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Gas Industry Company

Via email: consultations@gasindustry.co.nz

Tēnā koe,

Accounting for regional biomethane facilities in critical contingency management

Powerco is one of Aotearoa's largest gas and electricity distributors and we understand the importance of effective critical contingency management (CCM). Powerco is also actively pursuing renewable gas opportunities, and we see the role of renewable gas in the transmission and distribution system growing significantly in the next ten years. Our view is that the updated guidelines for determining regional critical contingencies are appropriate, while we also ask GIC to consider how the changing gas system will be reflected in CCM in the future, including a potential future amendment to the guidelines.

Regional biomethane injection will grow

- Biomethane injection into the transmission system is now occurring. Some Powerco projects we are advancing would inject biomethane into the distribution system and could be in operation within the next two years. All going well, biomethane production and use will grow over years to come.
- The regional production and injection of gas into the distribution system will change traditional supplier-customer-network arrangements.

CCM will be one required change in a future gas system

- Current regulations for operation of the gas system, such as CCM, are based on supply commencing in Taranaki and flowing via the Maui Pipeline. All scenarios in the updated guidelines for determining a regional critical contingency, are based on the traditional (existing) gas supply and transmission network.
- This guideline is one example of regulatory tools that will need reviewing when regional biomethane production and injection grows across the network.
- We encourage GIC to plan ahead for timely regulatory updates, where required, in response to a changing gas system and network configuration.

This submission does not contain any confidential information and may be published in full. If you have any questions regarding this submission or would like to talk further on the points we have raised, please contact Irene Clarke (Irene.Clarke@powerco.co.nz).

Nāku noa, nā,



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POWERCO