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BY EMAIL

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Dear Andrew

Submission on Information Disclosure Options Paper

This letter, and the attached completed submission template, forms OMV's submission on the Information Disclosure Options Paper issued by GIC in March 2019.

While the template includes our responses on the specific questions included in the Options Paper, the essence of our submission is set out in the body of this letter.

Scope of the Options Paper

OMV is surprised at the broad scope of the Options Paper.

The paper is a response to concerns expressed by the Minister and some industry participants about potential information disparities that came to light as a result of the 2018 Pohokura outages. The focus of the concerns (as we understand them) relates to outage information.

However, the paper expands to consider information flows in relation to a number of other aspects of the upstream industry (although, for some reason, there is no similar expansion in terms of the scope of user information that might be subject to a regime). We do not understand GIC's basis for this expansion of scope, and do not think it is warranted.

- The potential "problems" identified in the paper are largely a simple list of areas where it is considered that there is information disparity, based on generalised economic principles that the free flow of information is a key element of a competitive market.

- The lack of any real problem definition has significant flow on effects in the paper. In the absence of a clearly defined problem, aspects of the paper become very high level, and it is difficult to comment on them in a meaningful manner. . For example, it is difficult to comment on detailed design aspects of a disclosure regime (such as whether it should be regulated or voluntary, what information should be covered, and a cost benefit analysis) in advance of having clearly defined the problem that the regime is intended to address.

Disclosure of Outage Information

From our perspective, the only area where there is an identified problem is in relation to outage information (planned and unplanned). In this regard, the Pohokura outages of 2018 have highlighted concerns of some participants that information disparities around the outages may have meant that some parties had a greater ability to offset the impacts of the outage than other parties. We do not have first hand knowledge as to whether this did occur, or is just a perception, but we are alive to the concerns.

Our initial reaction is that some of the concerns (and perceived benefits of a disclosure regime) may be overstated for three reasons:

1. The major impacts from the Pohokura outages related to shortage of gas itself, rather than any information disparity. This appeared to be widely recognised at the GIC workshop in later March. Any information disclosure regime will not address the underlying supply position of the market.

2. A lack of understanding of the dynamics of the current gas market appear to have contributed to the issues/concerns of some parties in (and outside of) the gas industry. It appears some parties may not have understood:

   a. how the supply side of the market has contracted in recent years, due to the age of the Maui Field in particular;

   b. the increased reliance on the key supply facilities, and the risks posed by any outage of those facilities;

   c. the flow-on impact that gas supply issues could have for other sectors such as the electricity market.

   Increased information disclosure itself will not address these points. A focus on improving the level of understanding of market dynamics may provide better outcomes – this may require both an investment of time and resource by affected parties, and educational efforts by GIC and market participants.

3. We are concerned that the expectations of the effectiveness of information disclosure of outage information may be unrealistic. The nature of outages in the sector (especially unplanned outages) is such that there are limits to the certainty and reliability of information. In the case of the Pohokura outages, uncertainties as to the duration of the outage mean it is questionable whether the release of consistent information would have allowed for a materially different response by affected parties.

Despite the above, OMV can see potential benefit in introducing a simple regime which provides for consistent disclosure of outage information. While we have doubts whether such a regime will make a major difference to participants' abilities to address the impact of outages, we can see a benefit in terms of enhanced market confidence.

If a regime is introduced to disclose outage information, we consider it should:

- cover all participants who have facilities where an outage may impact short term market pricing – crucially, this includes users as well as producers[1]; a regime that only covered producers would not be effective (and indeed it could entrench some aspects of information disparity);

[1] In this letter, and the attached template, we do recognize the concerns expressed by Methanex about the potential implications on its business if its outage information was available to global competitors. In our view, the design of any outage disclosure regime must deal with those concerns appropriately.

- provide for release of a consistent set of information in relation to planned and unplanned outages, broadly along the lines identified on pages 26 and 27 of the Options Paper;

- recognise the limitations of such information – while information should be provided on a good faith basis, the nature of outages (particularly unplanned ones) is such that:

    - there is a significant degree of uncertainty around some information (eg. the exact timing and duration of outages) which increases with the length of the required lead time for disclosure; and

    - the underlying situation may change, meaning that disclosed information (while accurate at the time it was disclosed) subsequently becomes inaccurate.

