

Gas Industry Co

By email: consultations@gasindustry.co.nz

Gas (Facilities Outage Information Disclosure) Rules 2022 Consultation

Mercury welcomes the opportunity to provide a submission to Gas Industry Co (GIC) on its Gas (Facilities Outage Information Disclosure) Rules 2022 (the Rules) Consultation. No part of our submission is confidential. The rules will provide for the disclosure of planned and unplanned outages of gas production and gas storage facilities over 70 TJs. The GIC is also recommending amendments to the Gas Governance (Compliance) Regulations 2008 so that the compliance framework in these regulations applies to the proposed Rules.

Mercury strongly supports this initiative. We have consistently argued that additional information transparency is necessary in the gas market, including more detailed information about price and quantity. We consider the establishment of the Rules to be a positive step. We agree the Rules as drafted are clear and unambiguous and the document aligns with the recommendation made by the GIC to the Minister of Energy and Resources. We also agree with the additional clarification provided by the three drafting notes¹ and have no additional comments on these.

For the Rules to have a positive effect in the gas market (and by extension the adjacent electricity market) a robust compliance and enforcement regime is essential. We understand amendments to the Gas Governance (Compliance) Regulations 2008 are being considered by Cabinet and look forward to further developments. We are pleased that the GIC is producing annual supply and demand outlooks for gas consistent with recommendations in the recent gas market supply settings investigation. Mercury has found these annual outlooks helpful.

Finally, we would welcome the opportunity to collaborate with the GIC, and the Ministry of Business Innovation and Enterprise (MBIE) on the development of the Gas Transition Plan announced as part of the Emissions Reduction Plan. We see gas as having a crucial role in transitioning New Zealand's electricity system to 100% renewable in a manner that optimises electricity supply security, reliability and affordability for consumers while enabling investment in gas infrastructure for future use when green gas alternatives are developed.

Yours sincerely



Claudia Vianello

Advisor – Strategy & Regulation

¹ This refers to the three drafting notes for stakeholder consultation on Clause 10, Clause 11.1 and Clause 15 (and 16).

