



# Gas (Facilities Outage Information Disclosure) Rules 2022 Consultation

13 June 2022



Gas Industry Co.



# 1. Background

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Gas Industry Co is consulting on the Gas (Facilities Outage Information Disclosure) Rules 2022. The Rules give effect to Gas Industry Co's recommendation on new gas governance rules for the disclosure of gas production and storage facility outage information approved by the Minister of Energy and Resources on 18 May 2022.

## 1.1 Information disclosure workstream

On 25 July 2018, the Minister of Energy and Resources Hon Dr Megan Woods wrote to Gas Industry Co requesting that we investigate whether the existing arrangements for industry participants to disclose information that could have an impact on the downstream gas market were adequate.

Following the Minister's letter, Gas Industry Co established a workstream to consider whether current market arrangements related to information disclosure were sufficient or whether further arrangements were required.

Gas Industry Co's workstream identified several specific information areas or 'information elements' where we considered there could be information transparency or asymmetry issues. One of these elements was information regarding gas production and gas storage outages.

Gas Industry Co developed a Statement of Proposal that considered whether regulation was required to achieve the stated regulatory objective, or whether the regulatory objective could be satisfactorily achieved by non-regulatory means, including the Upstream Gas Outage Information Disclosure Code 2020 that had been developed by upstream parties at the same time as Gas Industry Co's information disclosure workstream. The Statement of Proposal concluded that, while the Code had resulted in an improvement in the quantity and quality of publicly available information regarding planned and unplanned gas production and storage facility outages, there were issues with the Code as an enduring framework and therefore it did not satisfactorily meet the regulatory objective. The Statement of Proposal was subject to two rounds of industry consultation, with submissions on the final Statement of Proposal closing on 26 August 2021.

Relevant documentation relating to our information disclosure workstream, including our Statement of Proposal and recommendation to the Minister of Energy and Resources can be found at <https://www.gasindustry.co.nz/our-work/work-programmes/information-disclosure/>.

## 1.2 Recommendation to Minister of Energy and Resources

On 18 February 2022, Gas Industry Co provided a recommendation to the Minister of Energy and Resources under sections 43F(2)(e), 43F(2)(f), 43G(2)(k) and 43Q of the Gas Act 1992 for the making of information disclosure rules and an amendment to the Gas Governance (Compliance) Regulations 2008.

The purpose of the Rules is to provide for information disclosure requirements in relation to gas production and storage outages.

A recommendation for an amendment to the Gas Governance (Compliance) Regulations 2008 providing for compliance with, and enforcement of, the information disclosure rules was made in conjunction with this recommendation.

### **1.3 Minister's acceptance of Gas Industry Co's recommendation for gas governance rules**

The Minister of Energy and Resources accepted Gas Industry Co's recommendation on new gas governance rules for the disclosure of gas production and gas storage facility outage information on 18 May 2022.

The amendments to the Gas Governance (Compliance) Regulations will be considered by Cabinet and are subject to Cabinet approval.



## 2. Consultation

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### 2.1 Development of draft Gas (Facilities Outage Information Disclosure) Rules 2022

Gas Industry Co has developed the draft Gas (Facilities Outage Information Disclosure) Rules for industry consultation.

The Rules reflect the key elements of the regulated information disclosure arrangements as described in the Statement of Proposal and recommendation to the Minister of Energy and Resources.

### 2.2 Stakeholder feedback sought

Gas Industry Co is seeking feedback on the draft Gas (Facilities Outage Information Disclosure) Rules 2022. It should be noted that the intention of this consultation is not to revisit matters of substantive policy design. Instead, feedback from submitters should focus on whether the drafting is clear and unambiguous and whether it aligns with the recommendation to the Minister of Energy and Resources.

Where relevant, drafting notes have been included where additional information may assist stakeholder submissions.



## 3. Timeframes and next steps

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### 3.1 Date for submissions

Submissions close at 5.00pm on Monday 11 July 2022.

Please email your submission to [consultations@gasindustry.co.nz](mailto:consultations@gasindustry.co.nz)

### 3.2 Next steps

We note that the final Rules will be subject to the Minister's approval in accordance with section 43Q of the Gas Act. Section 43Q also provides for the Rules to be presented to the House of Representatives after the Rules are made.

The complementary amendments to the Gas Governance (Compliance) Regulations are being considered by Cabinet. If amendments are approved, the process is for the Parliamentary Counsel Office to draft such amendments. It is expected that any amendments would come into force at the same time as the Rules.

## About Gas Industry Co

Gas Industry Co is the gas industry body and co-regulator under the Gas Act. Its role is to:

- Develop arrangements, including regulations where appropriate, which improve:
  - the operation of gas markets;
  - access to infrastructure; and
  - consumer outcomes;
- Develop these arrangements with the principal objective to ensure that gas is delivered to existing and new customers in a safe, efficient, reliable, fair and environmentally sustainable manner; and
- Oversee compliance with, and review such arrangements.

Gas Industry Co is required to have regard to the Government's policy objectives for the gas sector, and to report on the achievement of those objectives and on the state of the New Zealand gas industry.

SUBMISSIONS CLOSE: 5PM  
MONDAY 11 JULY 2022

SUBMIT TO:  
[consultations@gasindustry.co.nz](mailto:consultations@gasindustry.co.nz)

ENQUIRIES:  
[info@gasindustry.co.nz](mailto:info@gasindustry.co.nz)