  Parties must rely on information at their own risk, and will need to have responsibility for ensuring a good understanding of the sector and the market in order to make decisions based on disclosures. Feedback at your workshop suggested downstream participants understood this, and were comfortable with such an approach.

Preference for a Voluntary industry led regime

It is difficult at this early stage to provide meaningful responses to the general questions posed in the Options Paper about the relative advantages and disadvantages of the types of regime – voluntary vs regulated, principles-based vs specific rules. In our view, an appropriate design can only be determined at the point when the purpose and scope of the regime have been clarified (including the issue that is to be addressed, and the type of information that is required to address the issue).

However, in terms of a regime to provide reasonable standardised information about outages, OMV's preference would be for the industry to pursue a voluntary rules-based design:

- The gas industry has generally shown a positive approach towards voluntary arrangements (even if this may sometimes be facilitated by a desire to avoid a regulated outcome). Indeed, the genesis of the gas sector co-regulatory model was a desire to avoid the higher cost regulated electricity sector model by demonstrating that the gas sector was capable of addressing issues in a voluntary manner. This approach has generally worked well to date.

- A voluntary regime is consistent with the statutory preference set out under the Gas Act.

- A rules based approach appears consistent with other outage regimes.

- OMV has had some initial discussions with other key producer/operators, which indicate a reasonable level of willingness to try to develop and participate in an industry developed outage information disclosure regime. PEPANZ, on behalf of OMV and a number of other producer/operators has already started to engage with GIC to commence a process to develop such a regime. Reflecting the above, we think the Options Paper may overstate the concern about whether such a voluntary regime is achievable (at least insofar as relates to producers/operators).

- Even if a voluntary regime could not be achieved, work on trying to develop such a regime could prove useful if it was determined that a regulated regime was required. In particular, there are a number of issues that would need to be worked through to develop a reasonable regime, and industry input into this is crucial.

OMV cannot speak for users as to their willingness to participate in a voluntary regime. We envisage the submissions on the Options Paper may elicit an understanding of the extent of users' willingness to participate.

In this regard, OMV is conscious of concerns raised by Methanex about the impact of disclosure of its outage information. OMV has sympathy for Methanex's position, and considers this must be factored into the design of any regime.

Disclosure of other information

OMV does not identify any basis for an information disclosure regime to go beyond outage information at this stage.

- We do not agree that any actual problem has been identified that would justify such a regime. The mere fact that some industry players might like to see information about other industry players is not justification for requiring disclosure of commercially sensitive information.

- Traded volumes and prices for the emsTradepoint market are easily available. A $5,000 annual fee to access this information is minimal and we struggle with the idea that this could reasonably be a considered a barrier to industry participants. Requiring disclosure of that information is likely to push costs to others and may discourage market involvement (which would be contrary to GPS objectives).

- A requirement to disclose bilateral trade information would be highly inappropriate. We can see no justification for this. In any event, bilateral trading information would not be useful and (given the size of bilateral trades) would skew information. Bilateral trades are only a reflection of the market conditions at the time those trades are entered into, not at the time of sale of the gas (recognising that significant GSAs may be entered into many years before gas starts to flow). Pricing in bilaterals is also strongly influenced by specific terms (eg. put vs call, flexible vs flat profile)

- MBIE already has, and releases, information of projected production profiles. Further disclosure obligations would not be justified. In any event, the only issue identified appears to relate to the thermal fuel position of electricity generators. Production profiles would not assist in addressing this issue. If this issue is considered worth addressing, then it should be addressed by the Electricity Authority by enhancing the disclosure obligations applying to electricity industry participants.

Conclusion

OMV would welcome the opportunity to be involved in industry development of a voluntary disclosure regime covering planned and unplanned outages. It sees no basis for a regime to go beyond this at this time.

Yours sincerely,

Patrick Teagle
Head of Commercial & Legal

Options for Information Disclosure in the Wholesale Gas Sector
Submission prepared by: OMV New Zealand Limited (Patrick Teagle – Head of Commercial and Legal)

Note: Responses below must be read in conjunction with attached letter dated 17 April 2019.

