



Bluecurrent

Level 2,
101 Carlton Gore Road
Newmarket
Auckland 1023

23 February 2024

Gas Industry Co
Level 10, Brandon House
149 Featherston Street
Wellington 6140

By email: consultations@gasindustry.co.nz

Submission on Gas Industry Co's Proposed Changes to Gas Governance Arrangements – Statement of Proposal

1. Bluecurrent (formerly Vector Metering) welcomes the Gas Industry Company's (Gas Industry Co) consultation on its proposed *Changes to Gas Governance Arrangements – Statement of Proposal (SoP)*, dated 15 December 2023.
2. Bluecurrent broadly supports the improvements to the regulatory framework proposed by Gas Industry Co in the SoP to support the progress of market-led activities. These proposals relate to:
 - the rollout of advanced gas metering infrastructure;
 - the introduction of D+1 (daily allocation) into the *Gas Downstream Reconciliation Rules* (Reconciliation Rules);
 - the potential injection of renewable gases (biomethane and hydrogen) into gas distribution systems;
 - minor and technical changes; and
 - non-regulatory changes.
3. As a provider of advanced metering services in the gas sector, Bluecurrent is highly mindful of the critical role advanced gas meters play in enabling greater efficiency and transparency in market processes. The proposed improvements in the SoP, mostly enabled by advanced gas meters, will help establish a robust foundation for an orderly transition of the gas sector, as part of the wider transition to a highly renewables-based energy system, while ensuring energy affordability during the transition.
4. We set out our responses to the questions in the SoP, which capture our views on the above proposals in more detail, using the submission template provided for this consultation (attached). We note that most of these proposals have already been discussed to various extents in previous consultations and in industry working groups, including the Advanced Gas Metering Infrastructure (AGMI) Working Group and the Downstream Allocation Working Group (DAWG).
5. Bluecurrent would be happy to further discuss with Gas Industry Co any aspects of our submission, or share our experience in deploying advanced gas meters in New Zealand. Please contact Luz Rose (Senior Regulatory and Policy Partner) at [REDACTED] in the first instance.
6. No part of this submission is confidential, and we are happy for Gas Industry Co to publish it in its entirety.

Yours sincerely

Neil Williams
Chief Executive



Responses to Consultation Questions

Statement of Proposal: Changes to Gas Governance Arrangements

Submission prepared by: Bluecurrent

Question	Bluecurrent's comment
<p>Q1. Do you support the proposals in this section (summarised below)? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider.</p> <ul style="list-style-type: none">• Add two new meter owner fields to the registry (i) Meter Type and (ii) AGMI Communicating (Y/N).• Amend rules 58.1 and 61.1 to improve clarity and consistency of ICP update timeframes.• Introduce a two-tier framework for assessing compliance with update timeframes.• Introduce a new definition for distribution injection points.• Introduce an obligation on distributors to give notice of a new distribution injection point.• Distributor must populate details of the network injection point (specific parameters to be determined).	<p>Bluecurrent broadly supports Gas Industry Co's proposals in section 4 of the SoP, which include changes to the gas registry and amendments to rules 58.1 and 61.1 of the <i>Gas Switching Arrangements Rules</i> (Switching Rules).</p> <p>We particularly support the addition of a flag in the gas registry to identify a communicating advanced gas meter. We would like to see some rules around this flag similar to those used in the electricity market. The new rules could include a provision that if an advanced gas meter is "non-communicating" for a set number of days, it should be reclassified as "non-communicating". The absence of rules setting out the conditions in which a meter can be classified as "communicating" or "non-communicating" would make this field unworkable. Whether a meter is communicating or not could be due to a number of factors, such as locational events or the status of the telecommunications network.</p> <p>In addition, Gas Industry Co needs to take into consideration that, unlike advanced electricity meters, there is no ability to redial an advanced gas meter to collect missing data associated with an event, e.g. planned maintenance by the telecommunications network. This is because the gas meter is programmed to deliver data once a day to increase the longevity of the battery.</p> <p>We seek clarification on the exact purpose of the proposed new meter owner field for 'Meter Type'. For example, what specific information is expected to be captured in this field that is not already captured in existing (or other proposed) fields, and what net benefits will the information provide to gas registry users? We note participants' shared view that "due to the costs</p>

