

Minutes

Standardisation Project Team Meeting No. 1

Date/Time: Tuesday, 28 February 2017, 10.00 am

Location: Level 6, 201 Elizabeth Street, Sydney

Attendees:

<i>Project team</i>	David Moretto, AGL (standing in for Sally Calder) Ainslie Lynch, APA Allan Ford, Arrow Simon Taylor, DBP Peter Frost, EnergyAustralia Samantha Staunton, Epic Michael Handley, Origin Brad Mills, Shell Peter Tolhurst, Stanwell Jan Peric, Jemena
<i>Guests</i>	Tom Walker, AEMC Deidre McEntee, APLNG David Lawrence
<i>GRMG</i>	Nicole Dodd, analyst Angelo Mantsio, specialist technical advisor Katherine Lowe, GMRG senior technical advisor Sandra Gamble, GMRG facilitator

Apologies: Sally Calder, AGL

Purpose: Inception meeting

Reference: ST.1.170228

	Agenda Item	Discussion	Actions	Decisions
1	Setting the scene	<ul style="list-style-type: none"> Discussed the changing dynamics in the gas market, which is driving the reform. Noted the importance of the project team role, and their individual roles in contributing their expertise in a positive collaboration to progress the reforms. Clarified understanding of the GMRG governance, structure, and timing. 		
2	Principles for operation of the project team	<ul style="list-style-type: none"> In developing the principles, the importance of continuity in the project team was noted. Additional attendees at project team meetings would be discussed on a case-by-case basis. The list the team developed as the guiding principles of the project team is annexed. 	(GMRG) Seek formal advice for the interaction of the group with regard to the Competition and Consumer Act.	
3	Introductions	The team introduced themselves to each other, including background, experience, and aspirations for the project team.		
4	Break	N/A	N/A	N/A
5	Our starting point	<p>Tom Walker presented the outcomes of the AEMC East Coast Gas Market Review and the team:</p> <ul style="list-style-type: none"> Noted the importance of the work stream. Discussed the reasoning behind the AEMC recommendations. Commented that supply and transport access are co-dependent for an efficient market. 	(GMRG) Circulate presentation.	
6	Some first-hand insights on similar market developments	<p>Deidre McEntee presented 'Lessons learned from standardised contracts in the US and UK gas markets' based on her experiences in each market. The team discussed:</p> <ul style="list-style-type: none"> The different starting points of each of the US and UK markets The risk of standardising at the lowest common denominator. The risk of moving too slowly with the reforms. The impact of special terms being added to standardised contracts. 	(GMRG) Circulate presentation.	

	Agenda Item	Discussion	Actions	Decisions
		<p>David Lawrence discussed his experiences in developing markets and new products for markets, including:</p> <ul style="list-style-type: none"> • the importance of homogeneity in reducing costs, and increasing efficiency, liquidity, and availability of risk management tools. • the risks of vested interests for a market. • increasing liquidity through introducing intermediaries 		
7	Draft Terms of Reference	<p>The team discussed the draft Terms of Reference and:</p> <ul style="list-style-type: none"> • Noted the starting point from the work done by the AEMC. • Clarified the level of scope for the group. • Commented on the potential for an assessment framework. • Commented that emphasis needs to be given to the goal of facilitating secondary capacity market trading, and the scope is to find solutions for current impediments. 	(All) Provide feedback on the Draft Terms of Reference to be finalised next meeting.	
8	Starting a road map	<p>As a starting point, the group considered the following items as priorities for consideration:</p> <ul style="list-style-type: none"> • Operational terms • Examine standard 'boiler plate' contracts <ul style="list-style-type: none"> ○ Examine terms at conceptual level. ○ Identify risk that is managed (or not) through the contracts. ○ Assess distance to standardisation. • Trading scenarios. • Inclusion of an intermediary in the project team or as a guest to project team meetings. 	<p>(AL) Develop a table comparing the standard agreements available from pipeline operators.</p> <p>(All) Consider potential contacts to provide the perspective of an intermediary.</p>	
9	Next Meeting: Thursday, 16 March 2017	<p>The team noted the date of the next meeting.</p> <p>Items to be included on the agenda for the next meeting:</p> <ul style="list-style-type: none"> • Presentations (10-15mins) on previous experience with standardisation of contracts. • Angelo Mantsio to present on current observations • Terms of Reference to be finalised. <p>Upcoming meetings:</p> <ul style="list-style-type: none"> • Define the scope and projected road map. • Develop assessment framework. 	(All project team members) Give consideration to previous experiences with standardising contracts.	

Guiding Principles of the Standardisation Project Team:

- Be open within reasonable confidentiality
- Be conscious of the Competition and Consumer Act
- Confidentiality – respect the group’s conversations and encourage an environment where it is safe to speak.
- Sub groups – try to keep (at a minimum, air) important conversations to happening inside the room.
- Be respectful – listening, asking, learn from others, challenge idea rather than person, ask questions before challenge.
- Defensive – try not to be.
- Convert talk to actions and tangible considerations – try to achieve consensus, reach a point of action, decide recommendations.
- Document progress, keep records of agreement, maintain visibility.
- Be specific about what needs to be achieved.