Question		Comment
Q1:	Should shippers be included in an information regime? If so, what information do you consider should be disclosed?	The scope of parties that are appropriately covered by any disclosure regime is properly determined by the nature and scope of the information covered, and the underlying problem that is to be addressed. In general terms, all parties in the broader gas market that hold relevant/material information should be subject to consistent disclosure requirements. Given our view that a disclosure regime should cover (and be limited to) outage information, then OMV considers all participants that own/operate significant plant should be subject to the disclosure regime. This will include shippers who are users.
Q2:	Is the information currently disclosed by the transmission pipeline operator sufficient? If not, what further information should be released through information disclosure arrangements?	OMV is generally comfortable with the current level of disclosure by the transmission pipeline operator, as regards planned and unplanned outages.
Q3:	Have the upstream sector and its potential information issues been characterised appropriately? Have we missed aspects of the problem or are there parts of the identified problem that we have not described correctly? Please include details and any examples in your response.	Table 4 contains some errors. • We do not understand your comment that 2C information is incomplete. In any event, we do not see that there is any issue that increased 2C information would address.

		• Some forecast production information is provided and available. Forecast production profile for life of field is provided to MBIE under the Crown Minerals (Petroleum) Regulations (see clause 17, Part 2, Schedule 6), and some information is released by MBIE. Day ahead production data is also available via OATIS (in the public pages). More significantly, we are generally uncomfortable with the "problem definition" aspects of the table and of the paper as a whole. We do not consider that the paper adequately defines particular problems – instead it merely identifies areas where there is information that may not be accessible to all industry participants. Confidentiality of commercial information is a standard commercial position, and is not of itself a "problem". Any regime involving disclosure of commercially sensitive information should only be considered when and if there is a properly defined problem. In the current case, we can see some justification for disclosure of information about outages (and we note that this was the basis of the Minister's original letter to GIC), but we have not seen any "problem" that would justify the disclosure of other information.
Q4:	Have the demand-side and its potential information issues been characterised appropriately? Have we missed aspects of the problem or are there parts of the identified problem that we have not described correctly? Please provide details and any examples in your response.	Refer answers to O1 and Q3 above. Based on our view that a disclosure regime should cover (and be limited to) outage information, then OMV considers all demand-side participants that own/operate significant plant should be subject to the disclosure regime.
Q5:	What processes does your organisation have to obtain information ahead of, and during, periods of reduced gas supply?	OMV has information related to its own operations (including some limited information as to demand requirements of its own customers). It does not have any special information relating to the position of other industry participants (ie. other producers and users)

Q6:	How is your organisation impacted during periods of reduced gas supply? Please provide details (including costs) and any examples in your response.	Events that reduce supply of gas from OMV production facilities have an obvious impact on OMV (primarily in relation to revenue reduction). The impact from events such as the 2018 Pohokura outages are significant. Supply reductions from other production facilities can impact OMV in a number of ways: • Existing customers may be impacted by these reductions, which may affect their requirements for gas from OMV (ie. higher nominations for supply from OMV and requests for additional gas). • New customers may also seek gas supplies from OMV to offset the reductions. • OMV's ability to respond to requests for increased supply (by existing and new customers) will be determined by a number of factors, primarily being its own supply capacity limits and any contractual constraints under its existing long term GSAs.
Q7:	What steps does your organisation's risk assessment or business continuity plan expect to be undertaken to limit the impact of periods of reduced gas supply?	As you would expect, OMV has comprehensive plans in place around supply outages affecting OMV production facilities.
Q8:	Taking into account your risk assessments and business continuity plans, what information do you use and what further information would be useful to your organisation to inform your actions and decisions during periods of reduced gas supply?	OMV can see benefit in having access to reasonable outage information regarding other producers and major suppliers. This <u>may</u> assist in its own outage and contingency planning. Of course there are many other items of information that OMV might like to receive in relation to other producers and major users that would generally be of assistance to OMV, but we do not consider it would be reasonable to require

		those parties to provide information in the absence of an established problem definition.
Q9:	Is there any further information regarding outages that you would like to share?	No.
Q10:	Have the potential information problems in the wholesale gas market been identified appropriately? Have we missed aspects of the problem or are there parts of the identified problem that we have not described correctly? Please provide details and any examples in your response.	As noted above, we do not consider GIC has identified actual problems. It has merely identified situations where information may not be freely available to all industry participants. This is not an adequate basis for introducing an information disclosure regime. OMV can see some justification for disclosure of information about outages, based on the experiences outlined by some industry participants following the 2018 Pohokura outages. The problem in this case appears to be a perception that some industry participants (who were affected by the outages) had superior knowledge to other industry participants (who were affected by the outages), enabling some participants to take pre-emptive action that was not available to others. In this instance, a regime that provided for a common set of information to be shared more broadly may be useful/but we have not seen any "problem" that would justify the disclosure of other information.
Q11:	Have the potential information transparency and availability issues in the wholesale gas sector been analysed appropriately against the Gas Act and GPS objectives? Are there elements of the analysis that have been missed or parts of problem that have not been analysed properly? Please explain your reasoning.	No. Until any proper problem is identified/defined, it is not possible to assess the position against Government policy objectives. The "Comments" section of Table 7 is so high level and general as to be unreliable.

