

2020 GBB (WA) Zones Review

WA Market Operations
October 2020

Agenda

1. Introduction & Background
2. Analysis
3. Findings & Recommendations
4. Next Steps

Introduction & Background

Inception of the GBB (WA)

- The GBB and GSOO were a key recommendation of the Gas Supply and Emergency Management Committee in 2008¹.
- In 2013, the GBB was formally established alongside the GSI Act, Regulations and Rules.
- AEMO became responsible for operation of the GBB in 2015.

GAS SERVICES INFORMATION ACT 2012

***GAS SERVICES INFORMATION REGULATIONS
2012***

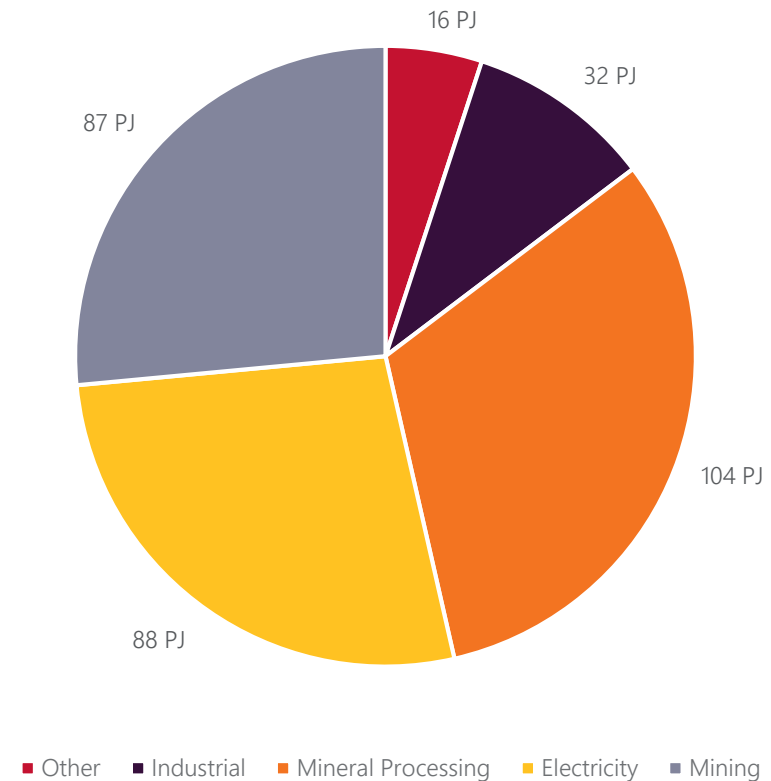
***GAS SERVICES INFORMATION RULES
(1 March 2019)***

1: <https://www.mediastatements.wa.gov.au/Pages/Barnett/2009/10/Report-recommends-measures-for-State%E2%80%99s-long-term-gas-security.aspx>

Objectives and Purpose of the GBB (WA)

- The **objectives** of the Gas Bulletin Board (GBB) are to promote the long term interests of consumers of natural gas in relation to [GSI Rule 2(1)]:
 - (a) the security, reliability and availability of the supply of natural gas in the State;
 - (b) the efficient operation and use of natural gas services in the State;
 - (c) the efficient investment in natural gas services in the State; and
 - (d) the facilitation of competition in the use of natural gas services in the State.
- The **primary purpose** of the GBB is to include information relating to short and near term natural gas supply and demand and natural gas transmission and storage capacity in the State; [GSI Rule 2(2)]

