

9 December 2019

Andy Knight  
Chief Executive  
Gas Industry Company  
By email to [consultations@gasindustry.co.nz](mailto:consultations@gasindustry.co.nz)

Dear Andy

#### **Gas sector information disclosure: Problem Assessment**

1. This is a submission by the Major Electricity Users' Group (MEUG) on the Gas Industry Company (GIC) consultation paper Information Disclosure: Problem Assessment.<sup>1</sup>
2. MEUG members have been consulted in the preparation of this submission. This submission is not confidential. Some members may make separate submissions.
3. MEUG agrees there is enough evidence to support a Statement of Proposal for changes to planned and unplanned outage information for gas production and gas storage. We agree there is enough existing information for transmission pipeline outages.
4. We see no value, from the perspective of managing short and near-term security of supply in the gas and electricity markets, in having a one-size fits all approach for disclosure of information for major gas and electricity end user planned and unplanned outages. Our experience in the electricity sector may be relevant also for large gas users'.
5. In the electricity sector MEUG members are willing to advise the System Operator of major planned outages where those outages will have a material impact on co-ordinating outages to manage security of supply. We suggest the onus is on the System Operator to define when and where major end user planned outages might be important and hence those end users would provide information knowing it was needed. This avoids an impost on users' of having to post all planned outages with the high compliance costs attached to revising those notifications as outage demand and timing change even for outages that are likely to have no material effect on security of supply. In our view the industry led co-ordination of planned outages on the grid and major power stations are likely to be overwhelming the most important factor for the System Operator with only occasionally a planned major end user outage likely to be relevant.

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<sup>1</sup> <https://gasindustry.co.nz/work-programmes/gas-sector-information-disclosure/problem-assessment-october-2019/>

6. The preceding paragraph canvases a live issue in the concurrent System Operator and Electricity Authority (EA) review of the Planned Outage Contingency Protocol (POCP). MEUG is supportive of the objectives of and a participant in that review.
7. The GIC consultation paper in relation to information disclosure on the gas positions of thermal electricity generators mentions work by the EA and GIC on the above concurrent review of the PCOP and the government decision stemming from the Electricity Price Review to “improve the availability of wholesale market information.”<sup>2</sup> MEUG agrees with the conclusion in the GIC consultation paper “Given the cross-over between the gas and electricity sectors, Gas Industry Co and the EA have agreed to work together on this workstream. In light of this, Gas Industry Co proposes that this information element is not included in a Statement of Proposal.”<sup>3</sup>
8. Not mentioned in the Problem Assessment paper is the question of whether having separate but dependent information disclosure platforms for security of supply, that is co-ordinating short and near-term planned outages and real-time unplanned outages, for gas and electricity is a lost opportunity for economies of scale and scope. Separate outage information disclosure processes for gas and electricity also has the risk of failure, miscommunication or time delays of key information flows between two separate platforms.

Yours sincerely



Ralph Matthes  
Executive Director

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<sup>2</sup> Cabinet Economic Development Committee minute DEV-19-MIN-0264, 25<sup>th</sup> September 2019, paragraphs 13 and 12.7.

<sup>3</sup> Consultation paper, p5.