

9 February 2026

Gas Industry Company  
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## Submission on the FY2027 Work Programme and Levy

### Introduction


1. Bluecurrent welcomes the Gas Industry Company's (Gas Industry Co) consultation paper on the proposed *FY2027 Work Programme and Levy*, released in December 2025. We appreciate Gas Industry Co's engagement with stakeholders on its proposed initiatives for the coming financial year through the Co-Regulatory Forum held online on 27 November 2025.
2. We broadly support Gas Industry Co's proposed initiatives for FY2026-2027 ("FY27"), most of which are intended to ensure an orderly transition of the gas sector, including ensuring energy affordability into the transition.
3. Bluecurrent's advanced gas metering services help provide the robust foundation required for an orderly transition of the gas sector by enabling greater efficiency and transparency in the market. The benefits of advanced gas metering, however, remain to be fully unlocked and optimised as the necessary rules and rule changes that would introduce advanced metering to the gas market remain to be made/finalised.
4. We therefore encourage Gas Industry Co to put in place the proposed rules that would introduce advanced metering to gas downstream market processes in time for the commencement of the incoming gas year in October 2026.

### Responses to the consultation questions

| Consultation question  | Bluecurrent's response  |
|--|---|
| <b>Q1.</b> Do submitters agree with Gas Industry Co's assessment of the strategic context? | <p>Bluecurrent broadly agrees with Gas Industry Co's assessment of the strategic context for its proposed <i>Work Programme and Levy</i> for FY27.</p> <p>We note the constrained supply of gas which coincided with an increasing demand for gas to support electricity generation, particularly during dry years. We agree there is a need for continued investment so that gas can be reliably supplied in a safe, efficient, and environmentally sustainable manner – to help ensure an orderly gas sector transition.</p> <p>We welcome Gas Industry Co's commitment "to work with industry and Government to support the goal of a resilient and affordable supply consistent with the energy transition" (page 4 of the consultation paper).</p> |
| <b>Q2.</b> Do submitters have any comments on the process for developing Gas               | Bluecurrent generally agrees with the process for developing Gas Industry Co's FY27 Work Programme and Levy which is well-established. We support the principles  |

| Consultation question  | Bluecurrent's response   |
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| Industry Co's FY2027 Work Programme and Levy?  | <p>that guide this process, including economic efficiency, beneficiary pays, rationality, simplicity, equity, and revenue sufficiency.</p> <p>In addition, we suggest that the above principles include "enabling an orderly gas sector transition", including ensuring that any levy methodology changes will not drive increases in end consumers' gas bills.</p> <p>We support Gas Industry Co's intention to review the current levy funding arrangements to determine if they are fit for purpose, and commence the necessary steps to introduce an alternative funding arrangement. This ensures that cost allocation remains consistent with the above principles.</p>  |
| <p><b>Q3.</b> Do you consider there to be any other items that could be included in Gas Industry Co's intended Work Programme for FY2027? If so, please describe the work required and how that work achieves the outcomes sought under the Gas Act and GPS.</p> | <p><b>Advanced gas metering</b></p> <p>It has been six years since advanced gas meters were first deployed in New Zealand. However, the necessary rules and rule changes remain to be developed/finalised for the benefits of advanced meters to be fully unlocked and optimised for gas industry participants and consumers.</p> <p>We support changes to the regulatory framework that would incentivise efficient investment in smart technologies such as advanced meters while protecting consumers from long-term risks.</p> <p>We therefore urge Gas Industry Co to complete – as soon as possible – the development and finalisation of rule changes that would enable the introduction of advanced metering in the gas downstream market.</p> <p>While we understand that the gas sector faces multiple priority issues – particularly in relation to the sector's transition – we encourage Gas Industry Co to also give high priority to its advanced metering work. Advanced gas meters enable greater efficiency and transparency in the gas market, providing a robust foundation for an orderly gas sector transition.</p> <p>Data generated by advanced gas meters provides more granular and timely information that enables consumers to make better decisions, e.g. helping consumers decide whether to switch to a different service provider that has better market offerings. Advanced metering reduces retailers' costs associated with manual meter reading, allowing more frequent and accurate billing – minimising/eliminating the use of estimates and helping reduce the number of consumer complaints.</p> <p>Remote metering, enabled by advanced gas meters, also reduces risk to personnel health and safety, transport costs, and emissions from driving to metering sites.</p> <p>For gas distributors, advanced metering data could help them manage their networks more efficiently, e.g. detecting the location of outages in a timely manner.</p> |

