

GWCF December 2022 Meeting Notes

Meeting:	GWCF Meeting #37
Date:	Thursday, 8 December 2022
Time:	9:30am-11:00am (AEDT)
Location:	Teleconference
Teleconference details:	Meeting Link

Commentary added in [BLUE](#) is expansions provided after the meeting.

1 Welcome and attendance / apologies – Luke Stevens, AEMO

Luke Stevens (AEMO) welcomed all to the meeting. No apologies were received.

The GWCF noted AEMO's [Competition Law Protocol](#) and its requirements on both AEMO and participants.

Jordan Daly (AEMO) circulated the privacy notice in the Teams chat. There were no objections to the agenda or previous meeting notes.

2 AER Update – Megan Patten, AER

Megan Patten (AER) spoke to the slides:

2.1 Gas Markets Demand Forecasting Compliance Bulletin

- This is an area of focus for the AER.
- Expectations are outlined in [the Bulletin](#).
- Participants are expected to familiarise themselves with the Bulletin.

Jennifer Brownie (QEUN) asked whether any withdrawals threatened system security. Megan Patten (AER) stated this was not what prompted the Bulletin.

2.2 Gas Market Transparency Measures

- The first Compliance Bulletin was released 21 September.
- A Compliance Update was released 7 December. This was with regards to the legislative start date.
- A more detailed Compliance Bulletin related to registration will be released later.

3 AEMC Update – Meredith Mayes, AEMC

Meredith Mayes (AEMC) noted that the [Hydrogen Review](#) has concluded as of 24 November 2022. The Final Report and Rules are now being considered by the Minister.

Daniella Moraes (AEMC) noted that the DLNG rule change is almost completed, with publication expected Thursday 15 December 2022.

Note: AEMO has published the “Implementation of DWGM interim LNG storage measure rule change” Procedure change on 20/12/2022 on the consultation [webpage](#). Submissions on the Procedure change have been requested by 24 January 2023. The AEMC rule change was published on this [webpage](#).

4 Gas Market Update

4.1 Spring Market Update (Darryl White (AEMO))

Darryl White (AEMO) spoke to the slides provided after the meeting.

Comments were received as follows:

- Jamie Coombs (SEAGas): would be interesting to see auction usage excluding the amounts where price was \$0. Darryl White (AEMO) said he will look into this.
- Jennifer Brownie (QEUN): In the Forecasting Accuracy Report in the GSOO, there was a gap between forecast and actual GPG. If it rises to 126 PJ, will there be a shortfall on the East Coast? Luke Stevens (AEMO) said we will look into this. Luke Garland (AEMO) stated that we’re tracking quite closely to forecast GPG as the year is not over yet, and this is one of the more accurate forecasted years.
- Megan Patten (AER) stated there were a large number of instances where participants didn’t notify the market of missing demand, not a large number of participants.
- Jennifer Brownie (QEUN): Thanks for clarifying it was generally not GPG. and there was a large number of instances. Will there be an AER report stating the quantity involved?
- Megan Patten (AER): That is not information that the AER will be reporting on. Our Compliance Bulletin notes that we are currently investigating some participants for potential non-compliance and so it would be inappropriate for me to comment on this further at this stage. We reiterate that all participants should review our Compliance Bulletin, the AER’s expectations and ensure that they have appropriate systems and processes in place for compliance with the demand forecasting obligations under the National Gas Rules.
- Luke Garland (AEMO) provided a summary of GPG consumption using gas bulletin board data. Jennifer Brownie (QEUN) stated: Luke - Thanks, just looking to track how AEMO gas demand forecasts are tracking against actual monthly consumption, especially GPG. Don't envy the task of AEMO having to forecast GPG as its strongly linked to the intermittent wind and solar output.

4.2 Entry and Exit Capacity Certificate Auction (Darryl White (AEMO))

Darryl White (AEMO) spoke to the slides provided after the meeting.

A comment was received from Devrim van Dijk (AGL): Asked where the proceeds from the Auction will go to. David Younger (AEMO) stated the revenue will be worked through in relation to other DWGM project expenditures. Once this is budgeted for, the remains will be budgeted from participant fees, which may be reduced.

4.3 Compensation Claim (David Younger (AEMO))

David Younger (AEMO) spoke to the Dispute Resolution Panel’s findings, now published on the AER website. The wholesale Gas Market Compensation Procedures (Victoria) did not adequately cover this scenario. AEMO will communicate the next steps regarding them via the GWCF.

5 Consultation & Implementation Updates

Luke Stevens (AEMO) noted the Consultation Summary provided in the slides.

5.1 Gas Market Parameter Review (Luke Stevens (AEMO))

Luke Stevens (AEMO) spoke to the slides and noted that a Review workshop was conducted on 6 December 2022. The slides are available on AEMO's consultation [webpage](#). The conclusion from Market Reform reflected in the Draft Determination is for VoLL to remain \$800, and other Parameters to remain the same. AEMO invites participant views on this by 19 January 2023. AEMO has not undertaken any analysis of the Commonwealth's proposal to cap gas prices as it can't do so until more details are released.

No questions were received.

