



Fonterra submission on proposed amendments to the critical contingency management plan (CCMP)

February 2024

Fonterra welcomes the opportunity to comment on the proposed amendments by Firstgas on its critical contingency management plan (CCMP).

Fonterra is a dairy co-operative owned by around 9,000 New Zealand farming families with 27 manufacturing sites across the country and we are a significant gas user across our North Island sites.

We recognise the reasoning for the Firstgas plan to remove the Reporoa to Taupo “Broadlands” pipeline from Schedule 1 in the Critical Contingency Management regulations and we have no issue with this decision.

Our position is contingent there being no operational impact to our Reporoa Dairy plant and the calorific value of the gas used at our site, which must be accurately reflected in our invoicing given that Fonterra Reporoa has the highest risk of receiving a mix of fossil gas and biomethane depending on Reporoa south demand.

We also note that, despite not being the primary issue for this consultation, we support the planned lowering of the remaining pipelines minimum CCM pressure trigger points if this results in a longer buffer period. We believe the operating pressure levels should remain as they currently are, to maximize the time before reaching CCM minimum pressure levels.

As a manufacturer of perishable milk products, Fonterra does not believe the potential savings outweigh the benefits of increasing the time to minimum pressure.