

Appendix C - Questions

Draft Statement of Proposal: Gas Production and Storage Facility Outage Information

Submission prepared by: Contact Energy

Question		Comment
Q1	Do you agree with the regulatory definition? Please provide reasons supporting your views.	Yes. We believe these are now being met under the voluntary disclosure Code.
Q2	Do you agree with the information disclosure options for gas production and storage facility outage information that have been identified? Please provide reasons for your views.	Yes
Q3	Are there other options that you think should be considered in this process?	We think that the threshold should be reduced to 10-15TJ/day. A reduction from storage of even 10-15TJ would have an impact on parties as would that volume from fields that produce 50TJ/day.
Q4	Do you agree with our assessment of the Upstream Gas Outage Information Disclosure Code 2020 as an option for achieving the regulatory objective? Please provide supporting arguments for your views.	There is no evidence to suggest that the voluntary disclosure Code is not working. The reputational risk from not complying is significant and provides strong incentives for those parties to the code to disclose as required.
Q5	Do you agree with the design of this regulatory option? Are there parts of design that require amendment? Please provide supporting information in your response.	The voluntary regime has been in place for a short time. As the regulation would impose additional costs on the gas producers and storage facility owners, we suggest the regulation is put in place as backstop regulation.
Q6	Do you agree with our conclusion that the most practicable means for implementing information disclosure arrangements for gas production and storage facility outage information is to implement them within a framework of regulations (and/or rules) under the Gas Act? Please provide supporting arguments in your response.	As noted above, the voluntary code should continue to be monitored, and the industry surveyed, to assess whether there have been any breaches to outage disclosure, before further regulation is imposed. As the paper points out there are only 4 Gas Field Operators and 1 Storage facility. It therefore seems that regulation is an overly prescriptive tool to impose on a small market. The benefits raise in the CBA seem to have been gained already via the voluntary code. It seems the biggest issue is perception that one or more of the 5 participants will not adhere to the code. However reputational risk would seem to argue against that is a very tight gas market.

