

Submissions Analysis – FY2027 Work Programme and Levy

Gas Industry Co thanks all those who have provided submissions in relation to our FY2027 work programme and levy. We are happy to meet with any party in discuss their submission, or our responses included below.

Q1. Do submitters agree with Gas Industry Co’s assessment of the strategic context?

| Submitter | Submitters comment | Gas Industry Co response |
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| Bioenergy Association | <p>Agrees with GIC’s assessment of the strategic context, but considers that the urgency of the gas supply situation is understated. Emphasises the significant untapped potential of biogas and biomethane as a near-term contributor to gas security of supply, noting the current gap between technical potential and actual network injection.</p> | <p>We disagree that the urgency of the gas supply situation is understated. The FY2027 work programme prioritises key strategic issues, including security of supply with the intention that this work is advanced at pace.</p> <p>We agree with the comments in relation to the potential of biogas and biomethane, however our view is this is more of a medium to longer term contributor.</p> |
| Bluecurrent | <p>Broadly agrees with the strategic context and notes the compounding effect of constrained gas supply alongside increasing demand for gas-fired electricity generation, particularly in dry-year conditions. Emphasises the importance of an orderly and well-signalled transition to maintain affordability and security of supply.</p> <p>Welcomes Gas Industry Co’s commitment “to work with industry and Government to support the goal of a resilient and affordable supply consistent with the energy transition”.</p> | Noted. |

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| Clarus | Generally supports the proposed work programme, including its focus on gas supply and system resilience. Considers the programme broadly aligned with the challenges currently facing the gas sector. | Noted. |
| Ecogas | Agrees with the strategic context but emphasises that biogas and biomethane are immediate, proven solutions rather than future options. Suggests GIC's role is to codify what has been learned, establish standards where none exist, and coordinate across the fragmented initiatives currently underway. | <p>We agree with the comments in relation to the potential of biogas and biomethane, however our view is this is more of a medium to longer term contributor.</p> <p>Gas Industry Co supports the development of a biogas/ biomethane market and is preparing advice to the Minister highlighting what needs to be enabled, including regulatory settings, to allow the biogas work stream to be advanced at pace. This advice will include that while Gas Industry Co stands ready to assist in the development of a biogas market, the Gas Act is constraining us from doing any more than providing advice to the Minister in relation to this workstream at present.</p> |
| Energy Resources Aotearoa | Supports the strategic direction outlined by GIC and frames gas supply security as a system-wide risk with implications beyond the gas sector alone. Emphasises the need for long-term planning, cross-agency coordination, and alignment with electricity and climate policy settings. | Noted. |

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| Fonterra | Acknowledges that the consultation paper correctly identifies the current challenges facing the gas sector, but warns of the risk of a disorderly transition without stronger mitigations. | Noted. |
| Genesis Energy | Broadly agrees with the strategic context but notes that similar pressures to those being faced by industrial and commercial gas consumers are being experienced by electricity generators, with flow-on impacts for electricity affordability and security of supply. | Noted. |
| Major Gas Users Inc (MGUG) | Does not disagree with the strategic context, but considers it is framed at too high a level. Argues that energy/gas should be recognised as system-enabling services that underpin economic activity and overall welfare, rather than being treated solely as commodities. Notes that deindustrialisation is continuing and upstream investment remains fragile despite improved market signals as main barriers to investment are ignored. Raises concerns about a disorderly transition, and that understanding by politicians of the significance of issues is lost among other priorities. Suggests GIC uses its direct connections to Ministers to provide more effective debate and advocacy for the gas sector with the wider energy, commerce and economic portfolios. | Noted. |
| Greymouth Gas | Does not fully agree with the strategic context, noting that historical investment levels should not be conflated with current or future outcomes. Considers that GIC should take a stronger role in articulating the importance of gas within economic development and climate policy discussions. | Noted. Gas Industry Co has a role in educating and influencing for all forms of gas. |
| Nova Energy | Agrees with the strategic context and considers it appropriately reflects current pressures, including declining production, the need for flexibility to support renewable | Noted. |

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| | electricity generation, and the importance of policy certainty to enable investment. Agrees with GIC's observation that the role of gas is transitioning but remains critical to security of supply as New Zealand moves to a lower-emissions energy future. Appreciates GIC's commitment to work with Government as a trusted adviser during transition. | |
| Powerco | Agrees with GIC's assessment of the strategic context which highlights the significance of gas in the energy market from a systems perspective rather than in isolation. Notes GIC's critical role to support investor confidence, resilience and certainty for New Zealand's energy future. Agrees GIC must focus on clear priorities to support the industry in the changing context of the gas transition, as well as its BAU role. | Noted. |

Q2. Do submitters have any comments on the process for developing Gas Industry Co's FY2027 Work Programme and Levy?