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|  | <p>We suggest that the rule changes that would introduce advanced gas metering to the downstream market be put in place in time for the coming gas year which commences in October 2026.</p> <p><b>Future of gas infrastructure</b></p> <p>We support Gas Industry Co's intention in FY27 to consider the future of gas infrastructure and increasing costs to consumers who are unable to transition to alternative fuels. This includes investigating the impact on consumers of the continued decline in gas production, including the future of infrastructure and costs, and whether consumer costs could be reduced by allowing networks to 'right size' for future loads such as operating the pipeline network at lower pressure.</p> <p>We suggest that the above work also consider/explore arrangements to ensure that future investments in advanced gas metering infrastructure are not chilled and continue to be incentivised.</p> <p>We further support Gas Industry working closely with the Ministry of Business, Innovation &amp; Employment and the Commerce Commission regarding any changes impacting pipeline regulation.</p> <p>Any timely updates and decisions on the above work would help end consumers, large users, and parties such as metering service providers make efficient planning and investment decisions.</p> <p><b>Renewable gases</b></p> <p>We welcome Gas Industry Co's intention to investigate the barriers currently inhibiting the creation of a biogas market in New Zealand and enabling its establishment. We encourage Gas Industry Co to provide regular updates on significant market and regulatory developments relating to biogas and hydrogen in New Zealand and overseas gas markets.</p> <p>We support the completion of any remaining work relating to amendments to the gas rules to accommodate the injection of renewable gases into downstream pipeline networks.</p> <p><b>Review of levy funding arrangements</b></p> <p>As indicated in our response to Q2, we support the proposed review of the current levy funding arrangements to determine if they remain fit for purpose, and taking the necessary steps to introduce an appropriate alternative arrangement.</p> |
| <p><b>Q4.</b> Do you consider there to be any items that should be excluded from Gas Industry Co's intended Work</p> | <p>Bluecurrent does not see the need to exclude any items in Gas Industry Co's intended work programme for FY27.</p>  |

| Consultation question   | Bluecurrent's response  |
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| Programme for FY2027? Please provide reasons for your response.   | As indicated in our response to Q3, we encourage Gas Industry Co to also give high priority to finalising changes to gas governance arrangements/rules that will facilitate the introduction of advanced metering in the gas downstream market. This will enable greater market efficiency and transparency that will benefit the industry and consumers and provide a robust foundation for an orderly gas sector transition.      |
| <b>Q5.</b> Gas Industry Co is particularly interested in industry comment on the forecast gas volumes – do stakeholders consider the 85 PJ projection reasonable? If not, what would they consider an appropriate gas volume estimate to be? <b>NOTE – any submissions provided in response to this question will be treated as confidential and will not be published.</b> |    |
| <b>Q6.</b> Do you have any comment on the proposed levy rates for FY2027?   | <p>Bluecurrent notes Gas Industry Co's generally flat levy profile over the past few years, and finds the proposed total work programme costs for FY27 to be reasonable.</p> <p>As indicated in our responses to Q2 and Q3, we support a review of the current levy funding arrangements to ensure they remain efficient and fair, would not result in price spikes for consumers, and enable an orderly gas sector transition.</p> |

## Concluding comments

5. We are happy to further discuss any of the above comments with Gas Industry Co. Please contact Luz Rose (Senior Regulatory and Policy Partner) at [Luz.Rose@bluecurrent.co.nz](mailto:Luz.Rose@bluecurrent.co.nz).
6. No part of this submission is confidential, and we are happy for Gas Industry Co to publish it in its entirety.

Yours sincerely



**Matt Bostwick**  
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