

News release

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Gas Industry Co releases the 2026 Gas Supply and Demand Study

The 2026 Gas Supply and Demand Study provides an updated view of how New Zealand's gas market may respond as indigenous gas supplies continue to decline.

The PwC study, commissioned by Gas Industry Co, considered two scenarios: one where the market relies on declining indigenous gas supply only, and a second where LNG is available to supplement domestic gas production.

The study shows that as indigenous supply continues to fall, consumers face a rapid and potentially turbulent gas transition. This will result in commercial and industrial businesses having to switch to higher priced alternative energy sources or close their operations, while gas-fired electricity generation is forced to operate at constrained levels.

The energy system will face increasing security of supply risks in dry years, with the loss of flexible gas supply to support electricity generation, and the potential for higher gas and electricity prices, further industrial closures, and accelerated demand reduction.

"However, the study highlights that importing LNG to supplement domestic gas production could provide a scalable and responsive source of gas to manage seasonal variability, and support electricity generation during dry years" says Gas Industry Co Chief Executive, David Prentice. "LNG could also provide a viable economic option for other gas users, which could see its use extended beyond electricity security."

The study projects that gas prices are materially lower when LNG is used to support indigenous gas supply than they would be without LNG. Contracts and hedging can be used to help manage risks associated with an international LNG market, whereas risks associated with declining indigenous gas production remain more difficult to mitigate.

"We hope that the study will inform national discussion by highlighting the key issues, risks and uncertainties facing the gas sector and end users as indigenous supply declines."

The [2026 Gas Supply and Demand Study](#) is available on the Gas Industry Co website.

About Gas Industry Co

Gas Industry Co is the industry body that works alongside industry and government to co-regulate New Zealand's gas. We facilitate the key role of gas in supporting New Zealand's increasingly renewable future for end users.