Q12:	Has the proposed problem statement been characterised appropriately? Have we missed aspects of the problem or are there parts of the identified problem that we have not described correctly? Please include details and any examples in your response.	No. See answers to Q3, Q10 and Q11.
Q13:	Has the voluntary disclosure option been identified appropriately? Are there alternative versions of the option that are worthy of consideration? Please provide reasons in your response.	We see two core options for a voluntary regime: • A regime where participation and the scope of information disclosed is completely voluntary. • A multilateral arrangement, where participation is voluntary, but where the scope of disclosure is defined (whether by "rules" or "principles") and binds the participants.
Q14:	Do you agree with the advantages that have been identified for the option? Have any other advantages been missed or are there advantages that have been listed that mischaracterised?	Generally we agree with the identified advantages. We also note that a voluntary arrangement (where viable) is the preferred option under the Gas Act.
Q15:	Do you agree with the disadvantages that have been identified for the option? Have any other disadvantages been missed or are there disadvantages that have been listed that are mischaracterised?	Generally we agree that there is (with any voluntary regime) a risk of incomplete coverage, or of the regime being non-optimal because of the need to accommodate different parties' views. However, we consider the risks may be overstated; in particular: • We would not give strong weight to previous comments by some parties about reluctance to join a voluntary regime; willingness to join such a regime is likely to be heavily dependent on whether it is considered reasonable or not.

		• It is too early to say that it may be difficult to get agreement on a meaningful disclosure framework. • It is incorrect to say there would be no regulatory incentives. The possibility of regulatory intervention would remain an incentive to ensure appropriate participation. A multilateral arrangement could also include specific control mechanisms.
Q16:	Given the advantages and disadvantages, do you consider that that voluntary disclosure option is a viable option? Please provide the reasoning behind your answer, including details and any examples.	We consider a voluntary regime around outage information is viable. As flagged in our accompanying letter, OMV is open to participating in a voluntary regime and wishes to work with GIC and other producers to develop the aspects of that regime which would apply to producers. We believe other producers are similarly optimistic, and open to participation.
Q17:	Has the principles-based information disclosure option been identified appropriately? Are there alternative versions of the option that are worthy of consideration? Please provide reasons in your response.	The primary question is whether any regime (if it is determined a regime should be implemented) should be voluntary or regulated. Either option could then be on the basis of disclosure "principles" or specific rules. We do not agree with the statements that principles based disclosure is unlikely to be workable under a voluntary solution (even though we do not personally favour principles based disclosure).
Q18:	Do you agree with the advantages that have been identified for the option? Have any other advantages been missed or are there advantages that have been listed that mischaracterised?	We agree with the general advantage identified in the first paragraph of the section on advantages. The second paragraph does not seem relevant (in terms of advantages/disadvantages of a principles based disclosure) – any regime will need to be designed to be appropriate for the gas sector (rather than simply adopting the approach taken in the electricity or any other sector)

