

31 July 2026

Gas Industry Company
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Wellington

By email: consultations@gasindustry.co.nz

Post-workshop Feedback on the Gas Governance Draft Rule Changes – Discussion Paper

Introduction

1. Bluecurrent welcomes the Gas Industry Company's (Gas Industry Co) discussion paper, dated 16 June 2026, on the implementation of the changes to gas governance arrangements approved by the Minister for Energy in early 2025. The changes are intended to introduce advanced gas metering, D+1 (daily allocations), and renewable gas injection into the Gas (*Downstream Reconciliation*) Rules 2008 and the Gas (*Switching Arrangements*) Rules 2008.
2. We appreciate Gas Industry Co's engagement with stakeholders on the rule changes, in draft form, through an in-person workshop on 23 June 2026 in Wellington.
3. Bluecurrent broadly supports the timely implementation of the draft rule changes, which would help unlock the value of advanced gas meters for market participants and consumers. We support changes to gas governance arrangements that would incentivise efficient investment in smart technologies such as advanced meters while protecting consumers from long-term risks.
4. Advanced gas meters enable more timely daily meter reading, reducing the need to estimate consumption and enabling more efficient market reconciliation and switching processes. More granular and timely data generated by advanced meters assists gas shippers in better managing their balancing positions, and enables consumers to make informed decisions regarding their choice of retailer or pricing plan. Remote meter reading, enabled by communicating advanced gas meters, also reduces risk to personnel health and safety, transport costs, and emissions from driving to metering sites.
5. The above outcomes promote market efficiency and transparency and gas affordability that contribute to establishing the robust foundation required for an orderly transition of the gas sector.
6. We support Gas Industry Co's acknowledgement at the 23 June workshop of the need for a more focused session with meter owners / metering service providers to work through the implementation requirements in more detail. We encourage Gas Industry Co to hold that session as soon as possible.
7. We set out below our post-workshop comments on the proposed implementation of the rule changes and identify initial issues that require consideration (or further consideration) at the upcoming focused session between Gas Industry Co and metering parties.

Advanced gas metering infrastructure

8. Bluecurrent broadly supports Gas Industry Co's proposed approach to introducing advanced gas metering infrastructure (AGMI) into the gas downstream market. We believe this would enable the benefits of advanced gas meters, described above, to be realised and optimised for market participants and consumers.

New gas registry parameter (*communicating flag*)

9. As identified in the discussion paper, one of the key aspects of introducing AGMI is the addition of a communicating flag to the list of ICP parameters in the gas registry to indicate whether and when an

AGMI device is available for remote reading. We note that the obligation of populating and maintaining this new parameter will fall on the meter owners or their service providers and agree that this would have an impact on most registry users due to the change to the ICP report file formats.

10. We also generally agree, as further noted in the discussion paper, that the obligation on meter owners to populate and maintain the above new parameter falls within the existing requirements in rule 58 of the *Gas Switching Rules*.
11. As an advanced gas metering service provider, the addition of a communicating flag will require new IT system development on our part. The new parameter will be populated based on an outcome of AGMI or data service processes. While the processes for determining if an advanced gas meter is communicating appears to be well understood, linking that to a registry update process is an undertaking that requires new system development.
12. Bluecurrent and other affected market participants will need to consider several factors in designing, developing and implementing a new system for the communicating flag:
 - a. Where the communicating flag will be stored – This involves working out whether the new functionality will need to be integrated directly with the gas registry, or bolted onto our existing gas metering systems (which only cover Bluecurrent assets, and could potentially introduce complications).
 - b. Level of automation – This could include an assessment of the costs and benefits of different levels of automation for each new/amended process. This may need to consider the size of the gas metering services market (i.e. the number of existing ICPs in the gas market) and expected trend in the number of gas connections and/or gas terminations/removals.
 - c. Definitions – The definition of “advanced meter” in the current rules does not account for remote communication and other advanced meter functionalities. New terms may need to be defined to distinguish different advanced gas metering states (e.g. intermittent, no comms, no data, etc) in a more efficient and transparent gas downstream market, enabled by AGMI.
 - d. Ensuring that building the new communicating flag functionality will not adversely affect existing/other gas metering systems-to-gas registry processes. It is our interpretation that gas C&I sites that use $\geq 10\text{TJ}$ per annum, that have telemetry enabled, are not required to establish, maintain, or implement processes for updating communicating flags within the registry.
 - e. In Bluecurrent’s case, ensuring the new functionality works for both our and Powerco’s advanced gas meters (given we update the relevant data on Powerco’s behalf) and with other similar arrangements we may have in the future. In its 2024 submission on the proposed changes to gas governance arrangements, Powerco stated that:

