

GTAC Workshop minutes 10 July 2018
At the offices of Gas Industry Company Limited
Level 8, 95 Customhouse Quay, Wellington

Tuesday 10 July 2018 at 10:00 am

1. Process matters

1.1 Position reached

Independent Facilitator (IF) to discuss an appropriate process for development of the agenda for each workshop with Gas Industry Co and First Gas.

1.2 Points raised

Concerns were raised regarding the lack of clarity on the process for development of agendas for the workshops, whether the timeframes for completion of the work are realistic, ensuring that a consolidated GTAC is available for review and the need for a summary at the end of each workshop.

Some stakeholders were confused as to whether the 26 June or 29 June Workshop plan was the correct document. First Gas confirmed that the 29 June version was the latest. Stakeholders and First Gas agreed to review and raise anything that is missing between the documents issued on 26 June and 29 June.

2. Core terms of Interconnection

2.1 FAP finding

The core terms of interconnection should be standard across all interconnected parties (so that coherent, non-discriminatory access is assured), except to the extent that individually negotiated terms are appropriate.

2.2 Position reached

Stakeholders generally agreed with First Gas's proposed list of items to be included in the list of common and essential terms:

1. Applicable technical standards
2. Gas quality
3. Metering
4. Peaking
5. Flow to nominations
6. Pressure
7. TSO instructions
8. Changes
9. Liability
10. Liability for non-specification gas

In addition, stakeholders raised a number of additional common and essential terms. Stakeholders reviewed list and the generally accepted position is reflected in brackets below:

11. Fees and charges (balancing common plus obligation to follow interconnection policy)
12. Confidentiality (common)
13. Curtailment (common)
14. RP nominations and gas scheduling (options for nominations and confirmation)

Options for IPs to have nominations and confirmation processes of provisional nominations for all Receipt Points (not just where OBA is selected as the allocation algorithm). As with OATIS, parties can opt out of active nomination and confirmation process by auto-confirm function)

15. Right to OBA/allocation (options for nominations and confirmation)
16. Termination (common)
17. Interconnection change requests (common)
18. Delegated authority/agent (individual, but how agents are treated is common)
19. Force majeure (common)
20. Terms of allocation (common)
21. Status of obligations in critical contingency events (common)
22. Term (individual)
23. Renewal rights (individual)

2.3 Points raised

Some stakeholders queried how wider issues in relation to gas quality fit with the discussion on the core terms of interconnection. In particular, there was reference to an Australian (AEMO) protocol that relates to gas quality excursions. First Gas to report back to stakeholders as to whether it would progress a workstream in relation to the AEMO protocol.

First Gas to consider and report back to the group on who get the results of meter tests.

Where there are options in relation to an aspect of the common and essential terms of interconnection, a stakeholder considered that those options should be included in the common and essential terms.

Shell had a particular concern regarding the absence of displaced gas nominations in the GTAC. First Gas to discuss concerns about displaced gas nominations with Shell and report back to the group if any action is required.

Shell also expressed concern that there should be constraints that covered gas trading, given that no conditions were specified in GTAC. Shell said that lack of constraints on trading would be an issue for balancing and TTP management given that the GIC represented the GTAC regime as providing a party with the option to simply pay an ERM fee instead of meeting its primary balancing obligation.

3. Integration of ICAs into the code

3.1 FAP finding

Terms that apply to interconnected parties through ICAs must mesh with the terms that apply to all other interconnected parties and to shippers through TSAs. The terms and conditions of access to, and use of, the gas transmission system must be fully described for all system users and be coherent (i.e. work together).

3.2 Position reached

Of the four options for integration of ICAs into the GTAC, the broad view seemed to be that option two (specification of common terms in an appendix to the GTAC) was ~~the~~ preferred by the meeting best approach. First Gas's legal advisors were asked to put together a draft of option two in the most comprehensible manner possible.

3.3 Points raised

First Gas considered that the terms that impact other users should be the principle used to identify the set of common terms of interconnection.

Some stakeholders considered that the terms that apply to shippers and interconnected parties should be contained in a single code so that there is an awareness and understanding of the obligations that apply to all users of the transmission system. Concerns were also raised regarding the potential for "gaps" in the framework.

4. Allocation methods

4.1 FAP finding

- Range of receipt points and dedicated delivery point allocation methods lack clarity/specificity (18)
- Shippers are not always best placed to make the choice for RPs and DPs with a single injecting party or end-user, it is interconnected parties who have the long term interest in the allocation method, and so they should be permitted to choose it.
- Absence of D+1 agreement under the GTAC to replace the existing one under the VTC.

4.2 Position reached

The general view was that interconnected parties are best placed to choose the allocation method at a receipt point or delivery point as the party with the greatest interest in the allocation. -

4.3 Points raised

Stakeholders discussed the level of optionality regarding allocation methods. Some stakeholders raised concerns that a number of different allocation methods may have a potential impact on other system users and the operation of the system. First Gas was asked to consider an appropriate qualification on the level of optionality in relation to allocation methods to address the concerns around the potential impact of allocation methods on other pipeline users (e.g. speed of computation is important; so provisional allocations for a day should be

available within a few hours after the end of the day, and not depend on other allocation outputs at separate IPs).

The meeting closed at 3.15pm.

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