

Questions

Error! Reference source not found.**Sector**

Submission prepared by: Contact Energy Limited

| Question | | Comment |
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| Q1: | Should shippers be included in an information regime? If so, what information do you consider should be disclosed? | Perhaps. It depends on how far the industry wants to go with transparency of the gas market. |
| Q2: | Is the information currently disclosed by the transmission pipeline operator sufficient? If not, what further information should be released through information disclosure arrangements? | Yes, although it could be improved with ease of access and improved pipeline interconnection point descriptions. Given some plant have gas delivered or supplied via pipelines not part of the transmission pipeline owner there are gaps in the information. |
| 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. | We believe so. |
| 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. | We believe so. |

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| Q5: | What processes does your organisation have to obtain information ahead of, and during, periods of reduced gas supply? | We use a combination of OATIS real time (actually a lag of an hour) DDR information, information from our contracting parties if relevant, information from electricity market if relevant. |
| Q6: | How is your organisation impacted during periods of reduced gas supply? Please provide details (including costs) and any examples in your response. | If the reduced supply is from one of our suppliers then it could reduce our ability to generate. However we have access to the Ahuroa Storage Facility so this can mitigate some of the shortfall, as well as the ability to purchase a hedging through the electricity market. |
| 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? | Contact continuously evaluates its risk position via risk assessments and risk policies. |
| 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? | Contact uses all available information via the gas market and its contracts. Knowing the un-contracted capacity in the market would be useful however as there are few participants in the NZ market they can be contracted directly. It is relatively easy to determine where any shortfall is coming from so length of time for any outage would also be helpful. |
| 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. | The issues look well covered. |
| 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. | Nothing to add. |

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| 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. | The proposed information disclosure problems appear to be well canvassed in the paper although there doesn't appear to be one defining problem statement. |
| 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. | Yes. See below. |
| 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? | Depending on what information is disclosed and how it is made available may lead to an increase in parties' appetite to accept the disadvantages. |
| 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? | There may be a way of aggregating information that doesn't identify parties which could still provide better information of available capacity, pricing etc. |
| 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. | The voluntary disclosure option would only work provided most parties participated. Given the highlighted disadvantages provided it seems unlikely to happen. |
| 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. | No further comment |
| 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? | No further comment |
| 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? | No further comment |
| 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 | If the principle is that the information should be disclosed if the disclosure would have a material impact on the price of the wholesale market then exclusions that don't meet this standard should be acceptable. However you |

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| | concern, please explain why this is the case, including any details and examples. | are then having to monitor if this is being adhered to and what each party's definition of material is. As expressed above there should be a way of disclosing information on an aggregate basis that avoids confidentiality issues. |
| 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. | No further comment |
| 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? | No further comment |
| 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? | No further comment |
| 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? | No further comment |
| 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. | Given that some parties have already indicated they do not support information disclosure the principles-based disclosure is unlikely to be viable. |
| Q26: | Do you agree with the proposed coverage for disclosure obligations? What issues do you see with the proposed coverage? | We believe that full coverage is possible and would provide the most efficient market outcome, and that this could be achieved while protecting confidentiality if the information was handled on a confidential basis by a third party and aggregated for public disclosure. |
| 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)? | In order for the information disclosure to be of value there should be very limited exclusions based on minimum thresholds. |

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| 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. | One assumes that the minimum threshold would depend on the outcome of applying it. Some sensitivity analysis should provide the right amount/volume. |
| Q29: | Should the threshold be on a facilities basis or company basis? | Depending on the outcome of those applications would determine which threshold would be the best. |
| 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 further comment |
| 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. | No further comment |
| 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? | No further comment |
| Q33: | Do you agree with the disadvantages that have been identified for the planned outage disclosure option? Have any other disadvantages been missed or are there disadvantages that have been listed that are mischaracterised? | No further comment |
| 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. | There may not be a requirement for smaller volume plants to have to provide outage information where the effect on a particular pipeline would not have an impact. |
| 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. | No further comment |

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| 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? | No further comment |
| 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? | No further comment |
| 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. | Same rationale as for planned outage disclosure. |
| Q39: | Should lagged emsTradePoint traded volumes and prices be disclosed under an information disclosure regime? Please provide reasons in your response. | Yes. This is in line with other NZ markets. |
| 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 further comment |
| 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? | No further comment |
| 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)? | Yes |
| 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 further comment |

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| 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? | No further comment |
| Q45: | Are there confidentiality issues that would limit this option? Please provide details on any confidentiality concerns. | Most bi-lateral contracts contain confidentiality clauses but if the information is aggregated parties should be happy to disclose. |
| 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. | Yes, this would be very beneficial to the market so that it can be prepared should there be any shortfall in gas. It would allow parties to schedule plant outages in periods of shortfall supply to minimise the impact on the industry. It may also provide time and incentive for parties to provide demand shifting. |
| 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 further comment |
| 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? | No further comment |
| Q49: | Are there confidentiality issues that would limit this 'gas production information' disclosure option? Please provide details and any examples. | No further comment |
| 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. | Yes |
| 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 further comment |

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| 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 further comment |
| Q53: | Are there confidentiality issues that would limit this 'gas consumption information' disclosure option? Please provide details and any examples. | There may be some bi-lateral agreements at certain plants that have confidentiality clauses. Again the information may be able to be aggregated by shipper to overcome this. |
| 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. | No further comment |
| 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? | It may be better to have a separate platform for the disclosed gas information so that it is not buried and hard to find on another combined platform. |
| Q56: | Have you got any comments on the benefits analysis? | While understanding the difficulty in providing a benefit analysis what has been provided is very high level and subjective. |
| 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. | Probably minimal given we already provide a number of metrics to MBIE, EA Transpower etc. |