| Submitter | Submitters comment | Gas Industry Co response |
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| Bioenergy Association | Supports the overall approach taken to developing the work programme, but considers that stronger leadership and coordination by GIC across the full biogas and biomethane sectors would be beneficial, particularly given the pace of change and interdependencies between gas, electricity, and climate policy. | Gas Industry Co supports the development of a biogas/ biomethane market and is preparing advice to the Minister highlighting what needs to be enabled, including regulatory settings, to allow the biogas work stream to be advanced at pace. This advice will include that while Gas Industry Co stands ready to assist in the development of a biogas market, the Gas Act is constraining us from doing any |

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| | | more than providing advice to the Minister in relation to this workstream at present. |
| Bluecurrent | Generally agrees that the work programme and levy development process is well established and transparent. Supports the guiding principles underpinning the process, and suggests these should more explicitly reference “enabling an orderly gas sector transition” including ensuring that levy changes do not increase end-consumer’s gas bills. Supports the review of current levy funding arrangements to ensure they remain fit for purpose. | Noted. |
| Ecogas | Considers the current process to be generally sound, but notes that annual consultation cycles are insufficient to keep pace with rapidly evolving biogas developments. Recommends more frequent engagement mechanisms, such as a quarterly Biogas Technical Working Group, to address emerging issues in a timely manner. | Noted, however Gas Industry Co does not rely solely on the annual consultation process to inform our work programme. As outlined in the Consultation Paper, we constantly reassess our work programme to ensure it is responding to priority issues throughout the year. |
| Genesis Energy | Commends GIC for its collaborative approach to developing the work programme, and encourages GIC to seek a broad range of views and perspectives when identifying its focus areas. | Noted. |
| MGUG | Does not raise any concerns with the process, and appreciates the opportunity for industry participants to be involved in shaping the work programme through consultation. | Noted. |
| Greymouth Gas | Considers the current process to be not fit for purpose, noting that it is too slow and insufficiently flexible to | Noted, however, Gas Industry Co does not rely solely on the annual |

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| | respond to changing priorities. Argues that a more dynamic mechanism is needed to allow reprioritisation during active policy windows. | consultation process to inform our work programme. As outlined in the Consultation Paper, we constantly reassess our work programme to ensure it is responding to priority issues throughout the year. |
| Nova Energy | No. | |
| Powerco | Supports Gas Industry Co's approach to engagement in developing the FY2027 work programme and levy. Encourages continued consultation with industry when scoping specific projects, and alignment with wider energy-sector workstreams to support a whole-of-system perspective. | Noted. |

Q3. Do you consider there to be any other items that should be included in Gas Industry Co's intended Work Programme for FY2027? If so, please describe the work required and how that work achieves the outcomes sought under the Gas Act and GPS.

| Submitter | Submitters comment | Gas Industry Co response |
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| Bioenergy Association | Calls for a significantly expanded and delivery-focused biogas and biomethane work programme. Suggests GIC has a role in coordinating, formalising, and driving implementation of a number of deliverables including in relation to production targets, blending or quota mechanisms, clarification of rights to inject into networks, standardised connection agreements, establishing cost-sharing mechanisms, and monitoring systems including registries with Guarantees of Origin. | Gas Industry Co supports the development of a biogas/ biomethane market and is preparing advice to the Minister highlighting what needs to be enabled, including regulatory settings, to allow the biogas work stream to be advanced at pace. This advice will include that while Gas Industry Co stands ready to assist in the development of a biogas market, the Gas Act is constraining us from doing any |

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| | | more than providing advice to the Minister in relation to this workstream at present. |
| Bluecurrent | Urges GIC to prioritise completion of rule changes required to enable advanced gas metering. Supports work on the future of gas infrastructure (and suggests this also explore arrangements to ensure future investments in AGM infrastructure are not chilled), welcomes the intention to investigate barriers inhibiting the creation of a biogas market, and the review of levy funding arrangements to ensure ongoing efficiency and fairness. | Noted. |
| Clarus | Seeks clearer definition of scope and minimum deliverables for biogas-related work, and suggests expanding residential pricing work to include disconnection pricing, and supports the development of guidance for industrial users who wish to take responsibility for their own gas shipping arrangements. | Noted. See comments above in relation to current limitations in advancing biogas work. Work in relation to disconnections is currently being undertaken. |
| Ecogas | Recommends that GIC commit to a defined set of biogas deliverables in FY2027, including formalising network connection frameworks, developing carbon accounting guidance, improving biogas supply forecasting and data visibility, and establishing a sector coordination mechanism. | Gas Industry Co supports the development of a biogas/ biomethane market and is preparing advice to the Minister highlighting what needs to be enabled, including regulatory settings, to allow the biogas work stream to be advanced at pace. This advice will include that while Gas Industry Co stands ready to assist in the development of a biogas market, the Gas Act is constraining us from doing any more than providing advice to the Minister in relation to this |

