



Responses to Consultation Questions

Gas Industry Co FY2024 Work Programme and Levy

Submission prepared by: Major Gas Users Inc

Contact: Richard Hale

Question	
Q1:	Do submitters agree with Gas Industry Co's assessment of the strategic context?
	In general, the strategic context describes the current context well. However, we would advise against in making bold statements about the future of New Zealand's energy system, particularly the role of gas. For example, asserting that; "By the end of next decade, New Zealand's gas production and consumption will decline substantially", gives an unfounded level of certainty given that transition pathways are yet to be described, let alone play out. Gas is not limited to natural gas and in the context of two decades of exponential change the potential for technology as well as policy over successive Governments to play an important role is something that no one can predict with any degree of confidence. It's important that the language acknowledges that the future is never certain.
Q2:	Do submitters have any comments on the process for developing Gas Industry Co's FY2024 Work Programme and Levy?
	No. We appreciate the opportunities to be involved to shape the GIC work programme. Perhaps one area for improvement is for the GIC to rank its Work Programme items in order of priority. This would make it easier to understand what might slip from the programme should funding fall short (because of e.g., lower than forecast recovery)
Q3:	Do you consider there to be any other items that should be included in Gas Industry Co's intended Work Programme for FY2024? If so, please describe the work required and how that work achieves the outcomes sought under the Gas Act and GPS.
	Ref: GPS – 7, 9, 11 We are unclear what is meant by <i>Potentially working with the Commerce Commission regarding recommendations impacting pipeline regulation in the Gas Transition Plan</i> . Given the experience with the Commerce Commission in the last DPP3 round and the current IM review round we suggest that this should mean that the GIC can do more to convince MBIE that Commerce Act Part 4 definition of gas pipeline services needs to be amended to keep them fit for purpose. Currently the definition of "gas" skews the economic regulation away from the option of repurposing gas lines. If the GIC considers that it should be involved in removing existing legal and regulatory barriers for CCUS

(technology not even in play yet in NZ), it seems that it should also be looking at existing regulatory arrangements that need updating to keep them fit for purpose. (Promote GPS statements 7, 9, 11).

Q4: Do you consider there to be any items that should be excluded from Gas Industry Co's intended Work Programme for FY2024? Please provide reasons for your response.

We trust the GIC to manage its budget. It would be useful to know what the GIC considers its "must do within 12 months" vs what could be deferred.

Q5: Gas Industry Co is particularly interested in industry comment on the forecast gas volumes - do stakeholders consider the 170 PJ projection reasonable? If not, what would they consider an appropriate gas volume estimate to be? **NOTE – any submissions provided in response to this question will be treated as confidential and will not be published.**

Confidential.

Q6: Do you have any comment on the proposed levy rates for FY2024?

No