

NEWSbulletin

15 December 2015



Welcome to Gas Industry Co's News Bulletin, a periodic advisory of new and current consultations, workstream developments, publications and presentations.

CONSULTATION OPEN FOR SUBMISSIONS

Consultation Paper on FY2017 Statement of Intent and Levy Submissions close Friday, 5 February 2016

Gas Industry Co has issued a Consultation Paper in respect of its proposed strategy, work programme and levy for FY2017. Submissions are invited by **5.00pm, Friday, 5 February 2016**.

This Consultation Paper sets out the key elements of Gas Industry Co's Statement of Intent and the associated Levy Funding Requirement (LFR) to form part of the levy regulations for the year ending 30 June 2017 (FY2017).

The proposed FY2017 Work Programme set out in this document includes meeting statutory requirements, such as the administration of existing gas governance regulations, and seeks to address Government and industry priorities through the completion of key project deliverables. It continues and develops existing multi-year workstreams. The Work Programme reflects significant progress already made in addressing the objectives and outcomes set for Gas Industry Co and the industry in the Act and the GPS.

[> Read more and make a submission](#)

OTHER ITEMS

Release of the New Zealand Gas Story

Gas Industry has released the fourth edition of *The New Zealand Gas Story – the State and Performance of the New Zealand Gas Industry*.

The Report updates current statistics and information from a variety of published sources. It notes that the industry continues to be in a healthy state and making a substantial contribution to New Zealand's energy mix, but records it has experienced a number of significant developments and changes. These have included:

- Demand-side contraction with the retirements of the Otahuhu B and Southdown power stations in Auckland. These retirements account for up to 20 petajoules (PJ) of annual demand, although there is potential offsetting in the generation market, including redirection of load to existing gas-fired plants, and from the possible construction of new gas-fired electricity peaker plants.
- Petrochemical production has cemented its place as the predominant demand source, accounting for almost 50 percent of gas use.
- At the same time there has been some modest growth in the retail gas market after a period of flat demand.
- A significant new gas discovery continues to be elusive, so the focus remains on upside from existing fields. The global oil price collapse and an associated downturn in exploration and development activity follows closely the end of an intensive exploration effort in the previous two years. New Zealand nonetheless remains an attractive destination for upstream investors through the Government's block offers regime.
- Reported gas reserves declined in 2014 following an increase in 2013, although more recently members of the Kupe joint venture have announced that Kupe reserves are more than a third higher than previously thought. The supply horizon remains reasonably comfortable, and figures on 'contingent' resources signal significant further potential.
- Both transmission pipelines (Vector and Maui) and Vector's non-Auckland distribution networks have been put up for sale.

[> Read the story](#)

Possible pre-sale Maui Pipeline Operating Code (MPOC) Change Request

The Maui Mining Companies (MMCs) have offered the Maui pipeline for sale and wish to remove references to Maui Development Limited (MDL) and the MMCs from the MPOC prior to the sale. MDL is consulting with stakeholders on a draft MPOC Change Request, ahead of formally submitting it for Gas Industry Co's consideration.

In an email to stakeholders dated 7 December 2015, MDL noted that the proposed changes were substantially intended to preserve the status quo, and should therefore be uncontroversial. Given this limited scope, MDL asked Gas Industry Co to consider an expedited consultation process. Gas Industry Co agreed to this, providing no substantive issues are raised by stakeholders at any stage.

Gas Industry Co anticipates receiving the Change Request before Christmas, and will allow at least 15 business days for submissions.

Wellington Anniversary – non business day

Gas Industry Co has determined that for the purposes of the Gas (Downstream Reconciliation) Rules 2008, Wellington Anniversary Day (Monday, 25 January 2016) will be a non-business day. This is consistent with previous years and with the policy set out in the [Reconciliation Determinations Notice](#).

Christmas and New Year

Our offices will close at noon on 24 December 2015, and reopen on Monday 5 January 2016.

Gas Industry Co thanks all stakeholders for your valuable contribution to our work in 2015, and we look forward to engaging with you in 2016. In the meantime, we wish you all a safe, enjoyable and relaxing holiday season.

UPCOMING EVENTS

Lunchtime seminar - Reminder

Gas Industry Co invites industry stakeholders to a lunchtime seminar covering two key issues for the New Zealand gas industry.

Mike Underhill, Chief Executive, EECA, will speak on *Does gas fit into a low carbon future?* And Stuart Dickson, General Manager Gas, Powerco, will speak on *Where does gas fit into a smart energy future?*

This is an opportunity for those who missed these presentations at the recent 2015 NZ Gas Industry Forum in Rotorua.

Please feel free to forward this invitation to others who may be interested in attending.

EVENT DETAILS

Date	Friday, 19 February 2016
Time	12.00 – 1.30pm (tea/coffee, and a light lunch provided)
Location	Gas Industry Co offices, Level 8, The Todd Building, 95 Customhouse Quay, Wellington
RSVP	Estelle Tolmay by Friday, 12 February 2016

If you wish to discuss any aspect of this Bulletin, please contact us at
info@gasindustry.co.nz or 04-4721800

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