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| | | workstream at present. |
| Energy Resources Aotearoa | <p>Recommends prioritising quantitative analysis of gas supply adequacy and security, including the role of LNG and biogas. Also emphasises the importance of rebuilding investment confidence and undertaking proactive strategic work on network adaptation and the longer-term funding arrangements for GIC, noting the strategic importance of its role is increasing.</p> | Noted. |
| Fonterra | <p>Recommends:</p> <ul style="list-style-type: none"> • Closer work with MBIE on accelerated disclosure of reserves/production data; • Early engagement on LNG terminal financial arrangements; • Consider modelling the cost-benefits of the impact of the Commerce Commission's decision on accelerated depreciation of gas transmission and distribution pipelines; • Decommissioning should be considered further including a regulatory framework to managed forced disconnections and one to manage decommissioning which happens sooner than the market anticipates; • Develop regional anaerobic digestors capable of producing methane for pipeline injection and market reconciliation processes; • Develop a market framework that enables multiparty relationships at ICP level, enabling a mix of renewable and non-renewable gases to be associated with the ICP. | <p>Noted. Will ensure that, where appropriate, these points are considered when advancing the FY2027 work programme.</p> <p>See comments above in relation to current limitations in advancing biogas work. Work in relation to disconnections is currently being undertaken.</p> |
| Genesis Energy | <p>Suggests explicit joint work between GIC and the Electricity Authority to address cross-sector security-of-supply risks, including dry-year adequacy, declining gas flexibility, and emergency arrangements. Also supports scenario analysis of LNG availability, accelerated industrial exit, and</p> | <p>Noted. Will ensure, where appropriate, that these points are considered when advancing the FY2027 work programme.</p> |

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| | <p>infrastructure decommissioning.</p> <p>Warns that GIC should avoid initiatives that conflict with the work of other public entities – noting that consistency of information is important given the strain on the energy system.</p> | |
| MGUG | <p>Supports the general headings and topics proposed for the work programme, but emphasises that the key issue is improving the framing of these matters within a wider system context. Suggests that GIC revisit prior submissions which provided more detailed analysis of these broader issues given turnover of key staff.</p> | Noted. |
| Greymouth Gas | <p>Considers that GIC has missed several major priority issues, including the role of gas in economic development and climate change policy, stopping the death spiral of regulated pipeline transport prices, consumer disconnection costs, and network decommissioning. Recommends an in-person workshop to complete a gap analysis, to prioritise matters, and design a more dynamic process. Provides an appendix which prioritises existing and missed workstreams.</p> | <p>Consumer disconnections costs and network decommissioning are already being considered. Will consider the other issues when advancing the FY2027 work programme.</p> <p>The November 2025 Co-Regulatory forum provided the opportunity for industry participants to input into the proposed work programme in person.</p> |
| Nova Energy | <p>No—considers proposed work programme is well focused on the issues of greatest importance.</p> | Noted. |
| Powerco | <p>Supports prioritisation of security of supply within the work programme, including work on LNG, biogas, and reducing investor risk. Encourages Gas Industry Co to play a coordination role across agencies, particularly in relation to</p> | Noted. Will ensure that, where appropriate, these points are considered when advancing the FY2027 work programme. |

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| | biogas, and supports work on renewable gas certificates, potential voluntary renewable gas targets, future of gas infrastructure, right-sizing and decommissioning, and standard gas agreements. | See comments above in relation to current limitations in advancing biogas work. |
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Q4. Do you consider there to be any items that should be excluded from Gas Industry Co's intended Work Programme for FY2027? Please provide reasons for your response.

| Submitter | Submitters comment | Gas Industry Co response |
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| Bioenergy Association | Does not identify items for exclusion, but argues that the proposed programme contains significant gaps. In particular, considers that biogas-related work should shift from indicative 'may include' language to clearly defined and committed deliverables. | As noted above, the Gas Act is constraining us from doing any more than providing advice to the Minister in relation to this workstream at present – hence the proposed work programme being framed as “may include” at this stage. |
| Bluecurrent | No exclusions. | Noted. |
| Clarus | No, but questions the value GIC can add by examining lower pipeline pressures and having fewer compressors as potentially in conflict with Clarus's role as TSO. | Operating the networks at lower pressure was an example of something that could be investigated under the general work programme item concerning the future of pipeline infrastructure, particularly the rising costs for consumers. The precise scope of this workstream is yet to be determined. Any work that considers the operation of the pipeline |