5.2 DWGM Enhancements (Luke Stevens (AEMO))

Luke Stevens (AEMO) spoke to the slides regarding the implementation of the changes. No questions were received.

5.3 Gas Transparency Measures (David Younger (AEMO))

David Younger (AEMO) thanked participants for their registrations.

Adam Watson (AEMO) spoke to the slides and provided an update on the market trial. Registrations closed on 1 December 2022. An email was sent out regarding this. If it was not received, please reach out to bbo@aemo.com.au and nominate contacts for market trial. Market trial will go from 16 January – 3 February 2023. 15 February is the GSOO Procedures go-live date, and 15 March is the new BB reporting obligations go-live.

Note: To provide further context AEMO also notes:

- An FAQ was published for Gas Transparency Measures on the consultation [webpage](#).
- The BB Procedures are now effective, except with regards to reporting. They are available on the consultation page and will be published on the Procedures [webpage](#) following the meeting.

5.4 Emergency Procedures (Gas) and Gas Curtailment Guidelines Consultation (Robert Dickie (AEMO))

Robert Dickie (AEMO) spoke to the slides. The Gas Emergency Protocol was published on 7 December 2022. See AEMO's emergency [webpage](#) page for further information.

Jennifer Brownie (QEUN) asked who is on the National Gas Emergency Response Advisory Committee (NGERAC). Robert Dickie (AEMO) stated this is comprised of jurisdictional bodies and AEMO, and if specific membership can be shared it will be.

Note: AEMO has confirmed NGERAC membership is limited to Government representatives only, with AEMO supporting the committee. There are no longer consumer representatives on this committee.

6 Other Business

6.1 Other items (ALL)

The 2023 GWCF meeting dates have been set according to the slides. These are 19 April, 7 June, 20 September and 6 December. Further meetings can be established if needed.

Note: AEMO has tentatively raised a GWCF meeting for 16 February 2023.

Luke Stevens (AEMO) noted the DWGM webpages will be updated shortly, including the new Procedures.

Jennifer Brownie (QEUN) requested AEMO circulate further information on the gas price gap currently proposed by the government via an additional GWCF meeting. Luke Stevens (AEMO) stated this we would consider a tentative meeting in February that would only be held if further announcements are made.

No other items of business were received.

6.2 Summary of action items (Luke Stevens (AEMO))

Luke Stevens (AEMO) noted the action items which are included in the table below.

Item	Topic	Action required	Responsible	By
37.4.1	GSOO Forecasts	<p>Further information to be provided to Jennifer Brownie (QEUN): provide a comparison of the 2022 GSOO demand forecast compared to 2022 actual GPG demand.</p> <p>Note: AEMO's Forecasting Reference Group, on 30 November 2022, provided this information to attendees. The meeting pack can be found here: AEMO Forecasting Reference Group (FRG).</p>	Luke Stevens (AEMO)	Next meeting

6.3 Action items raised before 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 provided to QUEN following the meeting:</p> <p>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:</p> <p>https://www.qe.com/gas-power/future-of-energy/hydrogen-fueled-gas-turbines</p> <p>https://power.mhi.com/special/hydrogen</p> <p>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.</p> <p>Regarding GPG demand: We've identified the maximum GPG day in SA and VIC across February and March since 2010, and compared it to our forecasts from the 2022 GSOO. A data file was provided for Jennifer to peruse on this matter.</p>	Jordan Daly (AEMO)	30 November 2022

7 Attendees

Attendees:

Name	Company Department	Name	Company Department
Adam Watson	AEMO	Ivan Litvinov	ENGIE
Alanna Gibson	GLNG	Luke Garland	AEMO
Alex Uziallo	Hydro	Luke Stevens	AEMO
Alice Paradisi	Shell	Marcus Godfrey	SEAGas
Amin Gholami	CSR	Marika Suszko	AGL
Arlyne Yuliana	AEMO	Megan Patten	AER
Ben Vesty	Senex energy	Neil Batie	AEMO
Carl Coertzen	AER	Nick Flint	Epic Energy
Chotima Micallef	Lochard Energy	Nipun Saxena	AEMO
Chris Pratt	Alinta	Patrick Lau	TEL Pacific
Daniel Tucci	APA	Paul Bresloff-Barry	Agora
Daniela Moraes	AEMC	Przemek Grobelski	Beach Energy
Darryl White	AEMO	Raif Sarcich	DELWP
David Habib	Cooper Energy	Richaed Lee	AGL
Harrison Gibbs	AEMC	Robert Dickie	AEMO
Hugh Ridgway	AEMO	Roberto Moreno Atanasio	Department of Industry
Jacinta Papps	Alinta	Robin Coombe	SEAGas
James Tyrell	AEMC	Ryan Middleton	Santos
James Harding	Jemena	Saul Milner	AEMO
Jamie Coombs	SEAGas	Scott Jeffery	Energy Australia
Jennifer Brownie	QEUN	Thomas Lozanov	Origin Energy
John Andrew	ENGIE	Stephen DelMonaco	ExxonMobil
Katharina F Benzler	DELWP	Patrick R Stock	Viva energy

No apologies were received ahead of the meeting.