



9 February 2026

David Prentice
Chief Executive Officer
Gas Industry Company Limited

Dear David,

Re: Consultation on Gas Industry Co FY2027 Work Programme and Levy

Greymouth submits on one key matter, then on each non-levy consultation question.

GIC's role is to advocate for gas in economic development and climate change policy. Due to supply reductions, natural gas is tracking below its sector's emissions demonstration pathways.¹ In response, there is a tendency to expect even more emission reductions from stationary energy and industrial processes.^{2,3} Also, higher polluting coal uses more of that sector's 'budget' resulting in less productivity per unit of emissions. In both cases equitable access to future emissions budgets for natural gas is eroded. The Climate Change Response Act has one emissions budget. The unit limits and price control process backs out agriculture to derive auction units for industries covered by the ETS. Due to net zero 2050, the more that agricultural emissions settings are relaxed, the more emissions reductions are required from sectors covered by the ETS including natural gas – a point acknowledged by the Climate Change Commission.⁴ While this is not a problem today (there is a long way until 2050, market prices are softer, and other climate policy settings are affecting dynamics, e.g. uncapped forestry supply),⁵ it is a future risk which should be debated today. New Zealand's current trajectory suggests it will be a largely agricultural economy (for those communities not displaced by forests) with minimal local manufacturing as most demand is forecast to close rather than switch to alternative fuels.⁶ GIC should advocate for full production of domestic natural gas reserves (otherwise the industry would be net negative 2050)⁷ to maximise economic production and Crown royalties and minimise cost of living and energy shortfall risks. GIC should also include a climate change lens in its advocacy including of gaseous alternatives, e.g. how LNG would affect emissions budgets with and without a carbon border

¹ <https://www.climatecommission.govt.nz/assets/Monitoring-and-reporting/ERM-2025/CCC-5929-ERM-2025.pdf> at page 79

² *ibid* at page 91

³ It is questionable whether Fonterra's situation is reflective of all manufacturers and whether appetites to switch means switches will happen particularly given appetite correlates to commodity cycle prices.

⁴ <https://www.climatecommission.govt.nz/assets/ETS-advice/2026/18-December-2025-Letter-to-Minister-of-Climate-Change-Amendments-to-CCRA-2002.pdf> at page 2

⁵ <https://newsroom.co.nz/2025/07/28/the-carbon-market-is-on-course-to-collapse-in-the-2030s/>

⁶ <https://www.gasindustry.co.nz/our-work/work-programmes/supply-and-demand-2024/#gas-supply-and-demand-study-2024> at page 26

⁷ Arguments for net negative natural gas emissions would make no sense from a climate change perspective as legislated net zero 2050 would simply see other sectors emitting the difference.

adjustment mechanism. These are part of the building blocks of rebuilding investor confidence and aligning gas policy with system-wide settings. GIC is well placed to expand its strategic role and be a long-term voice and advisor for gas' role in economic development and climate change policy.

1. Do submitters agree with GIC's assessment of the strategic context?

Not entirely, for example billions have been invested. That should not be conflated with industry results.

2. Do submitters have any comments on the process for developing GIC's FY2027 Work Programme and Levy?

The current process is not fit for purpose. Circa 1½ years can elapse between planning for work and completing it. In the meantime priorities are likely to have changed (and policy windows close). What's more, the co-regulatory forum slides take industry through the work programme which excludes a gap analysis and fails to debate and prioritise matters. It also fails to comment on whether previous work-in-progress will continue (more on that below).

In short, GIC needs to pivot. GIC's work programme should supplement the linear (annual) process with something dynamic (living process / workshops / project mapping / steering committee) so that GIC closes out value-add work during open policy windows and focuses more resource on the highest priority work - on an ongoing basis.

3. Do you consider there to be any other items that should be included in GIC's intended Work Programme for FY2027. If so, please describe the work required and how that work achieves the outcomes sought under the Gas Act and GPS.

GIC has missed four of the top five highest priority issues facing society: gas' role in economic development and climate change policy, stopping the death spiral of regulated pipeline transport prices,⁸ consumer disconnection costs,⁹ and network decommissioning.¹⁰ These issues require GIC leadership. They are not the exclusive domain of the Commerce Commission or other actors.

