

30 July 2026

Nova Energy Limited
PO Box 3141, Wellington 6140

Gas Industry Company

By email: consultations@gasindustry.co.nz

Submission on Gas governance draft rule changes

Nova Energy (Nova) appreciates the opportunity to comment on the consultation drafts of the Gas (Downstream Reconciliation) Rules 2008 and Gas (Switching Arrangements) Rules 2008. We acknowledge the extensive work undertaken by Gas Industry Co (GIC) and industry stakeholders to progress changes relating to advanced gas metering infrastructure (AGMI), formalisation of D+1, and renewable gas injection.

Nova submitted detailed feedback in 2023 on the Statement of Proposal. We recognise that GIC has considered those earlier views and, in several areas, adopted alternative approaches. In this submission, Nova reiterates its earlier positions where they remain relevant, while focusing primarily on practical implementation considerations and ensuring the amended Rules operate efficiently for retailers, meter owners, distributors, and allocation participants.

Overall, Nova supports the direction of the proposed amendments. We consider the draft Rules workable and aligned with the Minister's approved recommendations, subject to several refinements outlined below.

Key Points

1. **Registry fields:** Nova continues to support the addition of Meter Type, Meter Model, and ANZSIC Code in the Gas Registry, consistent with our 2023 submission. We acknowledge GIC's decision not to include these fields but note that they remain valuable for reconciliation accuracy, market transparency, and transition planning.
2. **Allocation groups:** Nova supports the introduction of daily-reconciled allocation groups but reiterates our earlier preference for a separate "Submission Type" field and a single AGMI allocation group. We recognise GIC has chosen not to adopt this structure and do not seek to relitigate the issue.
3. **Daily submissions:** Nova supports daily submissions for allocation groups 1, 3, and 5, consistent with our 2023 position. Daily AGMI submission should remain voluntary.
4. **D+1 methodology:** Nova supports formalising D+1 in the Rules and recommends that only the validated afternoon run be treated as the official allocation result.
5. **NZS 5259 obligations:** Nova maintains its earlier position that broad obligations to comply with NZS 5259 should be limited to specific rule-based requirements, rather than wholesale incorporation of the standard.
6. **Renewable gas injection:** Nova supports the proposed dormant implementation approach.

Nova supports the intent and direction of the proposed amendments and considers them an important step in ensuring the Rules remain fit for purpose as technology and market arrangements evolve. We welcome continued engagement with GIC and industry participants as drafting progresses and implementation planning begins.

Detailed Submission

1. Advanced Gas Metering Infrastructure (AGMI)

1.1 Registry Fields

Nova supports the addition of the AGMI Communicating Flag.

Consistent with Nova's 2023 submission, we continue to support adding:

- Meter Type
- Meter Model
- ANZSIC Code

We acknowledge GIC has chosen not to include these fields in the draft Rules. Nova does not seek to relitigate the issue but notes that these fields would improve reconciliation accuracy, transparency of metering configurations, and sectoral analysis during the gas transition.

1.2 Allocation Groups

Nova supports the creation of daily-reconciled allocation groups.

In 2023, Nova proposed:

- a single AGMI allocation group, and
- a "Submission Type" field to distinguish daily vs monthly submission.

We recognise GIC has adopted a different structure and do not seek to revisit the matter. However, Nova recommends GIC consider guidance to minimise unnecessary churn between allocation groups, which can create operational overhead and distort D+1 modelling.

1.3 UFG Treatment

Nova supports annual UFG treatment for AGMI ICPs in allocation groups 3 and 5.

2. D+1 Allocation

2.1 Daily Submissions

Nova supports daily submissions for allocation groups 1, 3, and 5, consistent with our 2023 position. Daily AGMI submission should remain voluntary.

2.2 D+1 Accuracy and Model Behaviour

Nova reiterates concerns raised internally that large batch movements of ICPs between daily and monthly submission may temporarily distort the D+1 regression model. We recommend GIC and the allocation agent undertake modelling to confirm robustness under large-scale AGMI adoption.

2.3 Morning vs Afternoon D+1 Runs

Nova supports retaining both runs but recommends:

- Only the validated afternoon run be treated as the official allocation result.
- The morning run should remain advisory.

2.4 Transition to 7-day D+1

Nova supports deferring 7-day D+1 until industry arrangements (including the Gas Transmission Code and the replacement of the D+1 Pilot Agreement) are aligned. We recognise the practical constraints identified by GIC and accept the proposal for GIC to determine a future go-live date once the wider industry is ready.

However, Nova reiterates that 7-day D+1 remains a high-value improvement for retailers and consumers. The absence of validated weekend data results in material balancing penalties, as retailers must estimate weekend positions without the benefit of accurate daily consumption information. For Nova, and for other retailers with similar trading profiles, validated weekend D+1 data would significantly reduce avoidable cash-out charges and improve wholesale gas purchasing accuracy.

Nova therefore encourages GIC to work with Firstgas and industry participants to develop a clear roadmap toward 7-day D+1 operation. We also encourage GIC to prioritise this transition as part of the enduring D+1 framework and to monitor and report on the balancing-fee impacts associated with the current business-day-only process.

3. Telemetry Threshold for Large Consumers

Nova supports requiring telemetry for ICPs consuming more than 20TJ per annum, consistent with our 2023 position. A transition period of 12–18 months is appropriate.

4. Renewable Gas Injection

Nova supports the draft rules relating to renewable gas injection and agrees with the dormant implementation approach.

We reiterate our 2023 view that retailers should have clear access to all information required to measure energy consumption on networks with distribution injection points.

5. Energy Conversion and NZS 5259

Nova maintains its 2023 position:

- Broad obligations to comply with NZS 5259 should not be incorporated wholesale into the Rules.
- Only specific requirements that materially affect reconciliation should be extracted and codified.

We support GIC refreshing temperature data at least every ten years and recommend that temperature data be populated in the Registry at the gas gate or ICP level.

6. Contract & Customer Information

Nova supports the requirement to assign distribution injection point volumes to contract IDs.

Consistent with our 2023 submission, we recommend:

- defining “pertinent” customer/contract information, and
- specifying the instances where retailers must provide such information.

7. Minor and Technical Changes

Nova supports the proposed minor and technical changes.

We reiterate our earlier comment that rule 61.1 should apply the “become aware” condition to the timeframe for updating the Registry.

8. Non-Regulatory Changes

Nova supports:

- ICP lookup API access for approved non-industry participants,
- use of the GIEP Exchange for submissions,
- Registry security improvements,
- and introduction of a D+1 run report.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Kathryn Le Cheminant', with a stylized, cursive script.

Kathryn Le Cheminant

Regulatory and Compliance Administrator