

GTAC Workshop minutes 19 September 2018  
At the offices of Gas Industry Company Limited  
Level 8, 95 Customhouse Quay, Wellington

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Wednesday 19 September 2018 at 9:00 am

Note: these minutes provide a high level record of the position reached and points raised at the workshop to inform First Gas's design of the gas transmission access code (GTAC).

## **1. PR Auction Terms Scoping**

### **1.1 Position reached**

1.1.1 The terms of the priority rights (PR) auctions should maximise the probability of Gas Industry Co's approval of those terms.

### **1.2 Points raised**

1.2.1 First Gas to consider the addition of a flag in the IT system to identify if there is unforeseen congestion on a day and PRs have not been issued.

1.2.2 In relation to publication of information First Gas should consider:

(a) Publication of pipeline capacities and historical flows.

(b) Publication of planned pipeline outages.

(c) Whether any information that needs to be published can be available on the same platform.

1.2.3 In relation to prudentials, First Gas should consider:

(a) Whether the allowable bids should be constrained by the level of prudential cover.

(b) The relationship of prudential cover under the PR auctions to prudential cover under the GTAC.

(c) The timing of notification in relation to prudentials.

1.2.4 In relation to the timing of PR auctions, First Gas should consider:

(a) What time of day the auctions should be held.

(b) How long a bid should remain open for.

(c) The time in the month that auctions should be held.

1.2.5 First Gas should consider the circumstances in which the auction notice period should be shortened.

1.2.6 First Gas should consider the point at which PR auctions cannot be cancelled and provide detail on the cancellation of PRs.

1.2.7 First Gas should consider the maximum term of the PR auctions and how this mitigates competition risks. In particular, whether a maximum term of one month is desirable to mitigate competition risks.

1.2.8 First Gas to consider clarity regarding market oversight to address concerns around manipulation, transparency and enforcement.

- 1.2.9 First Gas to provide more detail on how the reserve price is set.
- 1.2.10 First Gas to consider whether a minimum number of shippers should be required at a delivery point in order to run a PR auction.
- 1.2.11 First Gas to consider how it determines the quantity of PRs available and how many PRs participants can bid for.

## **2. EMS Tradepoint Arrangements**

### **2.1 Points raised**

- 2.2.1 First Gas to consider how the market is provided for under the GTAC.
- 2.2.2 EMS Tradepoint to consider how nominations and scaling will work under a gas transfer agreement (GTA)
- 2.2.3 First Gas to consider whether the wording of the GTA creates issues for trading.

## **3. Next steps**

- 3.1.1 First Gas to confirm next steps regarding comments on standard operating procedures (SOPs)