

9 February 2024

Gas Industry Company

Via email consultations@gasindustry.co.nz

Tēnā koe,

Levy-funded appropriations 2024/25 – funding a work programme to support the industry

Powerco appreciates GIC's approach to industry engagement in developing the FY25 work programme and levy proposal. We support the proposed work programme and associated funding proposal. We acknowledge the critical role for GIC in both the current and future regulatory settings supporting investor confidence and security of supply in New Zealand's energy future. Our feedback on the proposals is provided below.

Levy proposal is appropriate

- We support the similar, slight reduction in levy proposed. It is appropriate that funding for the energy transition workstreams reduce given the resource-intensive work in the last few years has come to the end of that phase of work.
- We acknowledge that it is timely to review the levy apportionment methodology and consult with industry on options during this year.

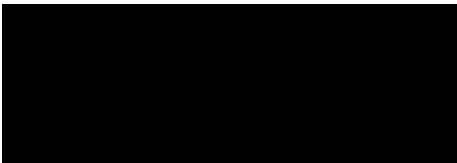
Continue energy transition activities alongside gas governance

- We appreciate the GIC is waiting on government direction about gas transition actions for the coming year. While this may alter the work programme, there are important activities for GIC to progress in FY25 notwithstanding the status of a GTP or other government programmes. This includes activities which are starting to move into GIC's role in gas governance:
 - A tradeable renewable gas certification scheme
 - Providing for renewable gas in contract reviews
 - Measures for CCUS
 - Solutions to support long term investment confidence including for security of supply (picking up the Real Options work could be a useful tool for advancing a whole-of-sector approach to options)
 - Supporting industry and government with consumer education about gas in the transition
 - Agency engagement about the link between emissions reduction and security of supply.

- We also support the other work programme items identified such as CCM regulations, advanced gas metering, distribution contracts, downstream reconciliation, monitoring and compliance, enhancing consumer outcomes, and modelling and reporting.

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

Nāku noa, nā,



General Manager – Customer
POWERCO