Greymouth considers an in-person workshop is required with GIC and industry to complete a gap analysis, prioritise matters, and design a more dynamic process in a way that co-ordinates, focuses, and does not overwhelm, resource. Please refer to the appendix as an attempt at capturing / prioritising existing and missed workstreams, and as an example and starting point.

4. Do you consider there to be any items that should be excluded from GIC's intended Work Programme for FY2027? Please provide reasons.

GIC should not need to provide advice to the Minister in relation to how the gas industry can move to a lower carbon future in a way that minimises consumer impacts. GIC's contribution

⁸ <https://www.comcom.govt.nz/assets/Documents/2026-gas-default-price-quality-path/Gas-DPP4-Draft-decision-reasons-paper-Attachments-AH-27-November-2025.pdf> ('DPP4 draft reasons paper') at D74

⁹ <https://www.gasindustry.co.nz/assets/CoverDocument/September-2025-Quarterly-Report-v2.pdf> at page 11

¹⁰ DPP4 draft reasons paper at F2.2

here should be made by having a dynamic work programme that addresses gas issues and advocates for gas's role in climate change policy.

Second, GIC should reconsider whether it can implement all approved 2024 changes relating to the injection of renewable gases into downstream networks. It is not clear what biomethane's problem is given the assumed successful integration of facilities and systems in the central North Island.

Third, GIC should explain to industry its position on 7-day D+1 which was put to the Minister for approval in 2024 (and approved). That workstream has consistently been excluded from GIC communications throughout most of 2025 and is not in the FY2027 work programme. Given the demands of the market, Greymouth questions whether the benefits (and resource implementation demands) outweigh the costs. If 7-day D+1 is to progress, a pre-requisite should be a roadmap including matters outside legislation and First Gas reaffirming its commitment given the Brookfield transaction. Greymouth estimates a 12 – 18 month lead time for system change would be required from now given progress so far.

Yours sincerely

A solid black rectangular box used to redact the signature of Chris Boxall.

Chris Boxall
Commercial Manager

Appendix – upgrade of GIC workflow matters

Green – high priority, orange – medium priority, purple – low priority, grey – unsure of priority (have not attempted to prioritise within orange, purple, grey). **Bold** = missed by GIC. Items noted for exclusion in question 4 are excluded below.

	Workflow	Detail
1	Gas' role in real life / policy	Regular coherent advocacy, inc. climate change
2	Regulated transport prices	Co-lead if not solved in DPP4
3	Supply / demand study	Ref. pages 9 / 10 in paper (currently duplicated)
4	Consumer disconnection costs	Query what <i>needs</i> to happen, address barriers
5	Pipeline decommissioning	Co-lead policy space
6	Informed info to/from customers	Ref. page 11 in paper (currently septuplicated)
7	Publish list of at-risk customers	Corollary of above, or on request to retailers
8	Help C&Is go spot if desired	Ref. page 11 in paper
9	Consumer impact of gas decline	Ref. page 10 in paper
10	Upgrade portal re existing info	Per MBIE gas information discussions
11	Operationalise legislation	Ref. page 12 in paper
12	Dry year analysis	Ref. page 10 in paper
13	Implement approved CCM Δ's	Similar situation as for 7-day D+1
14	Fix CCM issue re self-retailing	Gap in legislation given C&Is on spot market?
15	Fix SAR re gaps	No field for retailer (could be regulatory barrier?)
16	24/7 support for outage portal	Missing
17	Short notice planned outages	Those passing threshold OTD need own category
18	Alignment with care guidelines	Ref. page 11 in paper
19	Annual levy	Ref. page 10 in paper
20	3 yearly retail contracts review	Ref. page 11 in paper
21	Streamline critical contingency	E.g. pass ball straight to the winger + ↑ clarity
22	Insolvent Retailer 'legislation'	Reassess policy in supply-short context
23	LNG integration	Ref. page 9 in paper
24	Biogas market	Ref. page 9 in paper
25	Biomethane accounting in DRR	See answer to question 4
26	7-day D+1 in DRR	See answer to question 4
27	Smart meters in DRR	Similar situation as for 7-day D+1

Place-holders in the workflow for code change requests, matters that 'may' come up, ad-hoc Minister advice, conferences etc. shouldn't make the cut as these are either minor or potential, and if something becomes material it should be added in (with everything reprioritised) if a dynamic process is established.