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Gas Industry Company

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## Feedback on Gas Market Settings Investigation - Consultation Paper

A lot has changed since the Minister's letter on 18 December, most notably the Climate Change Commission's draft, and now final advice to Government. Powerco engaged with the Commission on the implications of that advice on the energy sector, including the role of gas to support the decarbonisation of New Zealand's economy. Given this context, we expect some of the solutions in the consultation paper relating to gas infrastructure will be addressed via Government's response to that advice, in particular the development of an energy strategy.

In terms of the potential solutions raised in the consultation paper (Section 5) one area to explore are market mechanisms that provide investment signals for green gas production and blending. For example, the solution outlined in Section 5.7 on support for long-term wholesale (natural) gas contracts could equally apply to green gasses. Providing investment signals/certainty for green gas producers will dovetail with changes to regulations that allow injection of that gas into networks.

We support the submission from Business New Zealand which includes insights from its long-term scenario modelling of the energy sector. This modelling reinforces the role of the gas sector on energy trilemma outcomes, reinforcing the value of getting the market settings right. We encourage the GIC to augment Concept's analysis with scenario modelling to analyse the potential impacts of policy and market settings.

Please contact Andrew Kerr ([Andrew.kerr@powerco.co.nz](mailto:Andrew.kerr@powerco.co.nz)) if you have any questions about our submission.

Kind regards



Andrew Kerr  
Head of Policy, Regulation, and Markets