

***Comment by Australian Pipeline Industry Association (APIA) on
Proposed use of Bulletin Board in Gas Supply Emergencies
17 July 2007***

The Bulletin Board Working Group within the Gas Market Leaders Group is considering the potential use of the planned Bulletin Board (BB) for NGERAC purposes.

Summary

NGERAC should be equipped to make appropriate decisions during emergencies and APIA believes that data being provided for the BB is not appropriate for this purpose. The type of information being provided for the BB, and the manner in which it is provided, could lead to poor decision making which could exacerbate an emergency situation rather than assist in solving the problem.

Appropriate Use of the BB information in Gas Supply Emergencies

In the event of a major shortfall of gas supply, major market participants and key stakeholders will communicate through the most efficient and effective means – verbally. In an emergency, verbal communication is essential to facilitating fast and effective communication. Naturally, there would also be use of e-mail and the BB to provide verification of data and other information. It is important that, before any event, clear protocols regarding contact processes, data verification and decision making are developed and agreed upon. It is appropriate that NGERAC be involved in the development and confirmation of these protocols.

NGERAC has an important role in managing higher level communications during an emergency. Jurisdictional government representatives and NGERAC are key higher-level stakeholders in such an event. During an emergency, NGERAC will be kept informed by the relevant operators' emergency management teams. NGERAC members are unlikely to be familiar with the operation of the BB and, therefore, consulting the BB for information at this time would not be efficient. Clearly, without immediate interaction, i.e. voice contact, the situation could easily be misinterpreted, particularly as data posted on the BB in an emergency may not necessarily be reliable.

Emergency management teams must be focussed on their job – managing the event. Requirements for posting emergency information on the BB at a time of emergency could distract operators from their responsibility of addressing the emergency situation and such a requirement would be resource intensive and, thus, not an efficient use of resources during an emergency.

While information posted on the BB in an emergency can inform non-participants, posting such information might lead to misinterpretation of information or reliance on incorrect information. Given this concern, APIA does not support uncontrolled access to the BB during an emergency.

Computer Modelling During an Emergency

NGERAC is an advisory body that seeks advice from operators managing a situation. Centralised computer modelling data is not of immediate use during an emergency.

The type of models appropriate for a BB are likely to be a distraction from development of a clear understanding of requirements during an emergency. That is, the models will not provide the “big picture” quickly. It should be remembered that data is not information and can obscure the type of information that would be required quickly. The type of information that will help to manage an emergency would be simple or that which is well understood and interpreted by the pipeline operators.

In an emergency, modelling by third parties is not likely to be accurate. While modelling of pipeline dynamics during normal operation should be reasonably accurate, when sudden changes are introduced the information is likely to be flawed. Realistically, the type of data required in such a situation would not suit modelling that would be used on the BB. Modelling undertaken by personnel who do not work with such data on a daily basis introduces a genuine risk of inaccurate information being provided.

It would also be a distraction for those managing the emergency to delve into modelling requirements of the BB.

Conclusion

Emergency management teams must focus on managing the emergency. NGERAC should be kept informed by pipeline owners’ emergency management teams.

NGERAC should use a simple, high-level supply and demand model based on key information provided by the appropriate market participants. Such a model has been developed by the NSW Department of Water and Energy for management of NSW supply shortfalls. This model presents key information that can be readily understood by people not familiar with the detail and this type of information will be a far greater assistance to Ministers and senior bureaucrats in making difficult decisions about load shedding and allocation of gas between the States and Territories.

Where modelling is required and is useful, it should be undertaken by the operators of the pipelines that are affected and the interpreted output then provided to NGERAC to support its high-level emergency management. APIA is concerned that centralised detailed computer modelling in the event of a gas supply emergency could delay the process of resolving the emergency.

APIA would like to assure policy makers that industry genuinely stands ready to participate in managing gas supply emergencies. It is essential that critical gas supplies are not interrupted. It is in industry’s interest to ensure that this is the case.