Question	Bluecurrent's comment
	<p>involved in establishing, populating and maintaining registry fields, changes should only be made where there is a clear benefit to the information being captured centrally" (page 17 of the SoP).</p> <p>Bluecurrent is pleased with Gas Industry Co's proactive approach regarding the potential injection of renewable gases (biomethane and hydrogen) into the gas distribution system. We broadly support the proposals to introduce a new definition for "distribution injection points" and new obligations on gas distributors in relation to these injection points. We look forward to seeing more details regarding these proposals in future consultations and as developments on renewable gases unfold.</p>
<p>Q2. Do you support the proposals in this section (summarised below)? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider.</p> <ul style="list-style-type: none"> • Amend allocation group rules and definitions to provide for daily-reconciled ICPs. • Publish guidance or criteria for assigning daily-reconciled ICPs to allocation groups. • Require all consumer installations that have (or are expected to have) annual consumption greater than or equal to 20TJ to have a TOU meter with telemetry installed and be assigned to allocation group 1. • Retailers must provide daily metered energy volumes to the allocation agent each day for all ICPs in allocation groups 1, 3 and 5. • Determine an appropriate file format for retailers to submit daily AGMI data to the allocation agent. • Validated injection and daily-reconciled consumption data must be provided seven days per week. 	<p>Bluecurrent has for some time now supported the proposals in section 5 of the SoP associated with the adoption of the D+1 allocation process into the Reconciliation Rules. This includes supporting the operation of the D+1 process seven days a week rather than only on business days.</p> <p>Whilst we prefer to see a move to require all time of use meters to have telemetry, we consider Gas Industry Co's proposal for all meters using 20TJ or more of gas a year to have telemetry and be in allocation group 1 to be reasonable. Given this proposed change, we suggest that a move to require time of use sites using less than 10TJ to have telemetry would further facilitate the tidying up of the allocation groups. However, we query whether any time of use sites without telemetry using less than 10TJ, if any, will remain in allocation group 2.</p> <p>The proposal to change allocation groups 3 and 5 to accommodate the introduction of advanced gas metering is both logical and practical given these allocation groups have not been used since the Reconciliation Rules were introduced. We support the proposal requiring retailers to report the gas consumption from these allocation groups daily.</p> <p>Gas Industry Co proposes that retailers estimate any missing allocation group 3 and group 5 data. We believe it would be more consistent for the allocation agent to provide these estimates, as it already does for any missing allocation group 1 sites.</p>

Question	Bluecurrent's comment
<p>Q3. Do you support the proposals in this section (summarised below)? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider.</p> <ul style="list-style-type: none"> • Broaden the obligation to demonstrate compliance with NZS 5259:2015 to capture (a) all allocation participants and (b) all aspects of the standard. • Introduce requirement to use Gas Industry Co published temperate data for temperature correction or otherwise be able to demonstrate compliance with NZS 5259:2015. • Require Gas Industry Co to refresh temperature data at intervals not exceeding ten years. • The transmission system owner must publish validated gas composition data seven days per week. • Develop appropriate roles and procedures to ensure retailers have all the information required to measure energy consumption for their customers on networks with distribution injection points. 	<p>In Bluecurrent's view, to future proof the proposal in section 6 of the SoP, the Reconciliation Rules should be amended to require all allocation participants to demonstrate compliance with "the latest NZS 5259 standard". This also involves the requirement for any party providing information that is used for measurement/conversion to comply with the latest NZS 5259 standard.</p> <p>We support the proposed requirement that all participants use the temperature data published by Gas Industry Co for sites that do not record the temperature of the gas as it is being consumed. We also support the requirement for Gas Industry Co to review its published temperature data at intervals not exceeding ten years.</p> <p>Bluecurrent supports the proposed requirement that the transmission system owner (TSO) publish validated composition data seven days per week, rather than only on business days. This data needs to be timely as the industry is reliant on it to provide accurate energy consumption, i.e. by 8am rather than the current midday timeframe. An accurate D+1 calculation process will require the TSO to produce/publish the gas composition values and the gas gate volumes daily. The requirement to publish this data daily, rather than only on business days, will need a code change request to be successfully processed via the Gas Transmission Code.</p> <p>We agree with the proposal for Gas Industry Co to develop appropriate roles and processes for retailers to ensure they have all the necessary information to measure their customers' energy consumption on networks with distribution injection points.</p>
<p>Q4. Do you support the proposals in this section (summarised below)? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider.</p> <ul style="list-style-type: none"> • Incorporate the D+1 allocation into the Reconciliation Rules, allowing for changes to the timing of the morning and afternoon publication deadlines. 	<p>Bluecurrent strongly supports the incorporation of the D+1 allocation process into the Reconciliation Rules, as proposed in section 7 of the SoP.</p> <p>While we are not directly involved in the D+1 allocation process, we consider it prudent not to implement any changes to the timing of the initial or interim allocations at this stage.</p>

