



News Bulletin

Māehe 2022



Kia ora,

Welcome to even more comprehensive gas sector info.

This Bulletin has news about the upcoming Critical Contingency training and exercise.

Plus, lots of detailed gas industry information:

- An improved outlook in our updated gas supply and demand study.
- And our new data portal presents the gas industry information you need, with easy access to the latest information about prices, volumes, storage, production and consumption.

Also in this update:

- Update your login details for submitting on Gas Industry Co consultation.
- Latest switching updates.

Critical Contingency Operator (CCO) training and exercise dates

This year's annual CCO exercise will be on **Wednesday 18 May 2022**.

An overview training will be held on **Wednesday 6 April 2022** at 10am, virtually via Teams.

The training will comprise an overview of regulations designed as an introduction for new industry participants and other interested parties. It will take about an hour.

If you would like to attend please register by emailing CCO@cco.org.nz with the name and email address of each attendee. (Let us know you would like to attend introductory training.

This year the CCO will also offer targeted training for stakeholders who are required to play a role during an event. This training will ensure those stakeholders understand their responsibilities and it will provide discussion of their processes. There will be multiple sessions, tailored for each stakeholder group. The CCO will contact organisations directly to arrange the targeted training. To nominate yourself as a contact

for your organisation, and be sure you are involved, please email CCO@cco.org.nz confirming that it is the targeted training you wish to be involved with.

Comprehensive Information About the Gas Sector

New gas supply and demand report shows supply-demand balance not as tight as last year

A significant projected increase in gas supply, coupled with a minor decrease in gas demand for power generation and continued shutdown of Methanex's Waitara Valley plant, means the winter 2022 supply-demand balance is a lot less tight than in 2021 – although still not completely back in balance. This improvement in the supply and demand balance is projected to continue for Winter 2023 due to additional gas supply, plus a more significant reduction in gas demand for power generation due to renewable generation developments.

That's the finding of our updated study of New Zealand's gas supply and demand outlook, produced for Gas Industry Co by Concept Consulting.

One outcome of our 2021 Gas Market Settings Investigation was a recommendation to provide more frequent gas supply and demand studies. The new outlook delivers on that recommendation.

Since our previous report was published in May 2021, gas producers have brought forward near-term investment plans. Coupled with increases in renewable generation, which will reduce the requirement for gas-fired power generation, the update demonstrates reduced concern about scarcity in winter 2022, but the authors warn that changes are not sufficient to completely bring supply and demand back into balance for Winter 2022.

The study incorporates MBIE's updated projections of reserves development that show more gas, equivalent to four years' demand, will be available to be produced or developed.

A deliverability increase of 18% is indicated for this year compared to Winter 2021, with a further 12 per cent on top of that next year. At the same time, renewable power generation and other demand reductions (such as Marsden Point refinery closing) will lower annual demand.

Although the shortfall between demand and supply is reduced from the shortfall expected last year, some demand reduction will again be required in 2022.

The mothballing of Waitara Valley methanol production is the largest contributor to closing the gap between demand and supply.

There is sufficient gas to meet higher-value gas users' demands for the long term, plus continue to supply gas for methanol production – including the re-starting of the currently mothballed Waitara Valley plant around 2023/24 – until the latter half of the 2030s.

Outlooks comes with a warning, however: They rely on appropriate contracting between suppliers and consumers to manage the transition. “There are likely to be some challenging policy issues to address for this transition,” the authors say.

Read the report [here](#).

Comprehensive gas industry info is easy to find in our new portal

We have refreshed our website. Comprehensive gas sector data is available in our [data portal](#).

By clicking Data in the menu at the top of our website, it’s easy to find up-to-date graphical information. Data that is valuable for market participants includes daily gas production by major fields and consumption by the largest users. Monthly information about Ahuroa gas storage is displayed, along with average quarterly gas prices and supply.

Market analysts looking for detail about prices can quickly locate emsTradeport daily gas prices and delivered quantity.

Detail to support security of supply, and help markets understand energy availability is provided through a portal recording planned gas production outages.

Gas Industry Co is pleased to be the source of trusted information for New Zealand’s energy sector. We welcome suggestions about how further detail would help.

New process for submitting on consultations

The process of submitting on consultations has changed. You need to re-register.

Open consultations are displayed on our home page, so they are easy to find. We don’t have any consultations open currently but setting up your profile now will ensure next time we do - you are ready to submit.

As previously, you will need a login to upload a submission. This helps us to manage and process submissions and enhances security. Your login details need to be updated as login details used for our previous website won’t work any longer.

To register:

Click the register button in the top left-hand corner.

Register your profile, creating a new password.

You will receive an email. You need to click on to confirm your address. Check your junk folder if you do not see it in your inbox.

Once you have a new login, you will be able to upload your submissions via the work programme page. When consultations are open, go to the relevant work programme and click the banner that says “**Click here to submit**”. Follow the instructions to upload.

If you have any questions about this new submissions process, please email alana.hepburn@gasindustry.co.nz

Switching updates for February

There were 3743 switches in February 2022. This is 558 more than January 2022 and 120 fewer than February 2021.

During the last 12 months we saw, on average, 3590 switches taking place per month, and they took an average of two days to complete.

During that time the highest number of switches took place in March 2021 at 4443 switches, and the lowest was in September 2021 at 3016.

Switching numbers are available in the Gas Registry [here](#).

Gas Industry Co keeps you informed with comprehensive info about the gas sector.