28 June 2020

Gas Industry Co
Level 8, The Todd Building
95 Customhouse Quay
Wellington

Haast supports the review of the Critical Contingency Management Regulations and proposals for improved information disclosure

Haast Energy Trading (Haast) welcomes the GIC's proposals to improve and clarify the information disclosure provisions in the Critical Contingency Management Regulations. As the GIC is aware, Haast is a strong supporter of the GIC's work on improving gas information disclosure generally, and have submitted in support of the Gas (Information Disclosure and Penalties) Amendment Bill 2020:

- Haast supports the proposal to amend regulation 54A to clarify that it includes unexpected interruptions to asset operation, including upstream assets and plant (Q34).

- Haast supports the proposal to amend the determination of "publish" to include publication on the Industry Notifications page of the Gas Industry Co's website (Q36).

- Regulation 54A should be amended to reflect that the disclosures: (i) are time critical and should be made in a timely manner and with urgency; and (ii) should be made public at the same time information is supplied to the service provider's customers etc to ensure all affected stakeholders receive information at the same time, and that some market participants do not have undue information advantages over other market participants. Regulation 54A has a requirement to publish and to provide updates but is currently silent on timing of disclosures.

- The purpose in Regulation 54A specifically and narrowly refers to transmission system owners and retailers, as well as consumers. Consumers is a broad term which should be interpreted to reflect that gas is an input into electricity generation and electricity services, and include all services for which gas is an intermediate input. It should also be recognised there are other market intermediaries and participants than just transmission system owners and retailers that have a (legitimate) interest in information about failed assets including electricity generators and retailers, and traders such as Haast. Similarly, Transpower has a direct interest in its role as electricity Grid and System Operator.

Concluding remarks

In our joint submission with Electric Kiwi to the Electricity Price Review we noted support for toughening disclosure rules, for outages, including in relation to critical contingencies:[1]

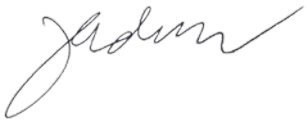
> "The information disclosure issues highlighted in the recent UTS decision expose the failure of the current regime starkly. We believe the behaviour of Genesis detailed in section 9 of the UTS decision is deeply undesirable. The trader aggressively purchased contracts while in possession of detailed non-public information on the Pohokura gas outage …"

This example illustrates the detrimental impact on the effective and efficient operation of the market if there are information asymmetries or lack of adequate and timely information about outages, including in

[1] Haast Energy and Electric Kiwi, Electricity Price Review – Options Paper, 22 March 2019.

relation to critical contingencies. The disclosures need to be widely available to all affected parties in both the physical and financial markets of both gas and electricity.

Yours sincerely,



Phillip Anderson
Managing Director
Haast Energy Trading
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