Large User Consumption by category for 2019/20



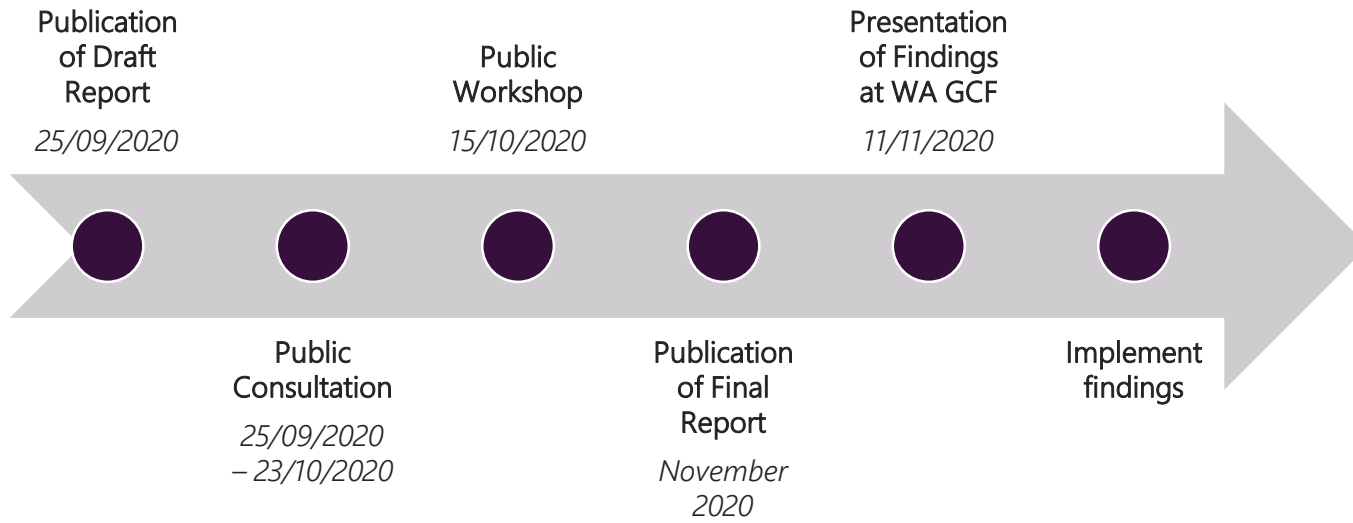
Purpose of the Zones

- Participants have obligations to submit data to AEMO in accordance with GSI Rules.
- AEMO has obligations to publish that data on the GBB:
 - Some information is published specifically by Facility whereas other information must be aggregated by Zone.
 - Data is published in accordance with specified time periods
- The Zones:
 - Maintain the confidentiality of information, by publishing aggregated information.
 - Represent data to reflect changes at an adequate regional scale.
 - Provide quick snapshots of changes to the gas landscape/security on a zonal basis.



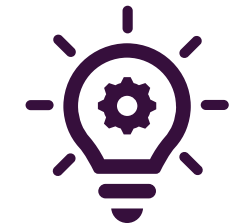
Purpose and structure of the review

- AEMO must review the Zones at least once every five years. The last review was conducted in 2015.
- AEMO has therefore commenced the 2020 five yearly review of the GBB Zones.



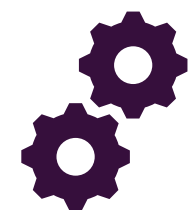
Do the Zones meet the obligations of the GSI Rules and Objectives?

Does the information aggregation/segregation of the current Zones provide meaningful information?



Do the Zones maintain the confidentiality of business-critical information?

Are there any future gas developments that may impact the future accuracy and/or granularity of information provided by the current Zones?



Analysis

GBB (WA) Zones Review - 2020



A snapshot of the data currently held on the GBB (WA) and the changes to the GBB (WA) landscape since July 2015.

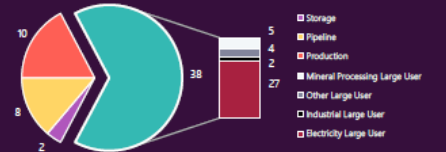
94 Participants registered to the GBB (WA) as of July 2020

