

Kia ora

This Gas Industry Company Bulletin is bringing you an update on our role as the Sector Coordinating Entity for COVID-19 after the change in alert levels earlier this week.

Also in this update:

- Critical Contingency Management Regulations Review.
- An update on our Retail Contracts Oversight Scheme work programme.

Wishing you safety and wellness. Ngā mihi.

Gas Industry Company resumes role as Sector Coordinating Entity

Gas Industry Company has resumed its role as the sector coordinating entity for the gas industry, and will provide support to the Ministry of Business, Innovation and Employment (MBIE).

Following the announcement on Tuesday, 17 August that New Zealand is going back into Level 4 lockdown, Gas Industry Company initiated renewed reporting and we started providing daily updates to MBIE.

In this role we assess and collate information about any emergent issues and risks to the New Zealand gas industry arising from COVID-19. This information will feed into MBIE's cross-sector planning for critical infrastructure in New Zealand. We appreciate the effort put in at short notice and note the high level of preparedness across the industry.

Gas Industry Company encourages industry to engage with us on issues arising from the changes in alert levels.

Critical Contingency Management Regulations Review

The Critical Contingency Management (CCM) Regulations were last reviewed in 2012 to incorporate experience from the Maui pipeline outage. Since then, there have been additional critical contingencies, test exercises and market changes. Recent experience identified further areas where CCM Regulations could be amended to improve their operation.

In May 2020, Gas Industry Company released a *Statement of Proposal for amending the Critical Contingency Management Regulations* (Consultation Paper). The Consultation Paper highlighted issues identified by Gas Industry Company and put forward a number of proposals to amend the CCM Regulations.

We received eleven submissions on the Consultation Paper. There was broad agreement on many of the proposals. However, the submissions raised areas that we considered warranted further analysis. We have carried out this analysis, engaged external consultants where required, and now released a *Summary of Submissions and Next Steps for Amending the Critical Contingency Management Regulations*. It can be found on our website [here](#). Although we are not requesting formal submissions on this paper, we encourage anyone with a view to get in touch.

Gas Industry Company is working towards publishing a final Statement of Proposal. It will provide a further opportunity to make submissions. Once we have considered these final submissions, we intend to make a Recommendation to the Minister to change the CCM Regulations.

Retail Contracts Oversight Scheme Update

Gas Industry Company assesses retailers' contracts with residential and small commercial/industrial gas consumers against a series of benchmarks and reasonable consumer expectations (termed the Retail Contracts Oversight Scheme). Reviews are undertaken by an Independent Assessor.

The most recent full review occurred 2018. There was 'substantial' compliance with the scheme. The next assessment of retail gas contracts is scheduled to occur in 2021.

We have decided to defer our scheduled assessment to allow us to consider the alignment of the Retail Contracts Oversight Scheme with the outcomes of Gas Industry Company's Electricity Price Review workstream that is currently in progress.

A new date for next assessment will be notified to industry following the completion of our Electricity Price Review workstream.

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