

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

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Fifth edition of *NZ Gas Story* released

Gas Industry Co has published a fifth edition of *The New Zealand Gas Story*.

This edition incorporates the latest energy statistics, conclusions from the recently-published *Long Term Gas Supply and Demand Scenarios- 2016 Update*, and other recent developments in the gas industry.

Overall, the *NZ Gas Story* finds the industry to be well positioned to continue its contribution to New Zealand's energy supply and economy in the immediate future, but that it faces important challenges in the medium to long term, particularly in the areas of reserves replacement, disruptive energy technologies and the global response to climate change management.

The *NZ Gas Story* devotes more space to the environmental discussion, taking the view that the environmental sustainability proposition for gas is changing. While having an important role in the transition towards greener economies, ultimately gas will need to justify its place in a low carbon world and consumer uptake of emerging energy technologies.

Presentations were recently held in Wellington and Auckland, and another is planned for New Plymouth in early 2017. The presentation slides, and the full *New Zealand Gas Story* are all available [here](#).

Single Code Options Paper (SCOP2) – workshop reminder

First Gas has issued a consultation paper [Gas Transmission Access: Single Code Options Paper](#) (SCOP2). The Options Paper will be presented at a workshop on **Monday, 5 December 2016** to assist stakeholders make an early start on their submissions.

Given the significance of providing good quality submissions on the Paper, we urge you to attend and participate in the workshop. It is important that stakeholders have a solid grasp of the options presented by First Gas. The workshop will provide you with plenty of opportunity to check your understanding of the options with First Gas.

Venue	Gas Industry Co, Level 8 The Todd Building, 95 Customhouse Quay, Wellington
Date	Monday 5 December 2016
Time	12.00 to 3.00pm (Sandwich lunch provided)
RSVP	Estelle Tolmay (by 5.00pm, Friday 2 December 2016) If you are unable to attend, but wish to participate by conference call, please register here .

First Gas has committed to developing a single gas transmission access code to replace the two existing codes – the Maui Pipeline Operating Code (MPOC), and the Vector Transmission Code (VTC). First Gas believes this initiative will ensure that transmission arrangements support gas industry growth through creating a single set of 'end-to-end' transmission access arrangements to transport gas from source to locations throughout the North Island.

The purpose of SCOP2 is to explore the possible forms that a new Gas Transmission Access Code (GTAC) could take, and consult on the general direction of the new code before embarking on the detailed design work required. The paper focuses on decisions that are important to establishing direction for the new code and the IT system that will implement the new code arrangements.

Submissions on SCOP2 are invited by **5.00pm, Friday 23 December**. You can upload your submission on our website [here](#).

Other related documents including Gas Industry Co's recent [Analysis of Submissions](#) on SCOP1, and previous workshop presentations are all also available on our website [here](#).

Wholesale Levy Assurance Options Paper – Analysis of Submissions released

Gas Industry Co has issued its *Analysis of Submissions* on the September 2016 Options Paper *Wholesale Levy Assurance*. Seven submissions were received.

The Options Paper described issues that have been identified in respect of inaccurate payment of the wholesale levy, and sought industry views on a range of options for providing a high level of assurance that wholesale levy payers were each paying their fair share of the wholesale levy.

Gas Industry Co considered the submissions on the Options Paper and has determined a preferred option. Our intention is to further develop this option with assistance from industry participants in the next month, to ensure that the design is consistent with existing industry arrangements.

Subject to any further feedback on the option in the FY2018 levy consultation, Gas Industry Co's preference is for the new approach to be included in the FY2018 levy recommendation to the Minister of Energy and Resources. The submissions analysis forms part of the wider FY2018 strategy, work programme and levy consultation process, which included our 22 November Co-Regulatory Forum. Next steps on the wholesale levy options will be included in our mid-December *Consultation Paper on Gas Industry Co FY2018 Statement of Intent and Levy*.

The Options Paper, the Analysis of Submissions, and the submissions received can be viewed [here](#).

Draft proposed CCMP issued for consultation

First Gas, the sole Transmission System Owner (TSO) has now commenced the process to transition a single Critical Contingency Management Plan (CCMP) that covers the entire transmission system.

The Gas Governance (Critical Contingency Management) Regulations 2008 (CCM Regulations) require that the TSO has a CCMP approved by Gas Industry Co.

First Gas Ltd currently operates with two approved CCMPs:

- The 'First Gas Critical Contingency Management Plan: MAUI PIPELINE; and
- The 'First Gas Critical Contingency Management Plan'

Having two plans is a legacy of the transmission system previously having been held by two separate owners. Now that the entire gas transmission system is owned by a single party, it makes sense to simplify matters by moving to a single CCMP.

The timetable for the transition allows for industry consultation, and the necessary review and approvals, in accordance with the requirements of the CCM Regulations. The TSO has now published a draft proposed CCMP for consultation, with the aim of publishing a final approved single CCMP by the end of February 2017.

A copy of the draft CCMP and review timetable are available on the CCO website under '[Published Documents](#)'. The draft proposed CCMP can be downloaded [here](#).

Submissions close **5.00pm, Friday 23 December 2016**. Submissions should be provided to First Gas by emailing John.Blackstock@firstgas.co.nz directly.

Market-based balancing review – reminder for feedback

Gas Industry Co released a *Review of Market-Based Balancing* (MBB) since its introduction on 1 October 2015.

Overall, Gas Industry Co finds that primary and secondary balancing has significantly improved, but considers that there is scope for further improvement.

Stakeholder feedback is invited on the *Review of Market-Based Balancing* by **Friday 16 December 2016**.

[> Make a submission](#)

November customer switching numbers available

The Gas Registry Statistics recording gas consumer switching numbers for November 2016 are now available. There were 4,240 customer switches completed during the month. This was 70 more switches in November than in October 2016, but 264 less switches than November 2015.

Around 19.7% of gas consumers have switched in the past 12 months – this is one of the highest rates of retail utility switching worldwide. Gas customers can switch retailers for many reasons, but the high level of activity in the gas retail market suggests that customers find changing retailer easy and can put pressure on retailers to offer competitive terms and pricing. Switching rates have been over 18% for more than two years.

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