

From: [Ben Cunliffe](#)
To: [Consultations](#)
Subject: Submission from Fonterra
Date: Thursday, 8 February 2024 3:08:00 pm
Attachments: [image001.png](#)
[image009.png](#)
[image010.png](#)

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Kia ora,

Please see the following comments from Fonterra on the planned work programme for FY2025 and levy consultation document:

- **Q1 Do submitters agree with the GIC assessment of strategic context?**
 - Fonterra would like the GIC to extend its strategic context assessment to incorporate the external drivers that end users are experiencing that feed into the future demand for gas. For example:
 - The new consenting requirements for process heat equipment that require the development of GHG reduction plans as part of the consent application and result in approval for a maximum 10 year consent for existing equipment;
 - The Commerce Commission's recent accelerated depreciation of gas pipelines will result in a doubling of gas transmission and distribution charges approaching \$10/GJ by 2035 which is equivalent to the historic gas price;
 - As noted by GIC in its own market updates, the inequality of future supply information in the market makes it difficult for end users to price future gas contracts in advance of existing contracts expiring.

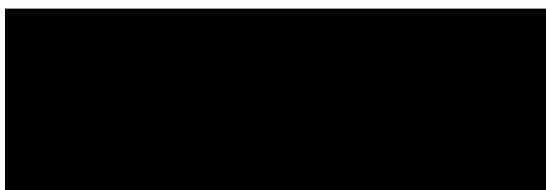
- **Q3 Do you consider there to be any items that should be included in the GIC work program?**
 - Yes. Fonterra would like the GIC to start the discussion on regulatory framework for gas distribution decommissioning and how that would be signalled in advance to enable a managed and controlled transition.

- **Q4 Do you consider there to be any items that should be excluded from the work program?**
 - Fonterra recommends that the GIC reconsiders work that increases levy costs but that will not deliver cost reductions in themselves, in light of a declining gas supply market.

Cheers,
Ben

Ben Cunliffe

Manager, New Zealand Government Affairs





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