

GWCF September 2024 Meeting Notes

Meeting:	GWCF Meeting #44
Date:	Wednesday, 18 September 2024
Time:	9:30am-11:00am (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

- Paula Keating (AER) spoke to the following:
 - The AER will be publishing a focus report on the Day Ahead Auction (DAA) in September. This is part of the new enhanced wholesale market monitoring and reporting functions that the AER was given in May this year.
 - The AER found that the DAA was indeed doing what it was introduced to do, which is to improve access to highly contracted pipelines where capacity has not been used. The DAA is an attractive option over other short term contracts.
- Carl Coertzen (AER) spoke to the following:
 - The AER has published a Significant Price Variation (SPV) Report for the 19 and 21 June high-priced events when the AER's reporting threshold of \$250,000 was breached for ancillary payments in the Victorian market.
 - The main factors that resulted in the SPV event was demand peaking in Victoria driven by colder weather that increased residential gas heating demand and also some elevated GPG. There were also some supply-side factors – production at Longford was below expected levels as the facility was still ramping up following a period of plant maintenance and this resulted in increased reliance on supply from Western VIC. However, transmission system maintenance reduced availability of supply from the West, more expensive gas ended up being scheduled from interstate points resulting in some of those ancillary payments being high on those two dates.
 - One of the AER's compliance and enforcement priorities this year is to clarify obligations and monitor compliance with monitoring. In relation to the new gas market transparency measures that came into

effect last year. In particular, we are focussed on the reporting of certain transactions as well as the reporting of reserves and resources. The AER is currently assessing gas field owner reporting.

- Short term transactions is another AER focus and have engaged a number of participants on this around reporting errors. Sometimes the counterparty to a swap transaction is not reporting the transaction so the AER are following up on that too. We are also in the process of considering providing more guidance for a to industry in the near future on the definition of a one year contract.

A question was received as follows:

- Andrew Zancanaro (Jemena) asked if in addition to the short term transaction reporting, if the AER was looking at some of the longer term impacts that that may have on say investment and general contracting. Some of the observations on contracting behaviours and the short term nature of that has been highlighted in the GSOO and future gas strategy as well as by the ACCC.
 - Carl Coertzen (AER) noted that they do not have all of the visibility into how contracts are structured on pipelines but with the new contract market monitoring powers that the AER will be getting, that is one of the areas where the AER will be receiving more information on.

3 AEMC update – Meredith Mayes

Meredith Mayes (AEMC) spoke to the following on the reliability and supply adequacy reforms:

- The AEMC has received 3 of the 4 expected rule change requests and are available on the AEMC website. They touch on the reliability standard and settings for the east coast gas system, the supplier of last resort mechanism, and notice of closure reporting requirements. The fourth will be on the gas PASA which the AEMC will receive soon.
- The AEMC anticipates formally initiating these changes in the new year and expect to kick off with the reliability standard and settings rule change given it has multiple components.

No questions were received for this item.

4 Consultation and Implementation Update – AEMO

Luke Stevens (AEMO) provided a summary of relevant gas consultations including the Hydrogen rule change for STTM and Retail Market Procedures (NSW/ACT, QLD, SA), GBB as well as the consultation on the STTM Procedures on the addition of Kurri Kurri Custody Transfer Point.

No questions were received for this item.

5 Other Business

5a. Market Interface Technology Enhancement (MITE) project

Graeme Windley (AEMO) spoke to the following:

- Market Interface Technology Enhancements – Vision is to create extensible, resilient and secure enabling technology frameworks (identity management, data exchange and web access) that underpin AEMO's services to and between NEM market participants, extensible to WEM and gas.
 - AEMO benefits include:

