



Our Ref: ENNZ-C/DT/002982

27 June 2019

**BY EMAIL**

Andrew Knight  
Chief Executive  
Gas Industry Co  
Level 8, The Todd Building  
95 Customhouse Quay  
PO Box 10-646  
Wellington 6143

**OMV Upstream**

**Patrick Teagle**  
Head of Commercial & Legal

Tel +64 4 910 2500  
Fax +64 4 910 2504

Dear Andrew

**Cross-Submission on Information Disclosure Options Paper**

We appreciate the opportunity afforded to the industry to make a further submission, after seeing all of the original submissions on GIC's Information Disclosure Options Paper.

OMV New Zealand Ltd  
Level 20, Majestic Centre  
100 Willis Street  
Wellington,  
New Zealand

**No change in OMV's position**

In summary, nothing in the submissions has caused OMV to change its view on the Options Paper from that as set out in our original submission dated 17 April 2019.

[www.omv.com](http://www.omv.com)

**Consistent desire for improved disclosure of outage information**

There is clearly an industry-wide consensus on the desire to improve disclosure of outage information. The differences of opinion amongst submitters in relation to outage disclosure relate to:

1. who should be covered by such disclosure (noting in particular the concerns raised by Methanex as to the potential impact on its business if it is required to disclose outage information); and
2. the mechanism for the regime, and in particular whether a voluntary scheme could be workable.

In our original submission, OMV acknowledged the benefit in introducing a simple regime that provides for consistent disclosure of outage information. Since that time, OMV has been actively working with PEPANZ and other gas producers towards introduction of a voluntary information disclosure regime covering planned and unplanned outages. All major gas producers are involved in this initiative. We hope this will demonstrate that a voluntary regime is workable; at least in respect of producers. The proposed framework involves:

- a "one-stop shop" to view producer outage information;
- specific thresholds triggering a need for disclosure, which we consider remove the complexity and potential inconsistency that would arise in a principles based regime that required disclosure based on a concept of "materiality";
- specific timings for disclosure; and



- compliance and enforcement mechanisms, to ensure robustness and provide confidence to the rest of the industry;

OMV suggests other parts of the gas industry may wish to consider implementing similar voluntary solutions. OMV envisages that pending changes to the Gas Act will mean there is always the prospect of a regulated solution being implemented, if voluntary arrangements prove inadequate. However, given the broad consensus on the benefits of outage information, it would be good to see other parts of the sector stepping forward now to try and implement a broad voluntary solution.

#### **No basis for Disclosure of other information**

OMV acknowledges that some submitters expressed a desire for information disclosure to go beyond outage information. However, those submissions did not include any new information to change OMV's position that there is no basis for disclosure beyond outage information at this stage:

- There is no broad consensus for additional disclosure.
- Commercial inquisitiveness is not a basis for requiring disclosure of commercially sensitive information.
- Bilateral price information would not be useful. Some major gas buyers, as well as producers, recognise this point in acknowledging that bilateral trades reflect specific market conditions at the time of contracting, and that pricing can vary significantly depending on key commercial terms.
- If electricity industry participants want a greater understanding of the gas available for electricity generation, the best source of that information is thermal generators. This is a matter for the availability for Electricity Authority, rather than the GIC, if those participants want to pursue that avenue.
- GIC information disclosure should not replicate MBIE information disclosure. We note MBIE's recent release of information. OMV is pleased this occurred earlier than in previous years, and supports the more timely release of this information.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Patrick Teagle', written over a faint circular stamp.

**Patrick Teagle**  
Head of Commercial & Legal