

MEETING RECORD

MEETING: WA Gas Consultative Forum (WAGCF)
 DATE: Wednesday, 27 October 2021
 TIME: 1:00 PM (AWST)
 LOCATION: Microsoft Teams
 CONTACT: WAgasforum@aemo.com.au

ATTENDEES:

NAME	COMPANY
Martin Maticka (Chair)	AEMO
Laura Tomkins (Secretariat)	AEMO
Jasper Sng	AGL
Mark Riley	AGL
Jayesh Halai	AGL
Nicholle Langer	Alinta
Michael Puls	APA
Rojan Pandey	HFM Asset Management
Pam Starkey	BP
Jason Ridley	Chevron
Dominic Rodwell	Citic Pacific Mining
Jia Wu	Citic Pacific Mining
Linh Nguyen	CME
Jenny Laidlaw	EPWA
Laura Koziol	EPWA
Ken Chan	Equity lifting
Lipakshi Dhar	ERA
Tyson Self	ERA
Rajat Sarawat	ERA
Stephen Del Monaco	ExxonMobil
Adrian Hamra	ExxonMobil
Greg McIntosh	FMG
Paul Bresloff-Barry	Gas Trading
Allan McDougall	Gas Trading
Noelle Leonard	JTSI
Taron Brearley	JTSI
Jana O'Kane	Kleenheat
Quentin Jeay	Kleenheat
Peter Kolf	KPK Specialist Advisory Services Pty Ltd
Richard De Bont	KUFPEC
Julie-Anne Simmons	Mitsui E&P
Bernie Bourke	Mitsui E&P
Simon Molyneux	Molyneux Advisors
Erin Stone	Point Global
Leah Kisiel	Santos
Daniel Grant	Santos
Joanna Wong	Shell
Wendy Ng	Shell
Charles Loh	Shell

Pete Ryan	Strike Energy
Mark Chambers	Synergy
Carole Clare	Synergy
Sangita Bista	Synergy
Michael Song	Verisk
Jocelyn Vaskas	Verisk
Christopher Meredith	AEMO
Rick Dolling	AEMO
Michael Thompson	AEMO
Liam Hayes	AEMO
Neetika Kapani	AEMO
Cameron Parrotte	AEMO

1. Welcome and Previous meeting minutes

Martin Maticka (AEMO) opened the meeting at 1:03 pm, welcomed attendees to WAGCF No.18

The minutes from the previous WAGCF (21 July 2021) were endorsed. AEMO to publish the minutes as final on the website (Action Item 1.1).

2. AEMO's Allowable Revenue and Forecast Capital Expenditure (AR6) submission

Martin Maticka (AEMO) presented a preliminary AR6 expenditure forecast, noting AEMO will be offering one on one meetings with Stakeholders who have specific questions, any requests can be directed to WAGasforum@aemo.com.au, otherwise there will be a formal consultation period.

Stakeholder Questions and Feedback:

Mark Riley (AGL): Might there be costs with infrastructure obligations and hydrogen injection programs?

- AEMO: If there are any changes required to be completed in relation to AEMO's obligations and the Market Rules, then these will need to be factored in.

3. 2021 Gas Statement of Opportunities (GSOO) draft forecasts

Christopher Meredith (AEMO) presented the 2021 WA GSOO draft potential gas supply forecast, including the forecasting approach and methodology, the draft gas demand forecasts, draft potential gas supply forecasts and the Preliminary supply-demand balance.

Stakeholder Questions and Feedback:

Domonic Rodwell (Citic Pacific Mining): Do we get to see all the cost related information Production costs, LNG costs and drivers, and market forecast prices? Demand at the forecast price? What is the forecast price?

- AEMO: This information does underpin the modelling, however, is provided to AEMO in confidence and cannot be shared.

Jana O'Kane (Kleenheat): How will you model demand volatility in the phasing in of renewable adoption?

- AEMO: AEMO went external to look at the forecast for gas demand in the GPG in the SWIS. This model did integrate renewables. Regarding the volatility, is it likely to increase over time, due to the way renewables work and the pace of uptake.

Pam Starkey (BP): Does a transition to cleaner fuel get included here as per various large miners stated objectives?

- AEMO: Yes, it does, in the demand side modelling.

Domonic Rodwell (Citic Pacific Mining): What is the cause of Varanus and Devil creek reductions?

