

Gas Market Leaders Group

Synopsis of Meeting

13 February 2006

The second meeting of the Gas Market Leaders Group (GMLG) was held in Sydney on 13 February 2006.

At its first meeting, held on 12 December 2005, the GMLG decided to establish a Gas Market Options Working Group (GMOWG) to further examine enhanced gas market transparency initiatives, particularly an Electronic Bulletin Board and a Short Term Trading Market (previously referred to as a City Gate Spot Market), and to advise on the features and feasibility of the options.

The GMOWG submitted its draft report (on 3 February 2006), which provides a comparison of the relative merits of each option against the Gas Market Principles, and identifies issues for further consideration. A copy of the GMOWG report and a PowerPoint presentation is provided at [Attachments A and B](#).

Outcomes of the Meeting

The GMLG thanked the GMOWG for their report, which was prepared in short time, and asked them to further examine the issues outlined below.

- Further definition and clarification of the market clearing mechanism for the Short Term Trading Market;
- Exploration of the options for an independent bulletin board/short-term trading market operator;
- A cost benefit analysis of the two options;
- Governance arrangements;
- The value of developing a gas Statement of Opportunities (SOO) similar to the electricity SOO;
- The potential locations for introducing the two options and over what timeframe; and
- Establishing a close liaison with National Gas Emergency Advisory Committee (NGERAC).

Members agreed to seek approval from their respective industry associations to jointly fund the cost benefit analysis on a 50:50 basis with the Ministerial Council on Energy Standing Committee of Officials.

Members also agreed to seek greater interaction between the GMLG and the NGERAC, particularly in relation to defining information requirements under a bulletin board or short term trading market and to the value of a short term trading market mechanism as an automatic market-based response to supply shortfalls.

Members agreed to meet again in late April 2006 to consider the next report of the GMOWG and the results of the cost benefit analysis.