

GWCF June 2024 Meeting Notes

Meeting:	GWCF Meeting #43
Date:	Wednesday, 5 June 2024
Time:	9:30am-10:30pm (AEST)
Location:	Teleconference

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 and acknowledged country. No apologies were received.

The GWCF noted AEMO's [Competition Law Protocol](#) and its requirements on both AEMO and participants. Luke Stevens (AEMO) noted in the chat that the meeting recording had started. The AEMO Privacy Notice was included as a footnote of the meeting agenda.

There were no objections to the agenda or previous meeting notes.

2 AER update – Jeremy Llewellyn, AER

Jeremy Llewellyn (AER) spoke to the following:

- Santos was fined \$2.75 million due to Day Ahead Auction (DAA) records that were not being kept properly for a long period of time after the DAA rules commenced in March 2019. The detection of those issues originated in the gas surveillance team at the AER. The monitoring of markets and compliance is something that the AER takes seriously.
- Short term transaction and reserves and resources reporting – The AER has been reviewing the reporting of short term transactions which commenced on 15 March 2023 under the Gas Transparency Measures. The response from industry has been quite comprehensive which is appreciated and the AER has found some unreported transactions and some transactions that have been reported incorrectly, some of which have been corrected.
- Reserves and resources reporting – The AER published its first wholesale gas reserves price assumptions report in April. The next requirement in relation to that will be for the AER to provide an update and whether that will be a 6-monthly or a 12-monthly basis is yet to be decided.
- DAA record keeping guideline consultation – There has been a delay in that process – the AER consulted a year ago on version 2 of those guidelines however are now at a position where the draft decision on the guideline version 2 will be published next week. The AER have taken on industry feedback and are considering a three-month implementation period post the final decision.

A question was received as follows:

- Courtney Czechowski (Origin Energy) asked what the draft decision that will be released next week relates to and if that was the same as the contemporaneous record keeping guide.

- Jeremy Llewellyn (AER) answered that it would be on the DAA record keeping guideline which is the one and the same guideline capturing requirements for contemporaneous record keeping.

Daniel Boardman (AER) spoke to the following:

- The AER recently conducted a consultation on an issues paper on the enhanced wholesale market monitoring functions. The draft guideline is currently being developed and is expected to be published in early July. The draft guideline effectively sets out the scope of the AER's wholesale market monitoring functions and powers and how the information will be collected and reported. The final guideline is expected to be published sometime in October and at the very latest, by 8 November. The AER will engage with industry in a consultative way to develop information orders and notices for the collection of information, which will be commencing once the final guideline is published.

3 No AEMC update

4 Consultation and Implementation Update – AEMO

Luke Stevens (AEMO) provided a summary of relevant gas consultations including the east coast gas reforms, the Hydrogen rule change for STTM, Retail Market Procedures (NSW/ACT, QLD, SA), GBB, GSOO, and the AEMO Procedure consultation to account for the new compensation and dispute resolution framework.

Luke Stevens (AEMO) provided an overview of the STTM/Gas Retail Procedures changes for Renewable gases and the latest expected dates for consultation on the Procedures changes.

Libby Chen (AEMO) provided an update on the GSOO Procedure amendments consultation for the hydrogen and other gases rule change.

Libby Chen (AEMO) provided an update on the consultation on the DWGM, STTM and East Coast Gas System Procedures to reflect the AEMC's final determination on the compensation and dispute resolution framework.

No questions were received for this item.

5 Other Business

5a. East Coast Gas System (ECGS) – Queensland Gas Pipeline Preliminary Post-Intervention Report

Robert Dickie (AEMO) noted the following in relation to the Queensland Gas Pipeline (QGP) incident:

- AEMO has published a post-intervention report on the QGP incident.
- The QGP failed on 5 March 2024 and the pipe delivery capacity has been constrained from that date. This event has been identified as an east coast gas system (ECGS) supply adequacy threat and issued a threat notice on 5 March.
- AEMO conducted a number of industry conferences between 5 March and 8 March 2024 to communicate the event and in the course of responding to the threat, gave a number of directions to improve the adequacy of supply as necessary to mitigate the threat. These actions can be broadly grouped into these two categories:
 1. Facilitate supply – a total of 6 directions were given to a total of 6 relevant entities. All 'supply' related directions ceased by 17 March.