Question	Bluecurrent's comment
<ul style="list-style-type: none"> Do not implement any changes to the timing of the initial or interim allocations at this stage. 	
<p>Q5. Do you support the proposals in this section (summarised below)? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider.</p> <ul style="list-style-type: none"> Maintain the current approach for UFG allocation (a combination of AUFG, MUFG and G1M MUFG) as the prevalence of AGMI and telemetry increases but continue to monitor UFG levels and causes. Modify the standard and G1M allocation methodologies to provide for AGMI data in allocation groups 3 and 5 and for distribution injection points. Incorporate the D+1 allocation methodology into the Reconciliation Rules. Separate the calculation of the GGRP and SADSVs. Allow calculation errors in the SADSV to be corrected at the next scheduled allocation. 	<p>Bluecurrent has no direct involvement in the implementation of gas allocation methodologies. However, we do believe Gas Industry Co's proposals in section 8 of the SoP relating to allocation methodologies make logical sense. Advanced gas meters are essentially smaller versions of the large time of use meters. Advanced gas meters enable greater accuracy and efficiency via the D+1 allocation process through more transparent and timely delivery of data on energy consumption (gas used) within a gas gate each day.</p>
<p>Q6. Do you support the proposals in this section (summarised below)? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider.</p> <ul style="list-style-type: none"> Require volumes transacted for distribution injection points to be assigned to a contract ID. Require retailers to notify the allocation agent of customer, contract and consumption information that is pertinent to D+1 allocations. 	<p>Bluecurrent supports, in principle, Gas Industry's Co proposals regarding the injection of renewable gases into the gas distribution system, outlined in section 9 of the SoP. We believe these initial proposals will stimulate discussions on renewable gases and their roles in an orderly gas sector transition. We look forward to providing further and more detailed comments as developments in renewable gas trials and markets unfold and become more definitive.</p>

Question	Bluecurrent's comment
<p>Q7. Do you support the minor and technical changes proposed in this section? Do you agree that these issues are minor and technical? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider.</p>	<p>Bluecurrent does not have any issues with the “minor and technical” changes proposed in section 10 of the SoP.</p>
<p>Q8. Do you support the proposals in this section (summarised below)? Please provide comments and feedback, including whether there are additional changes that Gas Industry Co should consider.</p> <ul style="list-style-type: none"> • Allow approved non-industry participants access to an ICP lookup API. • Allow use of the GIEP Exchange for GAA submissions/reports. • Make improvements to gas registry security. • Introduce a D+1 run report. 	<p>Bluecurrent supports the “non-regulatory” changes proposed in section 11 of the SoP in relation to: 1) allowing the use of the GIEP Exchange for GAA submissions/reports, 2) making improvements to gas registry security, and 3) introducing a D+1 run report.</p> <p>We support, in principle, providing non-industry participants access to gas registry data via an ICP lookup API on a case-by-case basis. Approval should be on the conditions that data access will: 1) deliver clear benefits to many gas consumers, rather than only to one or a few service providers or entities, and 2) be subject to the appropriate privacy and security settings. We suggest that Gas Industry Co seek the advice of the AGMI Working Group and/or the DAWG when considering specific requests for access to gas registry data.</p>