



Responses to Consultation Questions

Statement of Proposal: Amending the Gas Governance (Critical Contingency Management) Regulations 2008

30 April 2024

Submission prepared by: Nova Energy Ltd, Paul Baker

| Question | Comment |
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| 1. Part 1: Do you have any additional/further comments relating to Part 1 (Minor changes and intended recommendations to the Minister)? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider | Nothing to add. |
| 2. Part 2: Do you agree with the proposed changes to the critical contingency threshold limits detailed in Schedule 1? Why or why not? | Nova agrees, the system needs to run as efficiently as possible having regards for declining gas reserves, and therefore demand, over time. |
| 3. Do you agree with Gas Industry's view regarding the exclusion of gas gates operated at distribution pressure <20? Why or why not? | Yes, a balanced approach that deliberately considers security of supply and investment/operational costs prior to moving gas gates to <20 is prudent. |
| 4. What is your general view on the issue? | It is important that the production and injection of biologically derived methane is facilitated in the regulations. In general, renewable gas facilities will be much smaller in production capacity than traditional fossil derived gas, and thus there will be inefficiencies associated with requiring such facilities to compress gas to high pressures. |
| 5. Part 3: Do you agree with the recommended changes to the critical contingency threshold | Yes |

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| <p>limits to remove the Broadlands and Taupo gas gates? Why or why not?</p> | |
| <p>6. What is your general view on the issue?</p> | <p>It is important to facilitate the production of renewable natural gas where this can be achieved without disruption of other gas users. Nevertheless, Nova expects that future opportunities for injecting biogas will also need to be considered on a case by case basis.</p> <p>Moreover, biogas producers should be allowed a wide tolerance on daily injection quantities given size and nature of their operations. Otherwise costs associated with mismatches from nominations are likely to be excessive in relation to the potential impact of their mismatch on the system.</p> |