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13 July 2021

Gas Industry Co
Level 8, The Todd Building
95 Customhouse Quay
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Wellington 6143

By email: andrew.knight@gasindustry.co.nz
CC: consultations@gasindustry.co.nz

Dear Andrew

Re: Extending the Electricity Price Review's Final Recommendations to the Gas Market – Consultation on New Gas Market Guidelines

Genesis Energy appreciates the consultative approach Gas Industry Company has taken to the Electricity Price Review programme. The “light touch” approach of voluntary compliance with guidelines is pragmatic. We expect this will reduce the compliance burden on retailers while still achieving the policy intent.

Noting that compliance is voluntary, Genesis intends to align with the guidelines to the extent practicable. As an electricity retailer Genesis is familiar with the implementation challenge associated with these changes.

Genesis wishes to make two requests to ensure that the policy intent is satisfied in a way that balances the needs of industry and consumers, and ensures a fair and level playing field in the retail gas market.

First, it is our hope that GIC extends the collaborative and pragmatic approach taken to date to the implementation of the proposals. In practice, this would mean an open dialogue with participants as processes and policies are aligned with the guidelines with a view to achieving the best outcome rather than a rigid adherence to the letter of the proposals.

This will likely mean that there arise situations in which Genesis and other retailers take different approaches to what is set out in the guidelines. We consider that providing any

deviation from the guidelines ensures that the intended outcome is still achieved, there are potentially opportunities to innovate that will confer efficiency gains and will produce better results for consumers. We expect that any deviation from the guidelines would be discussed with GIC to ensure that it is appropriate and justified.

Second, we are conscious of the risk that some participants may choose not to comply with the guidelines, either at all or within appropriate timelines. This would be likely to result in some retailers having access to retention and acquisition approaches that others do not. It would be a poor outcome for participants to be commercially disadvantaged (relative to their competitors) as a result of seeking to meet GIC's expectations.

To reiterate, Genesis is in favour of a voluntary approach to implementing EPR recommendations. We note that regulated options remain "on the table" if, upon review, GIC is not satisfied that the policy objectives are being met. We consider that it would be inefficient and disruptive if participants, having gone through an alignment process, are required to adapt their systems and processes further despite themselves delivering on the policy intent.

We acknowledge that this is an inherent risk with a voluntary approach. However, we urge consideration of how these outcomes could be avoided ahead of the signalled review.

Genesis looks forward to continuing to work with GIC to progress this workstream.

Yours faithfully

A handwritten signature in black ink, appearing to read "Tracey Hickman". The signature is fluid and cursive, with a prominent loop at the end.

Tracey Hickman
Chief Customer Officer