

Gas Market Leaders Group Synopsis of fifth Meeting – 27 November 2006

Background

At its 27 October 2006 meeting, the Ministerial Council on Energy (MCE) considered the recommendations in the *National Gas Market Development Plan*, dated June 2006, proposed by the Gas Market Leaders Group (GMLG).

MCE agreed to reconvene the GMLG to continue the industry-led approach to gas market development. In particular, GMLG is to:

- Establish a Bulletin Board (BB) to provide a transparent, real time and independent information source to gas market participants and governments on the status of natural gas supplies around the country. The BB is to be established in conjunction with the National Gas Emergency Response Advisory Committee (NGERAC), so that it serves the purposes of both the gas market and the National Gas Emergency Response Protocol being managed by NGERAC;
- Develop the design of a Short Term Trading Market (STTM), which would provide a mandatory price-based balancing mechanism for wholesale gas trading, and provide a recommendation on whether it should be implemented; and
- Consult with the MCE SCO's Gas Market Operator Working Group (GMOWG), which has been convened to provide advice on a Gas Market Operator.

Subsequently, the GMLG was reconvened and met in Canberra on 14 November 2006.

Outcomes of the Meeting

Members agreed to oversee the establishment and operation of the BB (with NGERAC) and the design of a STTM, and to provide policy input to the GMOWG.

In particular, Members agreed to:

1. **Establish a Steering Committee** to manage the development of a BB and the design of a STTM, with the following Terms of Reference:
 - a. Report to and act on behalf of the GMLG in overseeing the management of GMLG's responsibilities to:
 - i. Design and implement a BB, in consultation with NGERAC.
 - ii. Design a STTM and recommend whether or not to proceed with implementation.
 - b. Seek the GMLG's direction at all critical decision and milestone points (after agreeing beforehand on these points).
 - c. In determining the initial work plan, take note of the decisions of the GMLG (i.e. those decisions drafted above).
 - d. Form whatever sub-committees are necessary to undertake the work.
 - e. Abide by the relevant Commonwealth Government purchasing guidelines.
2. The Committee is to consist of:

1. Matt Zema, CEO VENCORP (Chair)
 2. Stephen Thomson, CEO REMCO
 3. Patricia McKenzie, CEO GMC
 4. Peter Geers (AGL), representing ERAA
 5. Stephen Livens (Epic Energy), representing APIA
 6. Peter Fennessy (Alinta), representing ENA
 7. Mark Frewin (TRUenergy) representing NGF
 8. Matthew Arnold (ExxonMobil), representing APPEA
 9. David Headberry, representing End-Users
 10. Peter Livingston/Wil Antioch, MCE Secretariat to support the Committee
3. The Steering Committee will engage a full-time Project Manager (GMC, REMCO and VENCORP) to oversee the day-to-day work on the BB and STTM, together with additional support staff and consultants.
4. Establish a **GMO Sub-Committee** reporting to the GMLG, with the following Terms of Reference:
- a. Develop options and recommendations for the GMLG's consideration on the governance and operational details of a GMO.
 - b. Seek the GMLG's direction at all critical decision and milestone points (after agreeing beforehand on these points).
 - c. Act on behalf of the GMLG in liaising with the GMOWG and ensuring that the GMLG's views are conveyed.
5. The Sub-Committee is to consist of:
1. One retailer (Chair)
 2. A representative from APIA
 3. Matt Zema, CEO VENCORP
 4. Stephen Thomson, CEO REMCO
 5. Patricia McKenzie, CEO GMC

The Group will meet again in late January – early February 2007.