31 Exclusive Shippers
28 Exclusive Facility Operators
35 Both Shippers & Facility Operators

99% of Production remains in the Dampier Zone

Of GBB's total consumption, Metro, South-West and Parmelia make up **64%**

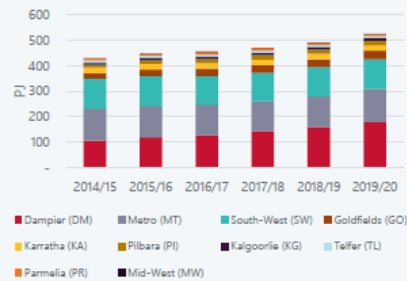
Registered Facility Breakdown in 2020



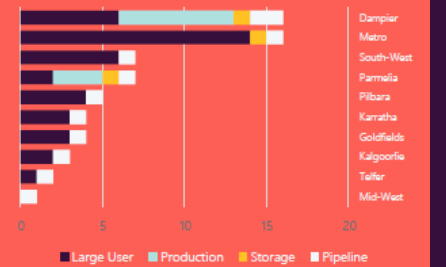
Registration Changes Since 2015

- +1 Storage Facility
- +4 Production Facilities
- +1 Pipeline
- +3 Large Users

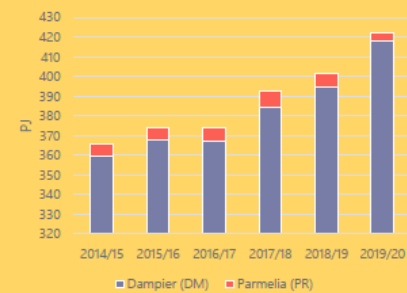
End User Consumption by Zone



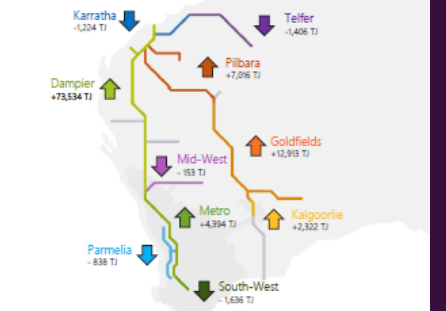
Type of Facility by Zone in 2020



Production by Zone



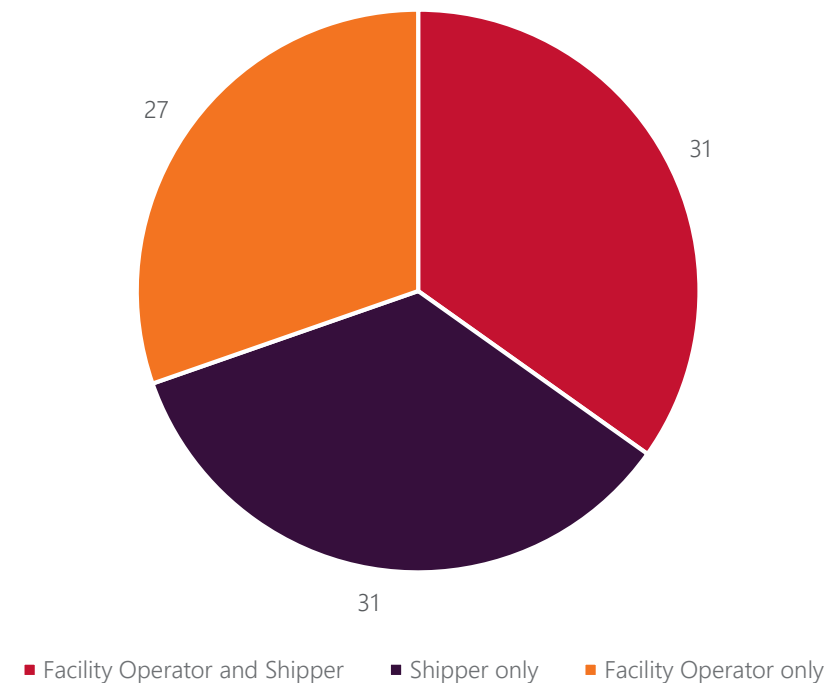
Consumption Variance between 2014/15 and 2019/20



