

24 April 2024

Gas Industry Co
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Tēnā koe,

Regulations keeping pace with gas network changes

The critical contingency management regulations are an important part of measures in place to protect gas network operation. Powerco is one of Aotearoa's largest gas and electricity distributors, supplying around 114,000 (gas) and 357,000 (electricity) urban and rural homes and businesses in the North Island. These energy networks provide essential services to around 1 million kiwis and will be core to Aotearoa achieving a net-zero economy in 2050. The network use and operation has changed and will continue to change in the energy transition. We support updates to the regulations to reflect gas network changes, where based on sound risk assessment that provides confidence for ongoing gas supply, including in times of critical events. Our summary views are:

Regulations to efficiently shed load to mitigate risks

- The driver should be for regulations that will efficiently manage load shedding to mitigate the risk of an upstream event causing issues on the gas network
- Keeping processes for load shedding efficient requires changes to reflect the current operating environment, such as the definitions for curtailment bands and essential services to be updated to reflect the current market.

Regulations to enable injection of biogas

- Powerco supports regulation changes to reflect operational changes for injection of biogas into gas networks. Flexibility in minimum operating pressures will be appropriate in some locations
- Revising scheduled threshold limits and scheduled gas gates needs to be based on robust assessment at a gas gate level.

If you have any questions regarding this submission or would like to talk further on the points we have raised, please contact Irene.Clarke@powerco.co.nz.

Nāku noa, nā,



Emma Wilson
Head of Policy, Regulatory and Markets
POWERCO

Response to consultation paper questions

	Question	Powerco comment
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	<p>We support the proposed changes.</p> <p>We note that the curtailment band definitions and essential service designations reflect changes to gas use and demand, both individual customers and across the network.</p> <p>We also consider the updates to processes for communications, information provisions and Critical Contingency Plans are appropriate.</p>
2.	Part 2: Do you agree with the proposed changes to the critical contingency threshold limits detailed in Schedule 1? Why or why not?	<p>We agree with the proposed changes.</p> <p>Changes to operating pressure thresholds which are supported by modelling and analysis to not adversely impact the management of critical contingency events and downstream supply, are appropriate. We endorse full analysis on a gas gate basis for these changes to Schedule 1.</p>
3.	Do you agree with Gas Industry's view regarding the exclusion of gas gates operated at distribution pressure <20? Why or why not?	<p>As noted for question 2, this is supported where operating pressures are based on full analysis demonstrating no adverse impact on the downstream network. It is appropriate to remove lower pressure gas gates from the schedule.</p>
4.	What is your general view on the issue?	No further comment.
5.	Part 3: Do you agree with the recommended changes to the critical contingency threshold limits to remove the Broadlands and Taupo gas gates? Why or why not?	<p>We agree with changes to pressure thresholds and scheduled gas gates to enable operating pressures that support injection of biogas. It is appropriate to remove lower pressure gas gates from the schedule.</p>
6.	What is your general view on the issue?	No further comment.