



15 July 2022

Andrew Knight
Gas Industry Company
Level 8, The Todd Building
95 Customhouse Quay
Wellington 6143

By email: consultations@gasindustry.co.nz
tim.kerr@gasindustry.co.nz

Dear Andrew,

FINAL STATEMENT OF PROPOSAL: GAS (FACILITIES OUTAGE INFORMATION DISCLOSURE) RULE 2022 (“RULES”) - GAS OUTAGE INFORMATION DISCLOSURE CODE 2020 (“Code”)

1. Todd Energy (Todd) supports the objective of the GIC; for there to be arrangements in place to ensure the effective and timely availability of material gas production and storage outage information for all gas and related market participants. Todd remains of the view that the Code is operating effectively and achieves the GIC’s objective. Todd considers that it is not necessary for the GIC to regulate when there has been no signal that the Code has failed.

Todd appreciates the GIC’s recognition of the improvements brought about by the Code and makes the following comments on the Rules.

2. On the basis that the Code has been used as the starting point for the regulated solution, Todd agrees with the GIC that:
 - a. **Regulatory Objective:** the addition of “material” information to the regulatory objective is an appropriate amendment;
 - b. **Reporting Threshold:** the 20TJ/day reporting threshold is appropriate, and this threshold should be maintained in a regulated solution. As previously highlighted to the GIC, this threshold ensures that major outages are disclosed to the market and avoids the disclosure platform being flooded with distracting and unnecessary information such as minor planned maintenance activities. It is also worth noting that 20TJ represents under 5% of New Zealand’s daily average gas production and is approximately the amount of gas required to run a 100MW gas peaker for a day. 100MW represents approximately 1% of New Zealand’s installed generation capacity, and less than the daily variability in output from wind generation; and

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- c. 12-hour maximum period for initial notification:** the 12-hour maximum period is appropriate because as previously highlighted to the GIC, in some cases it may be difficult to disclose sooner. For example if an outage occurs during a night shift and the relevant shift workers are engaged in remediation of the outage, a reporting obligation could distract crew from urgent operational matters. The 12-hour maximum period is a common-sense approach given the practicalities.

Once again, we appreciate the GIC's recognition of the improvements brought about by the Code.

If there are any questions relating to Todd's submissions, please contact Catherine Ongley in the first instance: congley@toddenergy.co.nz.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Macfarlane'.

Mark Macfarlane
CEO Todd Energy