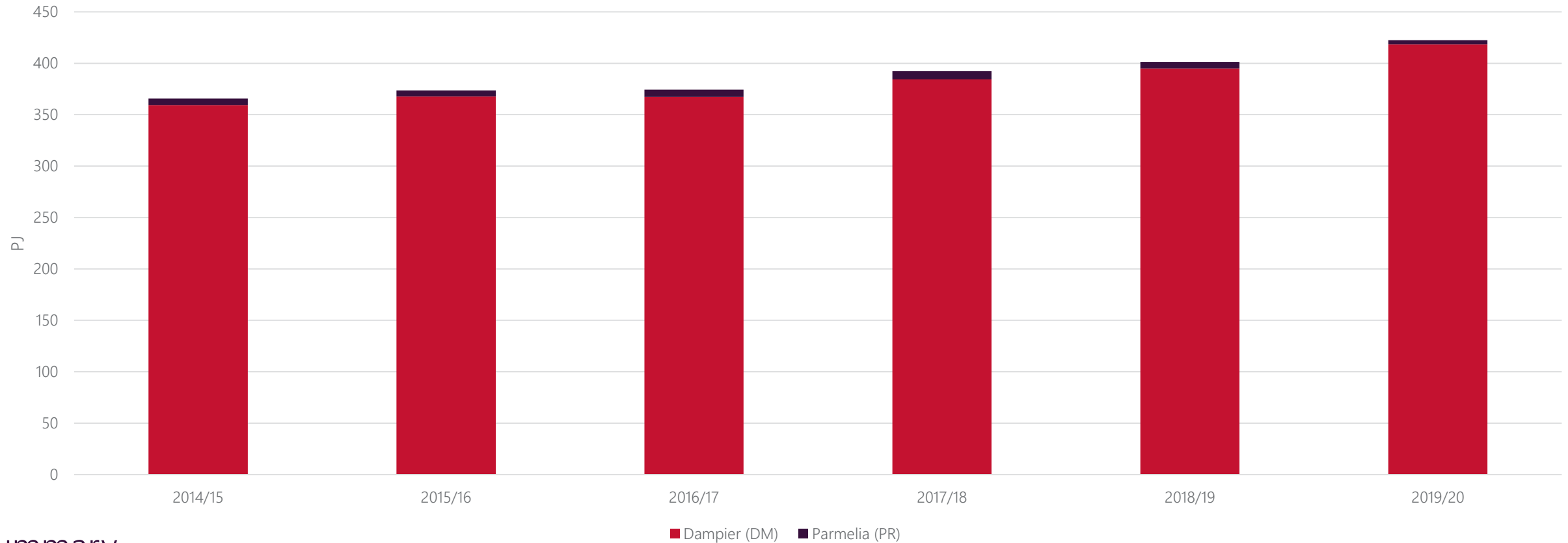
Registration Changes

- There are now 89 Participants registered to the GBB.
- Since the 2015 review Participants have increased as follows:
 - +11 Shippers
 - +2 Facility Operators
- Since the 2015 review Facilities have increased as follows:
 - +1 Storage Facility
 - +1 Pipeline
 - +4 Production Facilities
 - +3 Large Users