Q19:	Do you agree with the disadvantages that have been identified for the option? Have any other disadvantages been missed or are there disadvantages that have been listed that are mischaracterised?	We consider the uncertainty of a principles based regime can be a major disadvantage. This can add significant cost, and result in inconsistent disclosure. For example, the NZX regime (which is referred to in the Options Paper) provides a significant income stream for lawyers and other advisers as market participants try to determine the extent of their disclosure obligations.
Q20:	If a principles-based information disclosure option is adopted do you think there should be exclusions on information that is disclosed? If so, what types of exclusion should be considered and why? If confidentiality is a concern, please explain why this is the case, including any details and examples.	The question of whether there should be exclusions applies equally to a principles or rules-based regime. It is too early to consider exclusions, until the general scope and purpose of a regime is determined. However, in terms of outage information, we are alive to concerns expressed by Methanex as to the potentially significant implications if its outage information was publicly available. Matters like this should be considered for potential exclusion (or otherwise be appropriately dealt with through another mechanism) at the time that any regime is designed.
Q21:	Has the specific information disclosure option been identified appropriately? Are there alternative versions of the option that are worthy of consideration? Please provide reasons in your response.	Specific information disclosure can be voluntary or regulatory.
Q22:	Do you agree with the advantages that have been identified for the option? Have any other advantages been missed or are there advantages that have been listed that are mischaracterised?	Generally, we agree. Rules based disclosure is also likely to be more cost effective as it reduces the cost to participants themselves. We consider this cost-saving is likely to be more significant than any cost-saving from an investigator/compliance perspective.
Q23:	Do you agree with the disadvantages that have been identified for the option? Have any other disadvantages been missed or are there disadvantages that have been listed that are mischaracterised?	We consider the risks of a rules-based regime are overstated. An appropriate regime, whether voluntary or regulated, can included sufficient flexibility to address changes over time. The risk of gaming applies across each and every design. In fact, we suggest it may be higher in a principles-based regime.

		The comparison to the electricity sector is inappropriate. The driver should be what works for the gas sector, not what is in place for electricity. In any event, we note that the regime for the electricity sector as regards outages is a rules-based regime.
Q24:	Have the implementation issues associated with the information disclosure options been characterised appropriately? Are there further points that we have missed or are there issues that have been mischaracterised?	GIC has overstated the risks of participation in a voluntary regime. You cannot reasonably asses the risk until the scope of a regime is known – our initial observation is that there is considerable buy-in at a producer level for a reasonable level of outage information disclosure.
Q25:	Do you think that principles-based information disclosure based on industry-led arrangements is a viable option? Please provide the reasoning behind your answer.	For outage information, our preference is for a voluntary rules-based regime. A principles-based regime could work, but we consider there would be significantly greater issues with such a design.
Q26:	Do you agree with the proposed coverage for disclosure obligations? What issues do you see with the proposed coverage?	Coverage should only be determined once the purpose and scope of a regime has been determined (as this will determine who has the relevant information). In general, we consider all participants who have relevant information (reflecting the purpose and scope) should be covered. Limiting coverage to a particular class of participants will skew a regime and lead to other information disparities (eg. if only producers disclosed, then users would have an advantage). For outages, this means that all participants that own/operate facilities (where an outage could have a market impact) should be covered.
Q27:	Should there be coverage exclusions (i.e. particular parties or types of party) included in the information disclosure regime? If so, what should they be and why (please provide details and examples to support your argument)?	We are cognisant of the particular issues raised by Methanex, as regards the potential impact on its international competitiveness if its outage information is publically disclosed. While we think it is important to have general coverage

		(as outlined above for Q26), we consider the design must address the concerns raised by Methanex.
Q28:	Should there be a minimum threshold? If so, what should it be and what should it be based on (e.g. nameplate capacity, X GJ/day)? Should the minimum threshold be the same for all types of market participants or should it vary between market segments? Please provide details.	Some level of minimum threshold (in terms of facility throughput) would be appropriate in terms of outages. However, it should be remembered that: • given the relatively small proportion of gas that flows through the emsTradepoint market, the threshold for a facility that could impact that market may be lower than might first be thought; and • issues can (and often do) arise from a combination of factors, rather than a single event – the Pohokura outage is an example, where there were a number of factors at play (including other outages and low hydro levels).
Q29:	Should the threshold be on a facilities basis or company basis?	Facilities basis.
Q30:	Are there any other information disclosure rules that should be considered? Please provide details in your answer including the rationale for your proposed rules.	No
Q31:	Has this planned outage disclosure option been identified appropriately? Are there alternative versions of the option that are worthy of consideration? Please provide reasons in your response.	The outage disclosure option seems reasonable. As previously mentioned, we can see merits in disclosure of consistent outage information Thought needs to be given to the extent of information to be disclosed, and the frequency of updates. Information would need to be provided on a no liability basis, and other participants would have to understand the risks of relying on the information as the basis for market trades. The nature of outages in the gas sector

