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Gas Industry Company
PO Box 10-646
Wellington 6140
New Zealand

Powerco Limited

35 Junction Street
Private Bag 2065
New Plymouth 4340

☎ 0800 769 372

🌐 [powerco.co.nz](https://www.powerco.co.nz)

Via email consultations@gasindustry.co.nz

Powerco welcomes the Gas Industry Company's paper assessing the issues involved in the deployment of advanced gas metering infrastructure. The paper provides a helpful and concise summary of the history to date, the complex policy context, and issues arising. The GIC's approach to developing the paper is to be commended and considered as an option by other regulators when exploring emerging market issues.

Powerco is a meter provider and supports the industry's intent to deliver the benefits of smarter metering for gas customers. We're also one of Aotearoa's largest gas and electricity distributors, supplying around 340,000 (electricity) and 112,000 (gas) urban and rural homes and businesses in the North Island. These energy networks provide essential services and will be core to Aotearoa achieving a net-zero economy in 2050. Metering plays a key role across both networks for managing, investing, and pricing network services.

Powerco's responses to submission questions are attached to this letter. A useful next step will be to assess, even if qualitatively, the potential scale of harm or inefficiency of the priority issues, and therefore the urgency of more analysis. This will guide the timing and focus of workgroup responses as it can enable the range of concerns to be compared against each other.

If you have any questions about this submission, please contact me at Andrew.Kerr@powerco.co.nz.

Yours sincerely



Andrew Kerr
Head of Policy, Regulation, and Markets

Feedback to consultation questions

<p>Q1 Do you agree with the Gas industry Co's conclusions from the 2017 Review that the advanced gas metering market should be allowed to develop without regulatory intervention, to ensure that innovation is not hampered, while also determining that some minimum standards would be a pragmatic step toward ensuring a common understanding of what market participants want from advanced metering?</p>	<p>Yes</p> <p>Our 2017 submission supported the conclusion that the market should be allowed to develop without intervention. We continue to agree as we've not seen evidence presented to the contrary.</p>
<p>Q2 Do you agree with the above list of identified issues, and Gas Industry Co's priority categorisation of the same? Please identify and explain any issues not identified, and explain your reasons for disagreeing with any of the issues raised or priorities assigned.</p>	<p>We're comfortable with the general approach:</p> <ul style="list-style-type: none"> • The number and scope of Priority A issues will require a prioritisation exercise. This could be done at a qualitative level first, and place a high value on the ability and cost of responding to concerns or issues if they arise in future. This will help focus on the priorities over time. • Suggest combining Priority B and C issues to one group. • An assessment mechanism will allow issues to be demoted/promoted if assumptions or the operating context changes • The benefit of the Priority A issues being assessed at the same time is that interactions between issues can more easily be accommodated.
<p>Q3 Is the TArMAC group the appropriate working group to work with Gas Industry Co to develop solutions for AGMI issues identified through this workstream?</p>	<p>Yes, as a starting point.</p> <p>Part of that process should involve flagging any issues that the group and/or GIC assesses as needing an alternative approach to address eg consultation, engagement with other regulatory bodies.</p>
<p>Q4 Do the objectives of the TArMAC group need to be revised (extended or reduced) and if so, how?</p>	<p>This would be best assessed when there is some clarity of the work programme that follows this paper.</p>
<p>Q5 Does the TArMAC group membership need to be revised and if so how (noting (a) the efflux of time since its establishment in 2017 and (b) any changes to its objectives necessary to address issues identified through this workstream?</p>	<p>As for Question 4.</p>