2. Curtail demand – a total of 28 directions were given to a total of 7 relevant entities. All but one ‘demand’ related directions ceased by 19 March. One demand related direction remains in place to ensure that supply is maintained to at-risk end-users. It relates to approximately 2.5% of the daily QGP deliveries and more information is provided in the AEMO preliminary post-intervention report.
- AEMO is not aware of a fixed date of return of full capacity on the pipeline. AEMO anticipates that the threat will remain active until the criteria defined in the ECGS Procedures are no longer satisfied.

No questions were received for this item.

5b. Draft proposed STTM Procedure and Gas Retail Market Procedures (QLD, NSW/ACT,SA) changes to Distribution System Allocations for renewable gas

Luke Stevens (AEMO) spoke to the following:

- AEMC’s review into regulatory framework to include hydrogen and other renewable gases has required the implementation of an STTM net metered facility. AEMO has been discussing how this can be implemented given that on the STTM side, we would get injections by the pipeline allocation file known as the PAX file. Those pipeline allocations are expected to have a net injection quantity. On the withdrawal side, we get our withdrawal quantities from the net withdrawal (NAX) file which is a product of the net distribution system allocation. The net distribution system allocation is described in the rules as being undertaken in the STTM procedures which require the calculation of that distribution system allocation to be undertaken in the gas retail market procedures.
- A question for the broader industry – should net injections and net withdrawals for STTM net metered facilities be used in the gas retail market for STTM network sections to keep the gas retail market consistent with the STTM market?
- STTM Procedure change and gas retail market procedure change will be undertaken at the same time.
- AEMO has identified the following options:
 - Options 1 – distributors implement net metering of the net metered facilities in STTM networks with the net quantity being used in both the STTM hubs and gas retail markets.
 - Option 2 – AEMO undertakes the netting calculation for net metered facilities when the Distribution System Allocation is determined and sent via the NAX file to the STTM only.
- AEMO requests comment on the proposed changes by 5PM Friday 21 June 2024 to GWCF_Correspondence@aemo.com.au.

Comments were received from Melissa Perrow (Brickworks) as follows:

- It would be good to understand what those differences mean from a participant perspective to make sure that the right market outcome is achieved.
- Net metering sounds like it is potentially a hydrogen specific issue. So if it was biomethane, should the rule be the same or different – just pointing out the differences that will probably come into the market at some point.

Luke Stevens (AEMO) noted that there are only two blend processing facilities currently in operation:

1. AGIG's Hydrogen Park SA facility (in the Adelaide STTM Hub) so there will be one facility in the STTM hubs on 3 March 2025 when the new Rules come into effect.
2. AGIG's Hydrogen Park facility is outside of the STTM hub, which is also a blend processing facility, but under the existing retail market procedures cannot be netted.
3. In terms of the STTM rules – the STTM accepts energy so metering is not in the scope of the Rules. The reason AEMO is having the discussion with the distributors is to understand the simplest metering configuration and therefore cost of implementing net metering (either by AEMO or the Distributors).

The reason AEMO has raised this discussion is to let the GWCF be informed about the issues that AEMO is discussing with distributors.

AEMO will only comment on the market impact of net metering to the extent it interacts with the operation of the STTM and Gas Retail Market. In terms of the market impact of net metering:

1. In STTM, if a net injection quantity occurs (which is provided in the pipeline allocation (PAX) file), then the withdrawals must also be adjusted in the withdrawal allocation (NAX) file. The STTM requires the quantity of gas injected to equal the quantity of gas withdrawn for a gas day.
 - a. A blend processing facility is expected to contain a hydrogen production facility (which may include some storage of hydrogen onsite), which will be injected via a hydrogen production pipeline into the blending vessel. The blending vessel is taking gas from the distribution system, blending up to 10% hydrogen and then reinjecting the gas into the distribution system. Only a blend processing facility can meet the criteria to become a STTM Net Metered Facility.
 - b. AEMO has been informed that only net injections (ie injection of zero or greater) would ever occur at a blend processing facility. AEMO understand there will be no offtakes to consume natural gas from the blending vessel at the facility.
 - i. For the avoidance of doubt, the new STTM Procedures, which incorporate the STTM Net Metered Facility criteria, require that no consumption of gas can occur in the blending vessel.
 - c. The STTM Net Metered Facility criteria mean the only possible operational actions which could cause a net withdrawal are:
 - i. At facility commissioning, gas will need to be purchased to fill the blending vessel.
 - ii. If maintenance requires the blending vessel to be emptied and refilled.
 - iii. If the blending vessel leaks or is ruptured, gas will escape requiring a potential net withdrawal from the market.
2. In Gas Retail Market, each jurisdiction uses slight variations of the calculation of net system load (NSL) to determine the amount of gas consumed by basic meters.
 - a. In general, the NSL calculation uses injection meter quantity minus daily meter quantity (also referred to as interval meter quantity) minus unaccounted for gas estimate (and in NSW change in linepack) to determine the quantity of gas that would have been used by basic meters.

- i. The net system load is then profiled across all basic meters, using each basic meters reading every 90 days, to determine daily consumption for each basic meter across the distribution network for each day.
 - ii. As Retailers win customers, they become responsible for consumption at these basic meters and bill end users for their gas consumption for each gas day.
- b. Net metering at a blend processing facility would result in the injection meter minus daily meter calculation to occur either as an input to Gas Retail Market (Option 1) or in the STTM distribution system allocations (Option 2).
- i. AEMO does not foresee any market impact from the adoption of net metering via option 1 or option 2 for the STTM and Gas Retail Market.

5c. Draft proposed GBB Procedures changes for renewable gas

Luke Stevens (AEMO) noted that AEMO has provided a draft of the following documents:

- BB Procedures
- BB Aggregation Methodology
- BB Data Submission Guide
- Guide to gas bulletin board reports

AEMO intends to finalise these drafts along with a proposed procedure change with a view to start the formal consultation in early July for these procedure changes.

AEMO is requesting any comments/clarifications on the proposed change by 5pm Friday 21 June 2024 to GWCF_Correspondence@aemo.com.au. These comments will not be treated as formal submissions.

A question was received as follows:

- Andrew Godfrey (Alinta Energy) asked if the new section 10.5 in the BB Procedures will apply to every single pipeline or if it is only going to apply to the pipelines connected to BB blend processing facilities.

AEMO notes that the new rule 190G of the National Gas Rules requires a BB pipeline or BB blended gas distribution system that transports a gas blend to provide to AEMO the gas blend information and gas blend curtailment information.

The definition of natural gas in the NGL includes a naturally occurring mixture of hydrocarbons and non-hydrocarbons (such as H₂). So, if the natural gas being transported contains some amount of H₂ from the natural gas production process then this would still be classified as natural gas and not a gas blend.

Please see the following defined terms from the NGL:

natural gas means a substance that—

- (a) is in a gaseous state at standard temperature and pressure; and
- (b) consists of naturally occurring hydrocarbons, or a naturally occurring mixture of hydrocarbons and non-hydrocarbons, the principal constituent of which is methane; and
- (c) is suitable for consumption;

gas blend means primary gases that have been blended together.

primary gas means the following:

- (a) natural gas;
- (b) hydrogen;
- (c) biomethane;
- (d) synthetic methane;
- (e) a substance prescribed by the Regulations for the purpose of this definition;
- (f) a substance prescribed as a primary gas in a participating jurisdiction by a local regulation of the participating jurisdiction;

Please see the following defined terms from Part 18 of the Rules:

blend level means, on any gas day, the BB reporting entity's reasonable estimate of the quantity of primary gas, other than natural gas, transported through the facility, expressed as a percentage of the total quantity of gas transported;

blending limit means, in relation to a gas blend, a limitation or set of limitations, which may vary according to circumstance, on the proportion of a primary gas that the service provider allows to form part of the gas blend, whether for operational, compliance or other reasons.

