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Submission on the Draft Gas Facilities Outage Information Disclosure Rules

Introduction

1. This is Vector Limited's (Vector) submission on the Gas Industry Company's (Gas Industry Co) consultation paper, dated 13 June 2022, on the draft *Gas (Facilities Outage Information Disclosure) Rules 2022* (the Draft Rules).
2. Vector has been consistent in its support for greater transparency and information symmetry that promotes market competition, efficiency, and innovation that benefits consumers.
3. We generally agree with the Draft Rules, developed by Gas Industry Co in conjunction with industry participants, which would give effect to regulated arrangements for the disclosure of planned and unplanned facility outage information by gas producers and the gas storage owner. In our view, a regulated approach supported by compliance and enforcement mechanisms would deliver more durable arrangements compared to information disclosure on a voluntary basis.
4. We recognise the initiative by gas producers and the storage owner in developing the voluntary *Upstream Gas Outage Information Disclosure Code 2020* (the voluntary Code) which represented a 'step change' improvement in transparency in the wholesale gas sector. The voluntary Code, which forms the basis for current information disclosure arrangements, provided the foundational elements upon which Gas Industry Co's preferred regulated solution was developed.

Comments on the Draft Rules

5. Vector welcomes the additional requirement on disclosing parties, provided for in rule 8.2:

Where a gas producer or gas storage owner discloses information about an outage to a customer that exceeds the information required to be disclosed under these rules as to content or timing (or both), the gas producer or gas storage owner must ensure that the information disclosed to the customer is disclosed to the public at the time that the disclosure is made.
6. The above requirement will help ensure that gas outage information symmetry and transparency will be preserved over time.
7. We also welcome the inclusion of "likely to have occurred" in rule 11.1 to reflect the uncertainty the gas producer or storage owner may have at the time of the initial disclosure.

Future review

8. Gas has an ongoing role to play to support not only the gas sector but also the generation of electricity as New Zealand transitions to a low carbon energy future. Given the important role of gas availability during this period, we suggest that Gas Industry Co review the new

Rules no later than three years following their commencement, including whether the Rules remain 'fit for purpose' at that time and how they can be improved to further support the energy transition.

Concluding comments

9. We are happy to discuss any aspect of this submission with Gas Industry Co. Please contact Graeme Stodart (Natural Gas Trading Manager) at Graeme.Stodart@vector.co.nz or 04 803 9048 in the first instance.
10. No part of this submission is confidential, and we are happy for Gas Industry Co to publish it in its entirety.

Yours sincerely
For and on behalf of Vector Limited

A handwritten signature in black ink, appearing to read 'J. Tipping'.

Dr James Tipping
GM Market Strategy / Regulation