Participant make-up as of September 2020



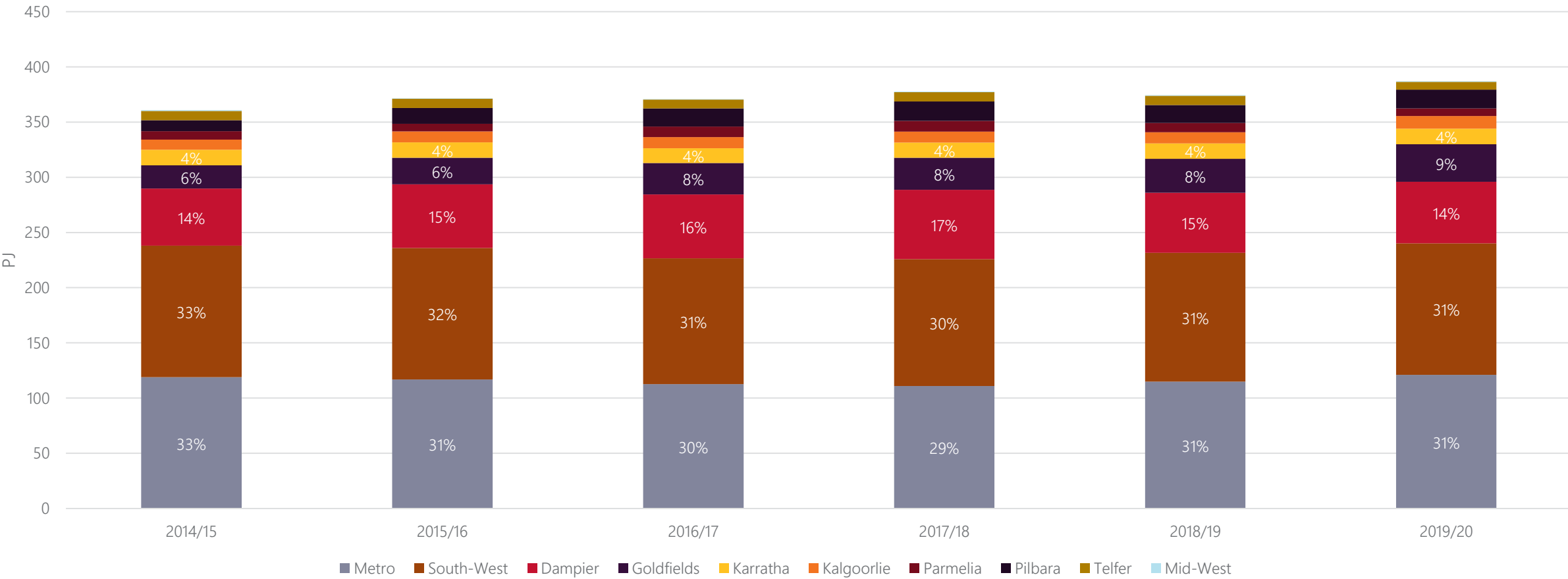
Production by Zone



Summary

- A Overall yearly production has increased by 56 PJ from July 2015 to July 2020.
- B The Dampier Zone is still producing 99% of domestic gas in the state.

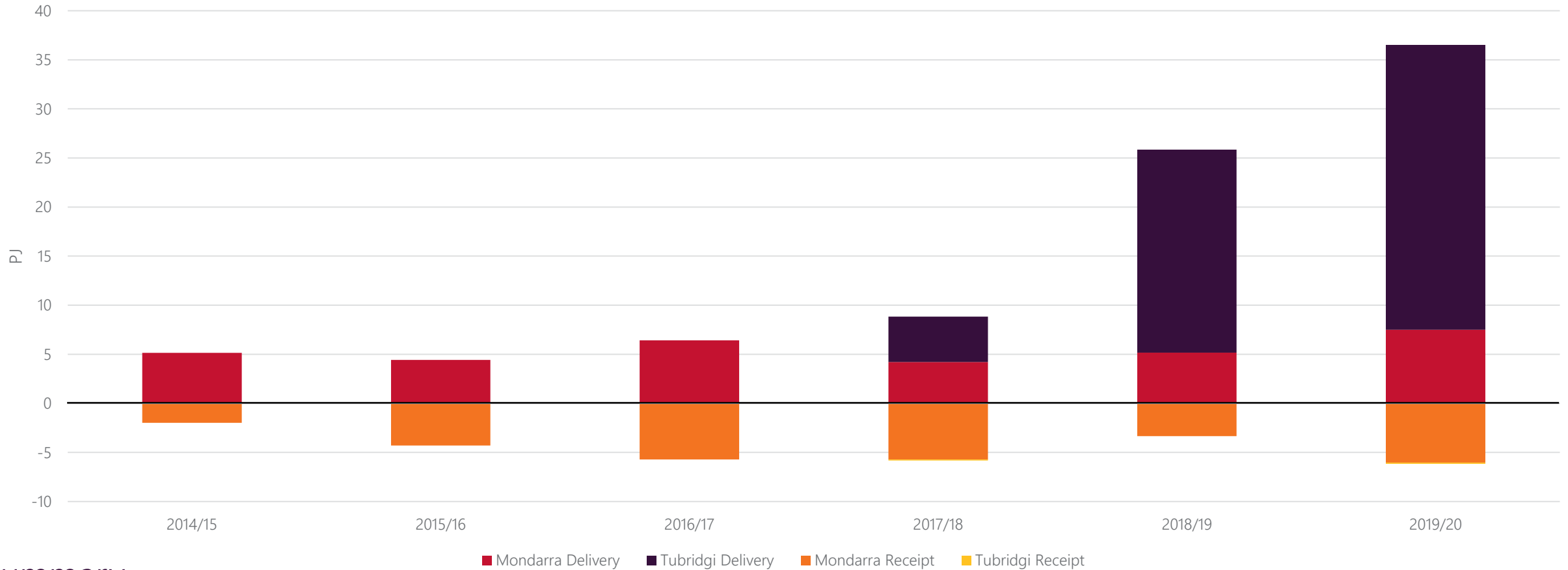
End User Consumption by Zone



Summary

- A Overall yearly consumption has increased by 26 PJ from July 2015 to July 2020.
- B Consumption remains heavily focused in the South-West of the State, in the Metro, South-West, and Parmelia Zone.

