



3/12/2020

**Submission to the Gas Industry Company Ltd. (GIC Ltd.)**

**Extending the Electricity Price Review's Final Recommendations to the Gas Market- An Assessment - 6 November 2020**

**1. Introduction:**

1.1 This submission is made on behalf of the **Grey Power New Zealand Federation Inc. by the Grey Power Federation Energy National Advisory Group Chair, Bern Sommerfeld**

1.2 The contact details are:

Bern Sommerfeld

Phone: 03 612 6292    Mobile: 027 612 2120

Address: 1 Thackery Street,

RD 24

St Andrews 7988

1.3 This submission is made in response to the GIC Ltd.'s invitation to stakeholders to make submissions raised in the paper, as above.

1.4 The responses are based on Grey Power's two submissions to the Electricity Price Review and current developments within New Zealand regarding the energy transition phase that is occurring.

**2. Comments on the Questions Posed in the Assessment Paper.**

Q1. We support this measure and would like to see it implemented as soon as is practicable. Measures should be taken to inform customers of proposed changes and seek their input, including particulars about their individual experiences under the changes.

Q2. We support the extension of the Energy Hardship Initiatives to gas consumers. Whatever the decision on prompt payment is for electricity, it should be consistent with gas.

Q3. We support the extension of Powerswitch to include LPG. We support including gas in the Utilities Disputes services. Customer consumption data should become monitorable by developing sending units on individual meters which should allow real time access for consumers via the internet. This monitoring can be implemented right up

the supply chain. Voluntary oversight still needs to be monitored by government with reporting on a regular schedule. We support the saves and wingback prohibition. Any advisory for gas customers should follow the same format as for electricity where possible.

Q4. We support making any information about gas markets more available. Government should have a role in ensuring that market making is fair as in Q3. This would include profitability, which would be reflected in wholesale price changes.

Q5. Transmission pricing should be under the scrutiny of the Commerce Commission as with electricity to ensure for example distant consumers are not taken advantage of. Suppliers will have to lease with government to reach agreement on fair return. Smart gas meters are covered in Q3. The government must have the power to limit profit taking to reasonable amounts.

Q6. Any inclusion of hydrogen in the supply mix must be shown to be usable and safe for appliances at the consumer end in New Zealand conditions. Additional oversight and regulatory functions are mentioned above and would include this. Again, any changes to or removal of low fixed charges for gas should be consistent with that for electricity.

Q7. It is important to develop alternatives to gas consumption for non-thermal energy generation to maximise the longevity of this resource for consumers at the end of the supply chains. Using gas to stabilise electricity supply needs to be phased out by increasing storage methods such as large-scale batteries and pumped hydro in the North Island. Save the remaining gas for people's home burners. This will increase the longevity of the industry.

### **3. Conclusion:**

The Grey Power Federation wishes to thank the GIC Ltd. For the opportunity to respond to its assessment paper

Submission sent to

[consultations@gasindustry.co.nz](mailto:consultations@gasindustry.co.nz)