

## Appendix A: Recommended format for submissions

To assist Gas Industry Co in the orderly and efficient consideration of stakeholders' responses, a suggested format for submissions has been prepared. Respondents are also free to include other material in their responses.

Submitter: Greymouth Gas New Zealand Limited. Contact person: Chris Boxall

Question	Comment
Q1: We seek your input about looming issues on the horizon which will be addressed in current or future work programmes, as mapped in 1.1 above. What other issues should be on our horizon?	<p>Gas Industry Company (<b>GIC</b>) has an important role as an advisor to the Government and industry in support of the transition to a future with reduced levels of greenhouse gas. The GIC can be impartial in this role without being either an advocate for Government, the gas industry or gas consumers.</p> <p>The gas industry should complement decarbonization of the NZ energy system. The GIC should provide facts to inform interested parties so that appropriate policies and pathways are selected for this transition.</p> <p>Other issues that should be considered as part of GIC work programmes are:</p> <ol style="list-style-type: none"><li>1. How can the gas industry support decarbonization e.g. using natural gas storage as an alternative to coal demand or NZ Battery projects?</li><li>2. How can the gas industry work to assist the carbon emission reduction goals of the Climate Change Commission?</li><li>3. What are the economic consequences of lack of gas supply (and diminished security of supply)?</li><li>4. How does NZ attract the capital and resources to bring new gas supplies to</li></ol>

	<p>market?</p> <p>5. What are the consequences of Government intervention in the guise of addressing security of gas supply? Will this cause further demise of the gas industry and be a significant negative in reducing emissions?</p> <p>Comprehensive analysis of subjects such as these will provide for informed debate about the criticality of the gas industry – and the role of gas in supporting carbon transition.</p>
<p>Q2: Technology changes, changes to market structures, the potential for new renewable infrastructure, and uncertainty over prices will all have an impact on existing facilities, commercial arrangements and regulatory structures and systems</p> <ul style="list-style-type: none"> <li>• What changes to regulatory structures and systems do you believe Gas Industry Co should be reviewing?</li> <li>• What other gas challenges arising from the energy sector transition should Gas Industry Co be assisting industry and Government to prepare for?</li> </ul>	<p>The GIC and the Commerce Commission (ComCom) must consider transmission and distribution pricing - the current model will cause those prices to increase exponentially if demand and supply reduce. Experience from the UK suggests that the regulatory regimes designed in the 1980s are not suitable for a changing energy landscape, involving reduced gas usage. GIC and the ComCom need to consider a new framework for gas infrastructure which equitably balances the risks between asset owners and customers – and preserves delivered gas price affordability.</p> <p>Re new technologies or fuels using the pipelines that the natural gas industry has paid for over many decades. Those new technologies and fuels should pay appropriate amounts so that natural gas users do not subsidize new entrants.</p>
<p>Q3: Do you have any comments on the process for developing Gas Industry Co’s Work Programme and Levy?</p>	<p>No.</p>
<p>Q4: Reflecting on Gas Industry Co’s Sector Coordinating Entity Role in relation to the COVID-19 pandemic, we are interested in your feedback in relation to the following matters relating to both COVID-19 lockdowns (March and August 2020):</p> <ul style="list-style-type: none"> <li>• Standard of communications from Gas Industry Co (eg was the messaging clear, timely, targeted?);</li> <li>• What went well/what could be improved?</li> <li>• Learnings to take forward/feedback for Gas Industry Co?</li> <li>• Learnings to take forward/feedback we can pass on to MBIE?</li> <li>• Any other comments you would like to add?</li> </ul>	<p>Re learnings to pass on to MBIE. The COVID-19 lockdown experience and response highlighted the importance of energy security and flexibility – and that these features need to be well understood when developing national energy policies (to ensure robustness against disruption events). The lockdown disruption brought new focus on the interconnections between oil and gas supply chains, ports – which should be analysed in combination rather than in isolation – and indigenous gas production which would cease without gas producers being able to export associated condensate production.</p>

<p>Q5: Do you consider there to be any other items that should be included in Gas Industry Co's intended Work Programme for FY2022? If so, please describe the work required and how that work achieves the outcomes sought under the Gas Act and GPS.</p>	<p>Refer to the answer to Q1.</p>
<p>Q6: Do you consider there to be any items that should be excluded from Gas Industry Co's intended Work Programme for FY2022? Please provide reasons for your response.</p>	<p>Refer to the answer to Q1.</p>
<p>Q7: Gas Industry Co is particularly interested in industry comment on the forecast gas volumes - do stakeholders consider the projection reasonable? If not, what would they consider an appropriate gas volume estimate to be?</p>	<p>It is difficult to comment on volumes without seeing the workings. The 165PJ supply volume for FY22 does not look unreasonable as a base assumption – but is predicated on Pohokura and Maui producing to levels indicated by Operator (OMV), that being circa 40PJ and circa 20PJ respectively.</p>
<p>Q8: Do you have any comment on the proposed levy rates for FY2022?</p>	<p>No.</p>