Storage by Facility

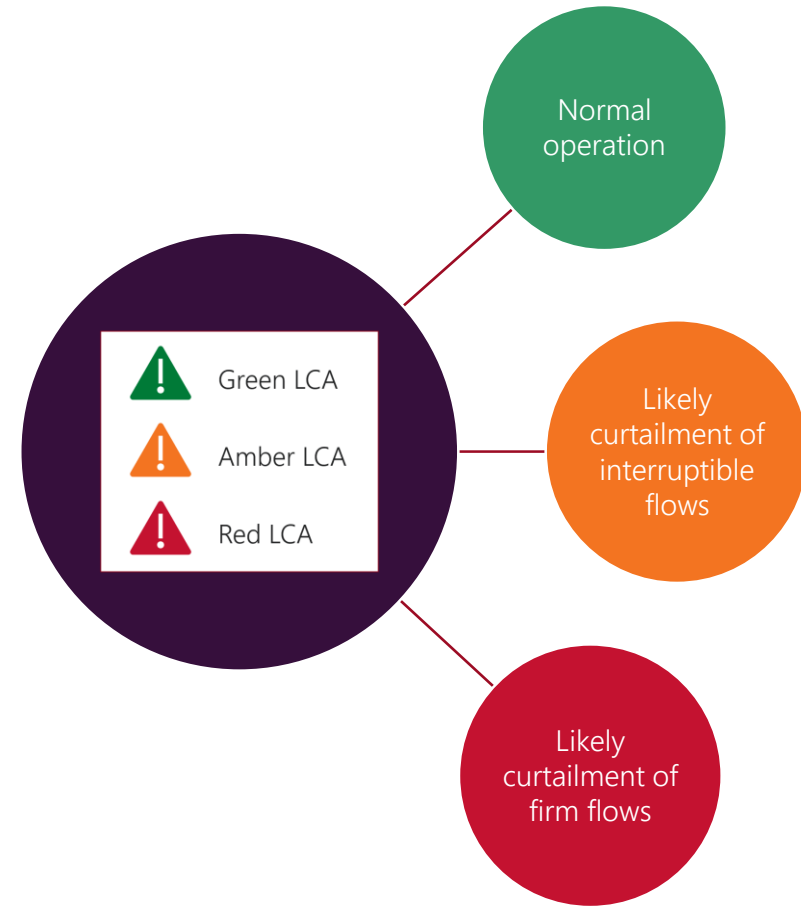
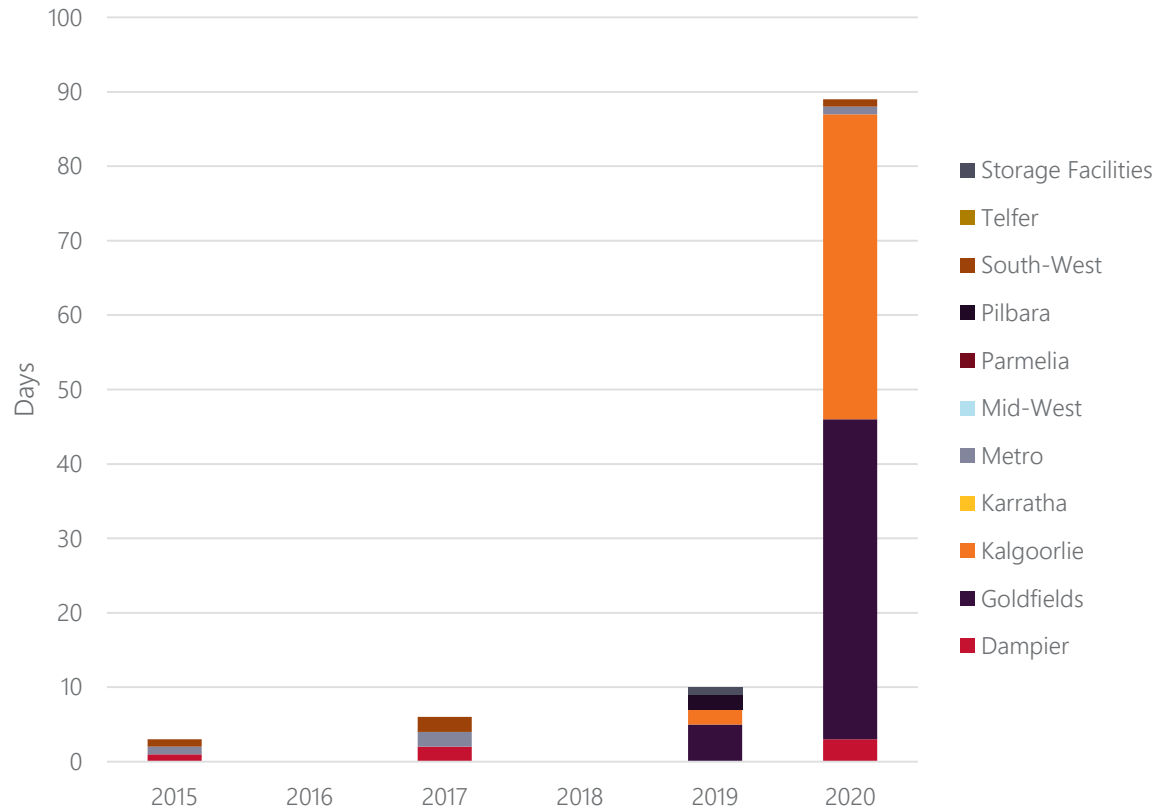


