via a DWGM system-wide notice. As the compensation amount is funded by the market, any participant can contact the advisor. No date is yet finalised for the panel to meet.

Questions were received:

- Devvrat Patney (Hydro Tasmania) asked 'when you say participants haven't backed their demand with supply (for the causer pays option), does that exclude uncontrolled withdrawals?'. David Younger (AEMO) stated this is not the case.
- Melissa Perrow (Brickworks) asked 'Why would large gas users have to pay if they were not short?'. David Younger (AEMO) stated that these users would not be captured in the causer-pays compensation approach.

8. Consultation & Implementation updates (AEMO)

Updates were given on the following matters according to the slides circulated ahead of the meeting:

Gas Transparency Measures - Jordan Daly. The consultation page is [here](#).

Note: This was not discussed in the meeting, but for participants' understanding: 'Capacity Transaction Reporting Agent' will now be known as 'BB Reporting Agent' for the purpose of registration.

DWGM Enhancements – Luke Stevens. Feedback on the PPC is requested by COB 23 September 2022. The consultation page is [here](#).

Rebecca Mason (APA) asked 'Just a question from yesterdays GTM workshop. What is the next step with the BB Procedures. Will AEMO consider those changes proposed and advise of final wording prior to consultation closes on 26 Sept or will participants find out final wording after consultation closes on 26 Sept?'. Jordan Daly (AEMO) stated that the consultation will end with the publication of the Notice of Decision, but participants will be informed of any further proposed changes to the BB Procedures as they emerge.

9. Other Business

Emergency Procedures (Gas) and Gas Curtailment Guidelines consultation – Robert Dickie (AEMO). Robert Dickie (AEMO) spoke to the outcomes of the consultation according to the slides circulated after the meeting. The consultation page is [here](#).

Questions were received:

- Jennifer Brownie (QEUN) asked 'Is it possible the answers to my questions on notice be emailed to all GWCF participants before the next GWCF? My understanding (as a consumer advocate) is that if there are linepack safety considerations this impacts GPG.'. Jordan Daly (AEMO) confirmed these are included in meeting minutes.
- Scott Jeffrey (Energy Australia) asked for an update on whether there would be changes to physical capacity published in a VGPR, and whether capacities will aligned to physical capacity once the Western Outer Ring Main is operational. Scott Young (APA) stated that the WORM is likely to be in service in time for Winter 2023. Yvonne Tan (AEMO) stated that as are no refunds after the capacity certificates are sold at auction, AEMO will only put the capacity up for auction once we have a confirmed date on when the WORM capacity will be available. If we receive the confirmation date before the first auction, we will include it in the first auction. Winchelsea second compressor was not in the VGPR update as it made FID after it was published, but we will be looking to publish an updated system capability modelling graph post winter.

Gas Market Parameter Review - Hugh Ridgway (AEMO). The consultation was initiated today. The consultation page is available [here](#). Changes may be recommended to be made effective as soon as Winter 2023. Melissa Perrow (Brickworks) asked 'Which parameter changes can AEMO make itself vs which require AEMC to further consult?'. Hugh Ridgway (AEMO) stated these are outlined in the Draft Report.

GSOO & VGPR survey - Changes in template and information being requested (voluntary submissions requested for new data as per GTM) – Magnus Hindsberger (AEMO). **Note: The following was not discussed in the meeting but is included to keep participants informed.**

AEMO has been revising the GSOO Surveys to:

- Provide more consistency between survey questions and those asked by ACCC to ensure better alignment between AEMO and ACCC analysis and lowering the burden of responding to them (same numbers can often be used).
- Prepare for the information required from the GTM rules change. The Examples of the drafted GSOO & Victorian Gas Planning Report Surveys, as well as the Large

Industrial Load Questionnaire are available on the Gas Transparency Measures consultation page [here](#).

The Surveys were sent out at the end of August and responses are expected by the end of September 2022.

10. Meeting close – Jordan Daly, AEMO

Jordan Daly (AEMO) noted that AEMO would circulate the slides and actions following the meeting. Jordan Daly (AEMO) closed the meeting.

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ACTION ITEMS RAISED AT MEETING

Item	Topic	Action required	Responsible	By
36.7.1	GPG Demand	<p>Question from Jennifer Brownie (QEUN): What is the historical and forecast maximum GPG demand in Victoria and South Australia during February and March? And with renewable gas and hydrogen being part of the future mix how does this impact on GPG volumes going forward? ie can all existing gas-fired power stations operate on a mix? Are there linepack safety concerns regarding this?</p> <p>Note: Advice was received following the meeting:</p> <ul style="list-style-type: none"> • Unless designed for it, existing GPG will only be able to run on a very modest (if any) blend of H2 without modifications. Some gas turbine units will have an upgrade path to at least 5-10% compatibility, whereas newer units are likely to do more, some can do 100%. Please see: <ul style="list-style-type: none"> ○ https://www.ge.com/gas-power/future-of-energy/hydrogen-fueled-gas-turbines ○ https://power.mhi.com/special/hydrogen • If they upgrade biogas to biomethane as in Europe (where they cannot inject to the gas network unless meeting the standard for natural gas), all GPG can run on 100% blend of biomethane. This is provided the gas is clean. 	Jordan Daly (AEMO)	Next meeting

ACTION ITEMS RAISED BEFORE MEETING

Item	Topic	Action required	Responsible	By
35.6.1	Drop in non-GPG demand	Jordan Daly (AEMO) to reach out to AEMO Forecasting regarding the impact of prices on industrial demand. Update 20/06/2022: Jordan Daly (AEMO) has reached out to the GSOO team on this matter.	Jordan Daly (AEMO)	20/06/2022

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