

# Information Disclosure Problem Assessment – Cross-Submission Issues

## Cross-submission issues

The table below identifies the information elements in Gas Industry Co's *Information Disclosure: Problem Assessment* paper (Problem Assessment paper) where parties had differing views in submissions. We would like to give parties a further opportunity to comment on these matters through cross-submissions. Apart from these issues, we also welcome any further information that parties are interested in sharing related to the Problem Assessment paper.

<b>Information Elements</b>	
Q1:	<p><b>Contract price and volume information</b></p> <p>Some parties thought that this information element should be included in a Statement of Proposal. A common theme was that the prevalence of bilateral contracting makes it difficult for market participants to have insight into wholesale gas market conditions.</p> <p>Others considered that this information element should not be included in a Statement of Proposal. Parties commented that this information is commercially sensitive. They also submitted that the fact that Gas Supply Agreements are bespoke arrangements (with a number of contract parameters entwined with price and volume terms) makes summary price information meaningless.</p> <p>Do you have any further points you would like to make on this information element?</p>
Q2:	<p><b>Forecasts of major users' gas consumption</b></p> <p>Several parties thought that this information should be disclosed and included in a Statement of Proposal. Common themes in these submissions were the importance of demand information for understanding the wholesale gas market and the need for symmetry of information on both the supply and demand sides of the market.</p> <p>Other parties considered that this information element should not go through to a Statement of Proposal. Some submitters commented that no significant problem has been identified that would be addressed by the disclosure of this information. The commercial sensitivity of this information was also highlighted as an issue.</p> <p>Do you have any further points you would like to make on this information element?</p>

Q3:	<p><b>Major gas user facility outages</b></p> <p>A number of submitters thought that this information element should be included in some form of information disclosure regime. A common theme was that the concentrated nature of gas demand in New Zealand means that changes in demand from the largest users can have a significant effect on the gas wholesale market.</p> <p>Other parties thought that this information should not be disclosed. For instance, PEPANZ commented that the information would not improve market efficiency and would have negative commercial consequences on downstream users, particularly Methanex. Methanex noted that an outage at one of its facilities would not necessarily affect the market because producers may scale back gas production or Methanex may store the gas to leave the wholesale market unchanged. Methanex also commented that the plant outage information is commercially sensitive, and its disclosure may increase Methanex's costs.</p> <p>Some parties submitted that Gas Industry Co should conduct further work to understand the issues around the disclosure of major gas user facility outage information to determine whether it needs to be part of a disclosure regime.</p> <p>Overall, parties had particularly strong views on this information element, with a number of issues presented in submissions. Given these differing perspectives, Gas Industry Co retained an industry expert (John Bay, Contract Strategies Ltd) to provide his independent views on the matters raised in submissions. The paper that the expert has developed is available on our website.</p> <p>Do you have any further points you would like to make on this information element?</p>
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## Process

Written cross-submissions should be provided to Gas Industry Co by **5pm on Wednesday, 11 March 2020**. Submissions can be made by logging in to Gas Industry Co's website and uploading your submission. All submissions will be published on the Gas Industry Co website after the closing date.