



17 April 2019

Mr Andrew Knight
CEO
Gas Industry Company Limited
By email

Dear Andrew,

Re: Options for Information Disclosure in the Wholesale Gas Sector: Consultation Paper

1 Outages

- 1.1 Greymouth Gas agrees in principle to provide planned and unplanned upstream outage information on a voluntary basis, after requirements are set. We understand that this aligns with major upstream participants.

2 Next Steps

- 2.1 GIC has yet to technically define any problem, or any of the key terms such as information and markets. All markets are interrelated on either a short or long run basis, and it is clear that there are additional information disclosure problems across the supply chain.
- 2.2 We recommend GIC consults on a second options paper or similar following the first round of submissions.
- 2.3 The biggest issue is security of supply and demand and related information disclosure issues.

3 Problems

- 3.1 Greymouth Gas considers that the top 4 problems (aside from upstream / downstream outages which GIC can define a problem for) are:
- **Upstream:** Storage providers do not supply prevailing quantities of stored gas information to the market.
 - **Midstream:** The TSO does not supply cost and asset values on a per pipeline basis with sufficient granularity to check how individual transmission pricing netbacks relate to the Commerce Commission's pricing principles, nor will the TSO supply near real-time OBA estimated running mismatch data to the market under the GTAC.
 - **Downstream:** The market does not know (with any accuracy) the quantity of demand idling and demand destruction, or the quantity and carbon footprint of demand that has

switched to higher-polluting substitute fuels, or the level of competition amongst suppliers for demand in categories AG4 and above.

- **emsTP:** emsTP does not publish the live trading board, the full list of market participants, or an energy-only gas price, and it also impedes transparent price discovery.

3.2 Each of the identified 4 problems must be considered contrary to the Gas Act and GPS objectives.¹

4 Appendix

4.1 Please refer to the attached appendix for answers to the set of questions.

Yours sincerely



Chris Boxall
Commercial Manager

¹ The Upstream problem relates to s43ZN(b)(i) and (iv) of the Gas Act, the Midstream problem relates to s43ZN(b)(iv) of the Gas Act and GPS objective (a), the Downstream problem relates to s43ZN(a) and (b)(i), (iii) and (v) of the Gas Act and GPS objectives (a), (b), (c) and (e), and the emsTP problems relate to s43ZN(b)(i) and (v) of the Gas Act and GPS objectives (a), (c) and (e).