

17 April 2019

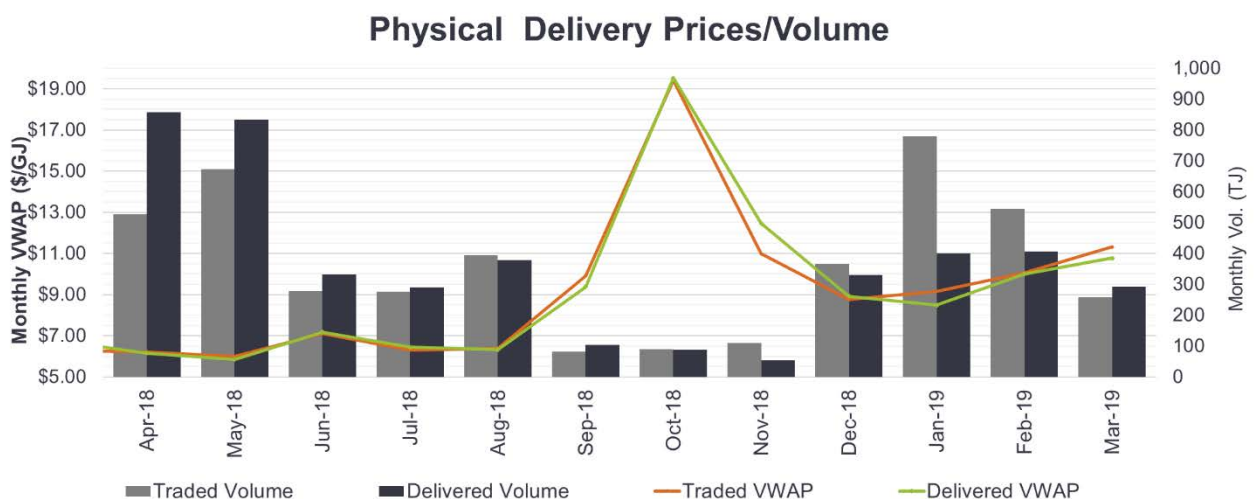
Gas Industry Company
 PO Box 10646
 Wellington 6143

Options for Information Disclosure in the Wholesale Gas Sector:

emsTradepoint welcomes the opportunity to submit to the Gas Industry Company (GIC) on the consultation document “Options for Information Disclosure in the Wholesale Gas Sector”.

emsTradepoint is a commodity exchange designed to provide anonymity, transparent pricing and transactional certainty to physical energy markets such as natural gas. Our aim is to develop a sustainable market for efficient real-time and forward gas trading as an integral part of the natural gas supply chain.

As detailed in the consultation document, emsTradepoint, like many other market participants, had no first-hand information on the Pohokura outages, but we saw first-hand the detrimental impact a lack of information had on our market participants and the flow-on effect on prices and traded volumes. The chart below highlights the scarcity of gas supply over the 3-month period from Sept-Nov 2018 and the resulting impact on prices.



emsTradepoint raised its concerns with the GIC over this information scarcity on 28 August 2018 and stressed the importance of information availability to support a well-functioning gas market. The Government Policy Statement (2008) has a stated objective of providing for “Efficient arrangements for the short-term trading of gas”. In our view, in the absence of

meaningful and transparent information disclosure, this objective is not met. Market participants face material barriers as they seek to make informed trading decisions. The consequential loss of efficiency is against the interests of gas consumers and, more broadly, consumers in downstream inter-related markets including electricity.

emsTradepoint strongly favours regulated information disclosure for the purposes of promoting a liquid and effective wholesale gas market. In our view, regulated disclosure, or more specifically 'specific information disclosure', is the only option that will achieve the desired outcome.

We will continue to engage with GIC's process for developing information disclosure requirements. We consider the process is critical, timely and a priority - including in the context of ensuring a secure and affordable transition to a lower carbon future for New Zealand. We remain available to work with the GIC.

Please contact me if you need further information, or assistance as you move forward.

Kind regards,

A handwritten signature in blue ink, consisting of a circular scribble followed by a long horizontal line.

Quintin Tahau
General Manager emsTradepoint Limited