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| | | infrastructure would consider the perspective of the pipeline owners. |
| Ecogas | No items should be excluded; recommends restructuring biogas section into committed milestones. | As noted above, while Gas Industry Co acknowledges the importance of this work, at present the Gas Act is constraining us from doing any more than providing advice to the Minister in relation to this workstream. |
| Genesis Energy | <p>No specific exclusions but emphasises the importance of proportionality. In particular, the biogas and data disclosure workstreams should be carefully scoped to avoid duplication with other agencies and to ensure regulatory effort is commensurate with the scale and maturity of those markets.</p> <p>Genesis notes its supports of the proposed biogas workstream – agreeing the focus should be on coordination, targeted regulatory enablement and advice to Ministers rather than prescriptive intervention, consistent with the Government’s market-led approach to biogas.</p> | Noted. |
| MGUG | Does not propose any exclusions. Trusts GIC to manage its priorities and budget. | Noted. |
| Greymouth Gas | Questions whether some proposed items add sufficient value, including work on the gas industry roadmap, and work relating to the injection of renewable gases into downstream networks. Seeks greater clarity on 7-day D+1 and questions whether the benefits outweigh the costs. | We are happy to meet with Greymouth Gas to discuss these issues and provide the clarity sought. In relation to the gas industry roadmap, the objectives in carrying out this work include: enabling consumers to make |

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| | | informed energy choices through good information on potential pathways and timing; maintaining energy security and system resilience in a renewable energy and hydro dominated electricity system; recognising the importance of gas for certain industrial processes which contribute significantly to New Zealand's GDP and the impact on hard-to-abate industrial gas users with declining domestic gas supply; and that gas supply and demand is well understood and price shocks are avoided/minimised. |
| Nova Energy | No. All proposed workstreams address legitimate issues and the broader energy transition. Notes support for GIC's intent to remain flexible should unplanned regulatory/policy work arise during the year. | Noted. |
| Powerco | Does not identify any items for exclusion. | Noted. |

Q5. Gas Industry Co is particularly interested in industry comment on the forecast gas volumes – do stakeholders consider the 85 PJ projection reasonable? If not, what would they consider an appropriate gas volume estimate to be? NOTE – any submissions provided in response to this question will be treated as confidential and will not be published.

| Submitter | Submitters comment | Gas Industry Co response |
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| All submitters | Submissions provided in relation to question 5 were provided in confidence. | N/A |

Q6. Do you have any comment on the proposed levy rates for FY2027?

| Submitter | Submitters comment | Gas Industry Co response |
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| Bioenergy Association | Recommends increasing the levy to fund urgent sector development work, including ring-fenced capability to progress biogas and biomethane initiatives in response to emerging supply risks. | As noted above, Gas Industry Co supports the development of a biogas/ biomethane market and is preparing advice to the Minister highlighting what needs to be enabled, including regulatory settings, to allow the biogas work stream to be advanced at pace. This advice will include that while Gas Industry Co stands ready to assist in the development of a biogas market, the Gas Act is constraining us from doing any more than providing advice to the Minister in relation to this workstream at present. |
| Bluecurrent | Notes Gas Industry Co's generally flat levy profile and finds the proposed total work programme costs for FY2027 to be reasonable. | Noted. |
| Clarus | Supports the revised approach to levy funding arrangements. | Noted. |
| Ecogas | Supports the Bioenergy Association's position that levy rates should be increased if necessary to fund urgent biogas development and coordination work. | As noted above, Gas Industry Co supports the development of a biogas/ biomethane market and is preparing advice to the Minister highlighting what needs to be enabled, including regulatory settings, to allow the biogas work stream to be advanced at pace. |

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| | | This advice will include that while Gas Industry Co stands ready to assist in the development of a biogas market, the Gas Act is constraining us from doing any more than providing advice to the Minister in relation to this workstream at present. |
| Energy Resources Aotearoa | Supports exploring alternative funding arrangements that provide stability and ensure GIC is sufficiently resourced as its strategic role expands during the energy transition. | Noted. |
| Genesis Energy | Notes that levy rates are broadly stable year-on-year and acknowledges GIC's efforts to manage costs. Considers that levy impacts will become more acute as volumes and ICP numbers decline. Suggests any future review of levy arrangements should prioritise transparency, predictability, and avoidance of cross-subsidisation between remaining consumers. | Noted. |
| MGUG | Considers that the levy itself is not an undue burden relative to overall delivered gas costs, but emphasises that the quality and prioritisation of expenditure is critical. A priority for funding is in having a better understanding of what is currently happening in the gas sector and the implications if adverse trends are left unattended. | Noted. |
| Nova Energy | Supports the proposed levy rates. | Noted. |
| Powerco | Supports the proposed levy rates and funding approach. Supports consideration of future changes to levy arrangements, including potential inclusion of LPG, | Noted. |

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| | LNG and biogas. | |
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