- Supportability of the technology ongoing (transition away from a proliferation of custom solutions)
- Reduction in security vulnerability risk through move to 'secure by design' technology
- Ability to implement reform initiatives faster through scaling resourcing and more modular solutions
- Key plank of plans to meet SOCI Compliance - both minimum and evolving requirements
- Industry benefits include:
 - Reduced operational costs through self-service
 - Lowered barriers to entry for participants, including in emerging markets
 - Lowered localisation costs of global industry technology solutions, e.g. CIS platforms
 - Improved security posture and assists industry in meeting their SOCI obligations
- Market Interface Technology Enhancement Working Group (MITEWG) - AEMO has established a Market Interface Technology Enhancement Working Group (MITEWG) to collaborate with stakeholders on:
 - Proposed protocols, message exchange patterns, gateway changes & pilot scope.
 - Proposed Organisation Hierarchy concepts.
 - Basic and advanced data sharing concepts.
 - Target state design, patterns, and impacted 'To-be' processes.
 - Progressive migration processes and detailed transition plans.
 - Proposed Technical Specifications.
- Industry Data Exchange (IDX) – AEMO's markets are undergoing significant transformation, resulting in new data exchange needs. AEMO is introducing new data exchange patterns without a target state and roadmap which is inhibiting participants from modernising their systems and quantifying the benefits of their investments.
 - This Initiative will conceptualise unified data exchange standards, patterns, protocols, payload formats and channels to support market and domain-agnostic, streamlined, secure, reliable, scalable centralised data exchange platform.

Nirmal Narayanamurthi (AEMO) spoke to the following:

- Identity and Access Management (IDAM) is a unified mechanism to authenticate and authorise external identity when accessing AEMO services, consolidating and improving overall cyber security controls. The project aims to address the problem statement of AEMO's IDAM services being disparate, requiring users to retain multiple sets of credentials in order to access AEMO business services.

No questions were received for this item.

5b. Winter gas market review

Darryl White (AEMO) spoke to the following:

- Prices were higher compared to winter 2023, averaging \$13.79/GJ across the east coast in comparison to \$11.43/GJ last year. By winter, AEMO means the months of June, July and August. Main drivers of the higher prices included colder than average weather in June where we saw higher gas powered generation given low wind generation, requiring gas to step in. We also saw some unplanned extension of maintenance at Longford – we were originally expecting Longford to be available for more capacity at the start of winter than what eventuated.
- LNG exports from Queensland were higher than winter 2023 and were the highest winter flows on record. The main increase came from APLNG, up 5.6PJ compared to last year. QCLNG was slightly up while GLNG virtually had no change.
- GPG demand up 14.2 PJ with VIC with the biggest increase
- There is greater reliance on Queensland supply to meet demand in the southern states. Longford continue to decrease down over 3 petajoules compared to last winter and saw over 6 petajoule increase in Queensland supply to the southern markets.
- Iona storage heavily utilised and emptied at record rates in May and June, leading to AEMO issuing an east coast gas system supply risk and threat notice on 19 June. This was revoked on 23 August when storage levels had been increasing due to lower GPG demand and warmer weather.
- DWGM EDD – colder than average in June and July but warmest August on record.
- Day ahead auction – record auction volumes for winter with the increase mainly driven by large increases on EGP, VicHub, SWQP and MSP.

Comments and questions were received as follows:

- Scott Young (APA) commented that the SWQP expansion has assisted in keeping the showers hot and the lights on for winter. Scott Young also asked if AEMO has information on the coincidence of Tariff V and Tariff D peak demand and GPG peak demand.
 - Darryl White (AEMO) noted that he did not have this analysis however recommended the AEMO QED report as a source of information on GPG demand.
- Godfrey Marcus (SEAGas) asked why GPG was excluded from system demand and if that was a new thing or if it has always been excluded historically.
 - Darryl White (AEMO) noted that it is just the way that it has always been. When system demand is referred to, AEMO is referring to demand without or excluding GPG.
- Jennifer Brownie (QEUN) asked if all existing GPG stations currently operating capable of running on a hydrogen blend given the high dependence on GPG due to low wind in June and July.
 - Luke Stevens (AEMO) noted that the only plant AEMO is aware of that can operate on hydrogen is one of the Tallawarra plants operated by Energy Australia.
- Andrew Zancanaro (Jemena) asked whether reduced Longford production and deferred maintenance impact refill rates at Iona storage.
 - Darryl White (AEMO) noted there are multiple factors that go into refill rates so it is unknown.

5c. Upcoming consultation on the approved process

Libby Chen (AEMO) spoke to the following:

- The approved process being a process for examining and assessing a proposal for the making of Procedures and the preparation of an Impact and Implementation Report (IIR).
- AEMO will be consulting on the proposed changes to the approved process in accordance with the standard consultative procedure with the expected initiation date being 30 September 2024.
- Changes include:
 - Requirement on AEMO to include summary of significant changes to the procedure in the IIR.
 - Removal of requirement on AEMO to provide a recommendation in the IIR on whether the expedited or ordinary consultation should be used. Instead, if the expedited process is applicable, the reason for the expedited consultation will be included in the IIR.
 - Amendment to requirement on AEMO to engage with a consultative forum prior to the Procedure consultation. Engagement with the consultative forums in addition to the Procedure consultation is not always practical or necessary.