5d. DWGM – MCE replacement – delayed

Luke Stevens (AEMO) noted that the workshop for the DWGM's Market Clearing Engine workshop has been delayed to June 2024.

No questions were received for this item.

5e. STTM – Planned database migration – update

Luke Stevens (AEMO) noted that AEMO has completed pre-production testing and cutover is targeted for the third week of June 2024. There will be two separate production IT change notifications – final external facing interface test in two weeks and the systems cutover in three weeks. This is purely a change for AEMO systems and will not impact participants.

No questions were received for this item.

5f. Registration of Kurri Kurri Pipeline

Luke Stevens (AEMO) spoke to the following:

- AEMO will be registering the Kurri Kurri lateral pipeline as a STTM storage facility. AEMO's rationale is outlined in the meeting paper 5f and provided a high level summary in the meeting.
- There will be a new Custody Transfer Point in the Sydney Hub which will require an administrative STTM Procedure change which will take approximately 2 months.
- From 3 March 2025, this process is changing as Custody Transfer Points will be set in a MIS report.

No questions were received for this item.

5g. Update to Technical Guide to the DWGM

Luke Stevens (AEMO) spoke to the following:

- AEMO has updated the DWGM Technical Guide to incorporate renewable gas changes, distribution connected facility, state-wide heating values to zonal heating values, definition of the DWGM market boundary and a new chapter for the settlement of directed quantities.
- AEMO intends to finalise the Technical Guide for publication in July 2024.
- AEMO requests comments on errors in the guide be sent to GWCF_Correspondence@aemo.com.au by the end of June.

No questions were received for this item.

5h. Update to GSOO/VGPR project classifications

Eve Phyu (AEMO) spoke to the following:

- The current project classifications in the Gas Statement of Opportunities (GSOO)/Victorian Gas Planning Report (VGPR) have been reviewed and amended to ensure they cover the full range of gas infrastructure projects that will be a source, storage or delivery to the east coast gas market and to provide transparency on measurement criteria.
- The proposed GSOO/VGPR 2024 project commitment classification classes are:
 - o Committed project – all necessary approvals have been obtained and implementation is ready to commence or is underway.
 - o Anticipated project – the project is considered to be justified on the basis of a reasonable forecast of commercial conditions at the time of reporting, and reasonable expectations that all necessary approvals (such as regulatory approvals) will be obtained and final investment decisions made.
 - o Uncertain project – these projects are more uncertain or at early stages of development.
- AEMO requests any suggested adjustments to the proposed classifications by COB 21 June 2024 to GWCF_Correspondence@aemo.com.au.

Questions were received as follows:

- Courtney Czechowski (Origin Energy) asked when the slide pack will be shared.

Libby Chen (AEMO) answered that the slides have already been sent and that the updated slides will be uploaded onto the GWCF website soon.

- Katharina (DEECA) asked whether the 'potential' classification will be replaced by 'uncertain' in the VGPR.

Alice McLaren (AEMO) answered that there is a slight difference between the two reporting classifications but essentially 'uncertain' and 'potential' are the same.

5i. Other items (ALL)

The GWCF accepted the March 2024 meeting notes. No actions were received prior to Meeting 43. Luke Stevens (AEMO) noted the next GWCF meeting dates.

Summary of action items (Luke Stevens (AEMO))

Luke Stevens (AEMO) noted the following action/questions which are included in the summary table below. There are no other open action items for the GWCF.

Table 1 Action items for AEMO:

Item	Topic	Action required	Responsible	By
43.5b	Impact of changes in distribution system allocations for renewable gas	Luke Stevens (AEMO) to follow up question on the impact of this change on participants.	Luke Stevens (AEMO)	Addressed in Secretariat Notes above in section 5a.
43.5c	BB Procedures new section 10.5	Luke Stevens (AEMO) to follow up question on rules requirement.	Luke Stevens (AEMO)	Addressed in Secretariat Notes above in section 5c.

