



GAS TRANSMISSION ACCESS

SUBMISSIONS ON SINGLE CODE OPTIONS PAPER – PART 1 (SCOP1)

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Content of 13 September 2016 SCOP1 paper

- SCOP1:
 - Sets out Gas Industry Co's role in the single code development process
 - Proposes a regulatory objective
 - Provides a synthesis of relevant Panel of Expert Advisers (PEA) work

Submissions received from...



- Contact Energy



- Critical Contingency Operator (CCO)



- Genesis Energy



- Greymouth Gas



- Major Gas Users Group (MGUG)



- Mercury



- Methanex



- Nova Energy



- Spindletop Law



- Trustpower



- Vector

Common tenor of responses

- Most submitters are comfortable with:
 - the approach the GIC is taking
 - the proposed initial scope of the options
 - the process outlined in the paper for developing a single access code

Specific views/suggestions

- Regulatory objective
 - Needs to capture the concept of reliability as well as efficiency (CCO, Spindletop):
 - CCO wishes new arrangements to:
 - Strongly incentivise users to maintain balance
 - Set out mechanisms for managing contingency events
 - Provide sufficient contingency linepack to allow time to respond to a contingency
 - Set out a methodology for cost allocation that encourages good behaviour during a contingency
 - Avoid confusion between 'contingency events' and 'curtailments'
 - Spindletop believes it must be an objective that any necessary urgent pipeline repairs can progress ahead of any CPP process

Specific views/suggestions

- Regulatory objective (continued)
 - Avoid undue complexity, eg a 'fit for purpose' statement could be added (Genesis, Vector)
 - The importance of transparency should be explicit (Mercury)
 - Should recognise the overall objective is to reduce or minimise the barriers to gas uptake so as to increase the use of gas over the long term (MGUG, Nova, Spindletop)

Specific views/suggestions

- Design issues
 - On what basis will it be decided what matters are dealt with in the code, operating procedures and individual contracts (Genesis, MGUG, Vector)
 - Congestion is generally not an issue, and not at all on the Maui pipeline (Methanex)

Specific views/suggestions

- Process issues
 - Code process could be bottlenecked if GIC fails to complete its balancing review and address the future of D+1 (Greymouth Gas)
 - Balancing and other support arrangements can follow after the overall access arrangements have been developed (Trustpower)
 - First Gas should consider multiple options for products, congestion management (Mercury)
 - GIC should provide process and timelines for its analysis of the First Gas options paper and on-going work (Methanex)