- AEMO: Varanus is 30TJ down from expected, that's approximately 10%, so considered within normal operational parameters and Devil Creek could potentially be caused by the large reserves downgrade at Reindeer towards the start of 2021

Jana O'Kane (Kleenheat): Waitsia LNG export phase should be excluded from forecasts in my view. It will cloud the outlook.

- AEMO: The main drivers for including Waitsia are that when it comes on stream, it will be seen on the Gas Bulletin Board in production and in transmission, therefore if you add up the GBB in a few years' time it will tally with the GSOO. It is also consistent with the NEM.

There was further discussion, that it would be a preference for Waitsia to be excluded and It would be helpful to me to see the genuine domestic demand as well as what you are proposing. AEMO will take this feedback on board when finalising the forecast.

Noelle Lennard (JTSI): You say the market is tight. Will there be any commentary in the GSOO on the implications for price as a result?

- AEMO: There is a price outlook which does consider the state of the market, so the commentary would be limited on this.

4. Action from Gas Advisory Board (GAB) – Submission Obligations

Liam Hayes (AEMO) provided an overview of the submission obligations that participants have on the GBB.

Allan McDougall (Gas Trading): So, the limit is operational only (not commercially reasonable)?

- AEMO: The glossary of the GSI Rules states Nameplate Capacity means the maximum quantity of natural gas that, under normal operating conditions, can be delivered/injected/withdrawn on a Gas Day. This definition does not mention whether it is commercially reasonable to do so, rather, does that Facility has the capability to do so.

Jana O’Kane (Kleenheat): Do the plants need to be operationally capable (reserves supported and offshore capability) of delivering to their nameplate capacity?

- AEMO: In accordance with the [GSI Rules](#), Nameplate Capacity has the following definition for a Production Facility (sections highlighted by AEMO) as:

*The maximum quantity of natural gas that, **under normal operating conditions**, can be **produced by** the Facility **and injected into** one or more GBB Pipelines on a Gas Day.*

Registered Production Facility Operators should ensure the Nameplate Capacity Data in the GBB (WA) aligns to this definition.

A Registered Production Facility Operator must provide AEMO with the Nameplate Capacity Data for each GBB Production Facility it operates by 31 March each year [GSI Rule 71(1)]. In accordance with GSI Rule 71(2) a Registered Production Facility Operator must notify AEMO of any changes to the Nameplate Capacity Data as soon as practicable after it becomes aware that:

- a) the Nameplate Capacity Data it has provided to AEMO is no longer accurate due to changes in the capacity of a GBB Production Facility;
- b) those changes in capacity are more than 10% of the current Nameplate Capacity; and
- c) those changes are likely to impact the GBB Production Facility for more than one year.

Mark Riley (AGL): Can the changes be time spliced so that you can amend just a specific period and then let the original quantity continue?

- AEMO: With respect to Capacity Outlook submission, Participants can re-submit for specific days, noting the value for the Gas Day D+7, is assumed to be the value for any future Gas Days (D+8 onwards) if an updated submission isn’t received.

5. 2021 Gas Highlights

Michael Thompson (AEMO) presented some GBB highlights from 2021, including registrations, facilities, and new connections, GBB system updates and 2021 observations.

Stakeholder Questions and Feedback

Jana O'Kane (Kleenheat): Why do you think there has been such a large reduction in Amber LCA's?

- AEMO: There were a number of maintenance events and outages in 2020, resulting in Amber LCA submissions. These have not occurred in 2021.

6. Other Business

Christopher Meredith (AEMO) informed participants there is now a [Gas Infrastructure Map](#) that is available to download from the WA Gas Bulletin Board website.

7. Next Meeting

Martin Maticka (AEMO) informed participants that the date for the next WAGCF will be communicated in due course. The meeting was closed at 2:15 pm.

Disclaimer - This document provides an overview of the main points of discussion at an industry forum convened by AEMO on 21 July 2021 to provide information and invite perspectives and feedback on matters relating to WA Gas Consultative Forum (WAGCF). Readers please note that:

- This document is a summary only and is not a complete record of discussion at the forum.
- For presentation purposes, some points have been grouped together by theme and do not necessarily appear in the order they were discussed.
- The views expressed at the forum and reflected here are not necessarily those of AEMO.