Table 2 Action items for Participants:

Item	Topic	Action required	Responsible	By
43	Meeting Minutes	Review meeting minutes for June 2024 meeting.	ALL	Response by COB 19/06/24
43.5b	Impact of changes in distribution system allocations for renewable gas	Email feedback or comments on the proposed changes to GWCF_Correspondence@aemo.com.au .	ALL	Response by COB 21/06/24
43.5c	Draft proposed GBB Procedures changes for renewable gas	Email feedback or comments on the proposed change to GWCF_Correspondence@aemo.com.au .	ALL	Response by COB 21/06/24
43.5g	Update to Technical Guide to the DWGM	Email comments on errors in the guide to GWCF_Correspondence@aemo.com.au .	ALL	Response by COB 30/06/24
43.5h	Update to GSOO/VGPR project classifications	Email feedback on suggested amendments to proposed classifications to GWCF_Correspondence@aemo.com.au .	ALL	Response by COB 21/06/24

6 Attendees:

Name	Organisation	Name	Organisation
Libby Chen	AEMO	Harrison Gibbs	AEMC
Olcorn, Troy	Energy Australia	James Harding	Jemena
Herbert, Tamara	Santos	Yiting Xie	AEMO
Katharina F Benzler	DEECA	Adam Watson	AEMO
Cheung, Rupert	Alinta Energy	Roy Oliver	Exxonmobil
Damien Kennedy	AGL	Sean Jennings	Red and Lumo Energy
Lindsay Williamson-Hanna	CQ Energy	Chotima Micallef	Lochard Energy
Nielsen, Miles	APA	Nipun Saxena	AEMO
Paul Bresloff-Barry	Agora Retail	Melissa Perrow	Brickworks
Czechowski, Courtney	Origin Energy	Amin Gholami	CSR
Godfrey, Andrew	Alinta Energy	Jamie Coombs	SEAGas
Anne McTernan	Arrow Energy	Robin Coombe	Venice Energy
Rachael Lim	AEMO	David Younger	AEMO
Saul Milner	Simec Energy	Robert Matton	AER
Robertson, Liz	Origin Energy	Leo Xue	RM Hedge
Meredith Mayes	AEMC	Brad Gee	Jemena

Name	Organisation	Name	Organisation
Gerrod Murphy	Perpetual Energy	Hans Becker	CQ Energy
Marcus Godfrey	SEAGas	Puneet Joshi	AEMO
Jack McDonald	AEMO	Eades, Nicholas	Origin Energy
Mitchell Stewart	Cooper Energy	van Dijk, Devrim	Woodside
Daniel Boardman	AER	Tim Wise	AGL
Alice McLaren	AEMO	Craig Norton	RM Hedge
Patrick Lau	TPC	Eason Chang	RM Hedge
EE Siew Ong	Lochard Energy	Matthew Legg	Simec Energy
Juan C Reyes	DEECA	Lily Li	AEMO
Bernadette Velarde	AEMO	Robert Dickie	AEMO
Tom Baker	AER	Myra Horomidis	AEMO
John Smith	NexifRatch	Mark Pollock	AEMO
Jeremy Llewellyn	AER	Ridgway, Hugh	Alinta Energy
Plat, Philip PR	Bluescopesteel	Jeffery, Scott	Energy Australia
Robbie Flood	AEMO	Thao Le	RM Hedge
Patrick Loughrey	AEMC	Yingyi Wang	RM Hedge
Rick Abbott	AGIG	Payne, Chris	Energy Australia
Irlam, Lawrence	Energy Australia	Noah Tran	RM Hedge
Carl Coertzen	AER	Andrew Zancanaro	Jemena
Eve Phyu	AEMO	Becky Nguyen	Lochard Energy
Adam Rae	AER	Wand, Lewis	Iberdrola
Hitesh Sampat	AEMO	Stock, Patrick R	Viva Energy
Lina Choi	Cleanco	Luke Garland	AEMO
Shounan Chen	Jemena	Simon Lui	AEMO
Darryl White	AEMO	Scott, Joanna	Shell Energy
Ling Xia	AER	Tang, Tony	Shell Energy
Catherine Marshall	Jemena	Wormald, Peter	Shell Energy

No apologies were received ahead of the meeting.