



4 March 2021

Submissions
Gas Industry Company

By email: consultations@gasindustry.co.nz

**Draft Statement of Proposal:
Gas Production and Storage Facility Outage Information**

Meridian welcomes the opportunity to submit on the Gas Industry Company's *Draft Statement of Proposal: Gas Production and Storage Facility Outage Information*. Nothing in this submission is confidential.

Meridian supports the Gas Industry Company's conclusion that "the most practicable means for implementing information disclosure arrangements for gas production and storage facility outage information is to implement them within a framework of regulations (and/or rules) under the Gas Act."

Meridian also agrees with the accompanying cost benefit analysis and the statements that:

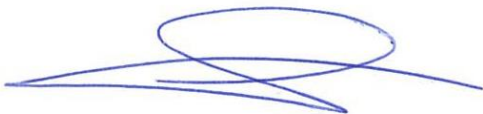
- there are significant net benefits in both the gas and electricity markets from the move to the regulated regime compared to the counterfactual;
- the net benefits of the regulated regime would be greater than the net benefits of the voluntary scheme;
- decision-making around outages would clearly be most efficient with a regulated gas outage regime; and
- wholesale prices, contract prices and retail prices in gas and electricity markets will be more efficient than would otherwise be the case.

With changes to the Gas Act imminent, Meridian looks forward to the Gas Industry Company proceeding at pace to implement the regulated disclosure regime.

As an aside, we also hope that the Gas Industry Company continues its work on gas information disclosure beyond the current focus on gas production and storage facility outage information. Consideration must also be given to disclosure rules for other types of information identified in the earlier problem assessment.¹ For example, no information is currently disclosed about contracted gas prices and volumes and there may be ways to enable commercial sensitivities to be managed while still disclosing useful aggregate and anonymised information to the market (as is done for electricity hedge disclosure contracts).

Please contact me if you have any queries regarding this submission.

Yours sincerely



Sam Fleming
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¹ <https://www.gasindustry.co.nz/work-programmes/gas-sector-information-disclosure/problem-assessment-october-2019/document/6634> at Table 1.