Summary

- A Deliveries into Storage Facilities exceed receipts from Storage Facilities.
- B More being stored in the Tubridgi Facility each year, with a maximum Storage Capacity of 60,000 TJ.

Linepack Capacity Adequacy (LCA) by Zone

Days with Amber LCA by Zone



Summary

- A Large increase in Amber LCAs is likely due to a more robust reporting method.
- B The Red LCA in 2020 resulted in the curtailment of gas on one occasion. The EMF has not been activated since 2017.

Findings & Recommendations

Recap

- To recap, AEMO's goals when conducting this review included an assessment of:
 1. Whether the Zones meet the GSI Objectives;
 2. Whether they provide a useful representation of the data, allowing users to interrogate information on the past and near to mid-term future gas landscape in the state;
 3. Whether the current structure of the Zones is adequate to meet oncoming changes to the gas landscape;
 4. Whether the Zones maintain the confidentiality of business-critical information.

Preliminary Findings

Analysis

Registration changes and increased participation

Gas production

Gas consumption and storage

Preliminary Findings

AEMO believes the current GBB Zones provide appropriate reporting to Registered Participants and other users of the GBB.

Where changes have occurred AEMO considers the information published on the GBB is sufficient in providing data on newly Registered Participants and Facilities.

The gas landscape has remained consistent to justify the current GBB Zones are consistent with the GSI Objectives.

Recommendations

- AEMO's preliminary recommendation is that the current GBB Zone List is retained, and that **no changes to the current GBB Zone List are made**. AEMO makes this recommendation on the basis of the following.

GSI Rules and Objectives are adequately satisfied

Addition of Participants and Facilities has no material impact

No distinct changes to flow patterns

Data is published at a Facility-level of granularity

Next Steps

Next Steps



Publication of the draft report (25/09/2020)

Preliminary finding: AEMO is proposing that no changes are made to the GBB Zones.



Stakeholder Workshop (15/10/2020)



Submissions Due (23/10/2020)

Written submissions to be addressed to wa.operations@aemo.com.au



Final Report (November)

All submissions will be considered and addressed in the final report.



WA GCF (11/11/2020)

AEMO will present the findings of the final report at the WA GCF on 11/11/2020.



Implementation of Recommendations

Any accepted recommendations will be implemented following the WA GCF.



AEMO

AUSTRALIAN ENERGY MARKET OPERATOR