For the AGMI communicating flag, this would not be able to be provided by Powerco as we do not manage the meter communications or data for smart meters due to our arrangement with a third party, Bluecurrent.¹

13. As such, we encourage Gas Industry Co to immediately hold the focused session with metering parties so technical issues such as the above, among other affected market roles, can be surfaced and addressed in a timely manner. We would need to understand the sequence of determining the various requirements, the build process, industry testing, cost estimation, and setting timeframes so we can plan for cost approvals and resourcing. These processes will benefit from further discussion with Gas Industry Co and other affected market participants.
14. We do not support ‘hard coding’ a six-month implementation period into the rules, as explored in the discussion paper, given the non-linear/iterative nature of new IT system development and testing. We instead suggest that the rules authorise Gas Industry Co to determine a reasonable implementation timeframe following its focused session(s) with metering parties and further discussions with other participants, as necessary. This would provide the flexibility required for new IT system development and avoid the need to amend the rules in the future for the sole purpose of changing the timeframe, while providing sufficient certainty for participants at this stage.

¹ <https://www.gasindustry.co.nz/assets/CoverDocument/Submission-Powerco.pdf>, page 2

Changes to allocation groups and UFG allocation

15. Retailers are best placed to respond to, and resolve, some real issues relating to the application of UFG at IGM gates raised at the 23 June workshop.

D+1

16. Bluecurrent strongly supports the formal adoption of the D+1 arrangements. We believe this will deliver greater efficiencies in downstream reconciliation and switching that benefit market participants and consumers.

Seven-day D+1

17. Bluecurrent supports the move for the operation of D+1 to seven days a week. The current operation of D+1 only on business days is an anomaly in the energy industry, which operates 24 hours a day, seven days a week. We note that shippers are required to balance their gas positions on the transmission pipeline seven days a week.
18. A D+1 arrangement that operates seven days a week will help ensure an arrangement that is stable and as accurate as possible, promoting its durability.
19. We do not see any reason to delay moving from a D+1 business day operation to a seven-day operation based on the current D+1 agreement once the Allocation Agent's commercial agreement is in place and Firstgas is in a position to provide the daily gas composition values and gas gate data. However, the "non-business days" data would be indicative only with the actual allocation not confirmed until the next business day. This will give the industry time to resolve any outstanding matters prior to the implementation of the new rules. The absence of a material difference between the allocation data pre and post the rule changes will give the industry confidence that the seven-day D+1 operation will work effectively.

Invalid D+1 allocation

20. In relation to the definition and application of a "non-business day" – the number of missing ToU sites on any given day is a reason for the Allocation Agent to declare a non-business day as is the lack of daily gas gate data from Firstgas. The Allocation Agent does currently estimate individual AG1 sites but there must be a limit to how many estimations can be done in a day.
21. With regards to the potential issue that may occur between the unvalidated and the validated data on a day, it could be acceptable to use the unvalidated data for a daily allocation on the basis that it will be corrected when validated data becomes available. Retailers are best placed to provide feedback on this matter.

20TJ telemetry threshold

22. We understand that retailers have been aware of the 20TJ telemetry requirement for large consumers for a while. Retailers are best placed to initiate any work orders with meter owners to upgrade any unmetered gas gates to telemetry capable sites.

Renewable gas injection

23. Bluecurrent would support an approach to introducing renewable gases into the gas distribution pipeline system that is simple (e.g. in the allocation of transmission costs) and minimises the building of more complex and costly IT systems.

Gas composition values

24. With regards to the introduction of renewable gases into the gas distribution system, there will be a need to determine the gas composition values of the co-mingled gas. Gas Industry Co may calculate those values, but the more obvious alternative is for Firstgas, who possesses the knowledge and experience in this field, to contract with either the distribution network operator or the injector of the renewable gas to carry out and publish the co-mingled composition values. This would also have the advantage of compiling all gas composition values in one place.

Concluding comments

25. We look forward to the more focused session(s) Gas Industry Co will hold with metering parties to develop the metering aspects of the draft rule changes in detail.
26. We are happy to further discuss any aspects of our submission with Gas Industry Co and other interested stakeholders. Please contact Luz Rose (Senior Regulatory and Policy Partner) at Luz.Rose@bluecurrent.co.nz.
27. No part of our feedback is confidential, and we are happy for Gas Industry Co to publish it in its entirety.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Anna Carrick', enclosed within a light blue rectangular border.

Anna Carrick
Interim Chief Product Officer