No questions were received for this item.

5d. STTM – increasing STTM submission file limit from 999 rows

Luke Stevens (AEMO) spoke to the following:

- For awareness, AEMO has identified as part of our business processes that there is a limitation of 999 rows for STTM file submission and are looking to increase that limitation to 99,999 rows. This will primarily be a benefit to STTM facility operators who have to submit files.
- AEMO will need to make this change as part of an STTM procedure change process and as part of the STTM interface protocol.

No questions were received for this item.

5e. STTM – IT refresh update

David Younger (AEMO) spoke to the following:

- AEMO has been updating our STTM systems lately and has undertaken a migration of STTM servers across to some updated ones on 15 August. That implementation was successful given we have not noticed any issues internally and have had no issues reported.
- AEMO wanted to thank market participants who were involved in testing ahead of the go-live as well as post implementation checks.
- There is still one item remaining – the scheduling and pricing engine. AEMO has identified a minor issue – a slight difference in behaviour in outcomes in relation to the capacity price calculation. AEMO will be looking to make a change to the SPE to remove that issue.

No questions were received for this item.

5f. Other items (ALL)

The GWCF accepted the April 2024 meeting notes. No actions were received prior to Meeting 44. Luke Stevens (AEMO) noted that the User Guide to MIBB reports update will be released in December and also noted that the Australian Standards committee for general purpose natural gas is expected to publish an updated standard for consultation that incorporates hydrogen and biomethane by the end of 2024.

Luke Stevens (AEMO) noted the next GWCF meeting dates in 2025:

- 9 April 2025
- 11 June 2025
- 17 September 2025
- 3 December 2025

6. DWGM MCE Update workshop

David Younger (AEMO) spoke to the following:

- There is a procedure consultation in relation to the DWGM MCE update, impacting the wholesale market operations procedures for VIC. Changes to the scheduling process are being reflected in there as well as inputs to the scheduling.
- New features include an improvement in the interaction between net flow transportation constraints and directional flow point constraints, introduction of minimum daily and hourly quantities in NFTCs, and the introduction of a new zonal flow transportation constraint to be used to cover multiple pipeline systems.
- There will also be MIBB report updates with those detailed distributed with the impact and implementation report (IIR).
- The MCE is being certified by third party Market Reform who will be testing the updated internal interfaces and new reports in addition to the cut-over process.
- Implementation of the update – the solution has been designed to enable straightforward switching between and old and updated MCE. The updated MCE will be tested in parallel with production in the last month prior to release.
- The timeline of the key tasks of the DWGM MCE update.

Comments and questions were received as follows:

- Scott Young (APA) asked whether the new MCE will be able to accommodate multiple injection points (e.g. for biomethane projects).
 - David Younger (AEMO) noted that it's a functionality of the existing MCE to accommodate multiple injection points. As part of the renewable gas integration reforms for the DWGM, we're looking to incorporate renewable gas facilities into the market.
- Andrew Zancanaro (Jemena) asked whether the calculation method/formula for ZFTC will be made available and whether the method will be reviewed and updated as required as part of the VDPR process.

- David Younger (AEMO) noted that pipeline modelling has been used however unsure of the reporting approach.
- Shik Shorif (Origin Energy) asked whether the test cases that were ran with ZFTC produce any different scheduling outcomes.
 - David Younger (AEMO) noted that the ZFTCs is a different way of putting a cap on the withdrawals. So in terms of interpreting outcomes as a market participant, you'd be looking at much the same as you do now.

Summary of action items (Luke Stevens (AEMO))

There were no action items for the GWCF or for AEMO.