		(including planned outages) is such that information is likely to change over time. Using the current Pohoukura PPB intervention campaign as an example: • general timing of the campaign could have been estimated 12 months out, but it would have been difficult to be more precise than "first quarter 2019"; • original expectations would have seen the campaign conducted over the December/January period; only subsequently would this have been updated to March/April; • while feasible to give a general expectation about the extent of outages (eg. We anticipate x days at the beginning, y days at the end, and up to z days during), identification of specific dates is unrealistic until close to the time. If disclosure requires specific dates at an early stage, these are more than likely to turn out to be inaccurate; • even during the campaign, information changes constantly depending on working conditions, issues encountered down-hole, weather and other factors. A requirement for continual updates would be time-consuming and difficult. Participants may be frustrated if they take action based on information (despite it being the best estimate) and that then changes a number of times.
Q32:	Do you agree with the advantages that have been identified for the planned outage disclosure option? Have any other advantages been missed or are there advantages that have been listed that are mischaracterised?	Generally, yes.
Q33:	Do you agree with the disadvantages that have been identified for the planned outage disclosure option? Have any other disadvantages been	The risks of confidentiality provisions defeating a voluntary regime may be overstated.

	missed or are there disadvantages that have been listed that are mischaracterised?	
Q34:	If this planned outage disclosure option is adopted do you think there should be exclusions on information that is disclosed? If so, what types of exclusion should be considered and why? If confidentiality is an issue, please explain why this is the case, including any details and examples.	Note our answer to Q27.
Q35:	Has this unplanned outage disclosure option been identified appropriately? Are there alternative versions of the option that are worthy of consideration? Please provide reasons in your response.	The unplanned outage disclosure option seems reasonable. As previously mentioned, we can see merits in disclosure of consistent outage information Industry should be aware that there are greater risks around certainty and reliability of information for unplanned outages. The Pohokura outages are a clear example of this. For both the pipeline and valve issues, it takes a reasonable time period for the operator/JV to understand the extent of the problem and determine the potential fixes. Often there are a variety of potential solutions, each with different implications for the duration of the outage.
Q36:	Do you agree with the advantages that have been identified for the unplanned outage disclosure option? Have any other advantages been missed or are there advantages that have been listed that are mischaracterised?	Generally, yes.
Q37:	Do you agree with the disadvantages that have been identified for the unplanned outage disclosure option? Have any other disadvantages been missed or are there disadvantages that have been listed that are mischaracterised?	The risks of confidentiality provisions defeating a voluntary regime may be overstated.

Q38:	If this unplanned outage disclosure option is adopted do you think there should be exclusions on information that is disclosed? If so, what types of exclusion should be considered and why? If confidentiality is an issue, please explain why this is the case, including any details and examples.	Note our answer to Q27.
Q39:	Should lagged emsTradepoint traded volumes and prices be disclosed under an information disclosure regime? Please provide reasons in your response.	No. It is reasonable that those who wish to benefit from the activities of emsTradepoint to share some of the costs of those activities. The cost of obtaining emsTradepoint information is minimal ($5,000), and we struggle with the idea that this could reasonably be a considered a barrier to industry participants. Requiring disclosure of that information is likely to push costs to others and may discourage market involvement (which would be contrary to GPS objectives).
Q40:	Do you agree with the advantages that have been identified for the emsTradepoint disclosure option? Have any other advantages been missed or are there advantages that have been listed that mischaracterised?	No, for reasons outlined above.
Q41:	Do you agree with the disadvantages that have been identified for the emsTradepoint disclosure option? Have any other disadvantages been missed or are there disadvantages that have been listed that are mischaracterised?	See answer to Q39 – as noted, we consider there would be implications that are contrary to GPS objectives.
Q42:	Should there be publication of weighted average wholesale prices & aggregate traded volumes that cover the entire gas wholesale sector (with data sources including price and volume information covered under bilateral agreements and other arrangements)?	No. GIC has not identified any real "problem" with the industry that would warrant disclosure of this commercially sensitive information. emsTradepoint information (available for a small price as noted above) provides a realistic view of current market pricing dynamics. Bilateral

