News Bulletin

December 2022



Kia ora,

Today we are bringing you a News Bulletin that invites you to submit on our latest consultation for our D+1 Options Paper, a notice about an update for the Industry Notifications website and provides our advice around re-contracting for gas supply in 2023.

D+1 Options Paper Consultation

The D+1 pilot has been in operation for seven years. The pilot was not intended as a long-term solution, but the review and evolution of D+1 was delayed by the industry's collective efforts on GTAC and TACOS. With the decision by Firstgas to abandon GTAC, attention could return to D+1.

After several years' experience, stakeholder views of the pilot were that, while there was room for improvement in terms of accuracy and reliability, D+1 had become an industry critical system and, as such, should be made permanent. Gas Industry Co therefore began working on a Statement of Proposal to amend the Gas (Downstream Reconciliation) Rules 2008 to codify D+1.

In early 2022, we paused the Statement of Proposal in order to undertake additional work on identifying non-regulatory alternatives to the proposed rule changes.

Accordingly, we have identified five options for progressing from the D+1 pilot. This short consultation paper introduces the options and invites industry feedback. Read the paper <u>here</u>.

Please email your submission to <u>consultations@gasindustry.co.nz</u> by **5pm Tuesday 31** January 2023.

Industry Notifications website upgrade on Tuesday 13 December

The Industry Notifications website will be upgraded tomorrow morning.

Our website providers have advised us that there may be a short period where the website may be down, while the upgrade takes place.

If this occurs, please be assured that the website will be back up and running as soon as possible.

Re-contracting for gas supply

Gas Industry Co's view is that energy supply in 2023 may remain tight despite current high lake levels.

To avoid the situation where some customers are coming to market at times of tightness across the energy sector, we advise industrial and commercial customers with upcoming contract renewal to 'go to market' for supply well in advance of the contract expiring.

It is our view that going to market early will reduce the exposure risk associated with low hydro inflows impacting on gas supply in Q2, 2023.