6 Attendees:

Name	Organisation	Name	Organisation
Adair, Andrew	APA	Lina Choi	Cleanco
Adrian Spizzo	Macquarie	Lindsay Williamson-Hanna	CQ Energy
Alice McLaren	AEMO	Ling Xia	AER
Allan McDougall	Gas Trading Australia	Luke Garland	AEMO
Andrew Zancanaro (External)	Jemena	Luke Stevens	AEMO
Anne McTernan	Arrow Energy	Malcolm Rae	AER
Anthony Hill	ETSI Energy	Marcus Godfrey	SEAGas
Ben Lewis	Westside Corporation	Matthew George	PWC
Bernadette Velarde	AEMO	Matthew Legg	Simec Energy
Boyle, Michael	Origin Energy	Meredith Mayes	AEMC
Caity Pitt	AEMO	Mitchell Stewart	Cooper Energy
Carl Coertzen	AER	Myra Horomidis	AEMO
Chotima Micallef	Lochard Energy	Nipun Saxena	AEMO
Christopher Imgraben	Origin Energy	Nirmal Narayanamurthi	AEMO
Claudia Prider	AEMO	Nitin Parwal	Beach Energy
Cody Lin	EEBG	Noah Tran	RM Hedge
Czechowski, Courtney	Origin Energy	Olcorn, Troy (External)	Energy Australia
Damien Kennedy (External)	AGL	Patrick Lau	TPC
Dane Merkel	Hydro	Patrick Loughrey	AEMC
Daniel Evans	Hansen Technologies	Patrick Stock	VIVA energy
Darryl White	AEMO	Paul Bresloff-Barry	Agora Retail
David Habib	Cooper Energy	Paul Tarrant	SGM Trading
David Younger	AEMO	Paula Keating	AER
Doug Menhenick	SGM Trading	Pragati Bhargava (External)	Jemena
Eason Chang	RM Hedge	Przemek Grobelski	Beach Energy
EE Siew Ong	Lochard Energy	Puneet Joshi	AEMO
Eleni METALLINOS	DCCEEW	Pushpanayagam, Viren	Telstra

Name	Organisation	Name	Organisation
Elif Kurdoglu Sengoz (External)	Jemena	Richard Lee	Senexenergy
Espoire Matabishi	AEMO	Ridgway, Hugh	Alinta Energy
Gerrod Murphy (Perpetual Energy) (Unverified)	Perpetual Energy	Robert Dickie	AEMO
Godfrey, Andrew	Alinta Energy	Robert Matton	AER
Graeme Windley	AEMO	Robertson, Liz	Origin Energy
Hans Becker	CQ Energy	Robin Coombe	Venice Energy
Harmony DAVEY	DCCEEW	Sarah Kok	petrochina
Harry Kallis	Beach Energy	Saul Milner	Simec Energy
Herbert, Tamara (Tamara)	Santos	Scott, Joanna L SDA-STQ/5	Shell Energy
Hitesh Sampat	AEMO	Shorif, Ashik	Origin Energy
Irlam, Lawrence (External)	Energy Australia	Shounan Chen (External)	Jemena
James Harding (External)	Jemena	Steven Kwon	AER
James Simpson	RM Hedge	Sutherland, Christina (Christina)	GLNG
James Tyrrell	AEMC	Tang, Tony SDA-STX/Q/B	Shell Energy
Jamie Coombs	SEAGas	Tucci, Daniel	APA
Jeffery, Scott (External)	Energy Australia	Varghese, Thankam (External)	Energy Australia
Jennifer Brownie (Guest) (Unverified)	Queensland Electricity Users Network	Vikas Mannaru	Gas Trading Australia
Jess Fraser (External)	Jemena	Wand, Lewis	Iberdrola
John Smith	NexifRatch	Wendy Zhang	AEMO
Jordan McCollum	APGA	William Baskerville	AEMO
Juan C Reyes (DEECA) (External)	DEECA	Winnie Cheung (External)	Jemena
Kartik Chadha	AER	Wong, Frankie (External)	Energy Australia
Katharina F Benzler (DEECA) (External)	DEECA	Wormald, Peter SEOPS-DRN/A	Shell Energy
Kidman Ho (External)	Jemena	YEUNG Jessie (ENGIE in Australia)	ENGIE
Kieran O'Leary (External)	AGL	Yingyi Wang	RM Hedge
Leigh Clemow	EUAA	Young, Scott	APA
Leo Xue	RM Hedge	Zach McGlinn	AEMO
Libby Chen	AEMO	Zhou, Lijie (External)	Energy Australia

No apologies were received ahead of the meeting.