		information would not provide useful information in any event. GSA pricing reflects the market dynamics at the time that the GSA was entered into, not the market dynamics at the time of sale of gas. There is no requirement to disclose bilateral pricing information in the electricity market. Wholesale market prices may be public, but these may (or may not) reflect the real prices being paid under long term bilateral trades (including hedge arrangements).
Q43:	Do you agree with the advantages that have been identified for this weighted average price & volumes option? Have any other advantages been missed or are there advantages that have been listed that mischaracterised?	No. We can see no actual advantage to market participants in disclosure of weighted data including bilateral trades. GIC's stated advantages are broad economics statements that do not reflect the reality of the market.
Q44:	Do you agree with the disadvantages that have been identified for this weighted average price & volumes disclosure option? Have any other disadvantages been missed or are there disadvantages that have been listed that are mischaracterised?	We agree with the disadvantages listed, but also note that bilateral information would not produce data that was useful.
Q45:	Are there confidentiality issues that would limit this option? Please provide details on any confidentiality concerns.	Prices are confidential – this is a standard provision in all kinds of supply agreements and is not unique to the gas industry. Unlike outage disclosure, we cannot see any appetite for producers or users to disclose pricing information.
Q46:	Should a twelve-month outlook for gas production information ('gas production information') be disclosed under an information disclosure regime? Please provide reasons in your response.	Forecast production profile for life of field is provided to MBIE under the Crown Minerals (Petroleum) Regulations (see clause 17, Part 2, Schedule 6), and some information is released by MBIE. We understand MBIE may be assessing the timing and content of its current publication of data – this is the appropriate forum for addressing any shortfalls in this area. We can see no basis for additional disclosure obligations. The potential issue regarding uncertainty of information for the electricity system operator on thermal supplies is not a basis for imposing obligations in the gas sector:

		• Production profile information (which as we note is already disclosed to MBIE) would not address electricity system operator issues, as it would not provide meaningful information as to the availability of gas to generators. • If the electricity industry considers further information on thermal supplies is warranted, this should be addressed under the electricity industry information disclosure regime. The parties with the relevant information are electricity industry participants (ie generators).
Q47:	Do you agree with the advantages that have been identified for this 'gas production information' disclosure option? Have any other advantages been missed or are there advantages that have been listed that mischaracterised?	No. See answer to Q47 above.
Q48:	Do you agree with the disadvantages that have been identified for this 'gas production information' disclosure option? Have any other disadvantages been missed or are there disadvantages that have been listed that are mischaracterised?	Not relevant. Information is already provided to MBIE.
Q49:	Are there confidentiality issues that would limit this 'gas production information' disclosure option? Please provide details and any examples.	Information is already provided to MBIE under regulation. No further disclosure is needed.
Q50:	Should a twelve-month outlook for major users' gas consumption information ('gas consumption information') be disclosed under an information disclosure regime? Please provide reasons in your response.	As noted above, if thermal supply certainty is an issue for the electricity system operator, that should be addressed by disclosure requirements on electricity industry participants. While OMV might <u>like</u> to see consumption profiles for all major users, we see no actual problem that would warrant a requirement for them to disclose this information.

Q51:	Do you agree with the advantages that have been identified for this 'gas consumption information' disclosure option? Have any other advantages been missed or are there advantages that have been listed that mischaracterised?	No.
Q52:	Do you agree with the disadvantages that have been identified for this 'gas consumption information' disclosure option? Have any other disadvantages been missed or are there disadvantages that have been listed that are mischaracterised?	No.
Q53:	Are there confidentiality issues that would limit this 'gas consumption information' disclosure option? Please provide details and any examples.	We do not know.
Q54:	Have any publication channels been left out of the identified channel list? Are there channels in the list that should be excluded? Please provide details in your response.	It is too early to consider publication channels, until the design of any regime is determined.
Q55:	What do you consider to be the pros and cons of the various options that have been identified and other options that should be considered?	See answer to Q54.
Q56:	Have you got any comments on the benefits analysis?	It is far too early to undertake a benefits analysis. His can only be undertaken once a problem definition has been determined. In our view, the preliminary assessment is so high level as to be meaningless. We consider that the general Sapere approach adopted by GIC is likely to significantly overestimate any benefits – we note that the detailed analysis carried out by the Electricity Authority in its UTS decision determined that any asymmetry in that market (which is far larger than the gas market) in relation to the Pohokura outages was small and unlikely to have effected the efficiency

		of outcomes. GIC needs to establish how the disclosure of information will actually benefit participants.
Q57:	Could you please provide Gas Industry Co with estimates of your expected costs associated with the implementation and ongoing management of the various information disclosure options? This cost information is important for completing a full cost/benefit analysis.	It is far too early to undertake a benefits analysis. His can only be undertaken once a problem definition has been determined. In the context of outages, we consider that the monetary benefit is likely to be small. The major costs involved in an outage are driven by supply shortage, not information shortage. The more significant benefit is market confidence.