



Extending the Electricity Price Review's Final Recommendations to the Gas Market – Submissions Analysis and Recommendations

8 March 2021

Executive Summary

In April 2018, the Government appointed an advisory panel to investigate whether the current electricity market delivers “efficient, fair and equitable prices [to customers]” (Electricity Price Review or EPR).

That panel issued its final report in May 2019 (Report).

Given the similarities and links between the electricity and natural gas and LPG (Gas) markets¹, and Gas Industry Company's (GIC) policy objective “To ensure that gas is delivered to existing and new customers in a safe, *efficient, fair*, reliable and environmentally sustainable manner”, GIC considers it prudent to consider extending the EPR recommendations to the Gas market.

GIC has established a workstream to investigate the application of the 32 EPR recommendations to the Gas market.

GIC published a consultation paper on 6 November 2020 (Consultation Paper). Submissions closed on 4 December 2020. GIC received 15 submissions in response to the Consultation Paper.

GIC has now reviewed these submissions and has developed a set of recommended next steps. These recommendations are set out in this paper.

¹ Both markets referred to from this point as the “Gas market”.

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1. Purpose and process update

1.1 Purpose

The purpose of this paper is to provide industry with:

- An update on GIC's EPR consultation process;
- A summary of the submissions received in response to the Consultation Paper; and
- A description of GIC's final EPR implementation recommendations for the Gas market.

1.2 Consultation process update

GIC published the Consultation Paper on 6 November 2020.

Submissions closed on 4 December 2020.

GIC received 15 submissions in response to the Consultation Paper.

Submissions were received from the following parties:

- Mercury Energy Limited (Mercury);
- Grey Power New Zealand Federation Inc (Grey Power);
- Powerco Limited (Powerco);
- Trustpower Limited (Trustpower);
- Intellihub Limited (Intellihub);
- Utilities Disputes Limited (UDL);
- First Gas Group (Firstgas);
- Vector Limited (Vector);
- OMV New Zealand Limited (OMV);
- Nova Energy Limited (Nova);
- Methanex NZ Limited (Methanex);
- Contact Energy Limited (Contact);
- Genesis Energy Limited;
- Major Gas Users Group (MGUG); and
- Ministry of Housing and Urban Development (HUD).

2. Summary of submissions

2.1 Overview

A detailed summary of submissions received is set out in Appendix 1 to this paper.

2.2 Submission themes

GIC notes several overarching themes arising from submissions received:

- Submitters were generally supportive of GIC's work on the EPR recommendations, with several submitters noting the links and similarities between the electricity and Gas markets.
- Submitters encouraged GIC to ensure any Gas market EPR implementation measures are consistent with measures being taken in the electricity market.
- Some submitting retailers advised they are already voluntarily extending certain electricity market EPR measures to Gas customers.
- The lack of standalone *analytical work* carried out by GIC on the EPR recommendations in respect of Gas (due to Gas being excluded from the EPR work) was noted. GIC was encouraged to carry out the necessary analytical work to support any EPR recommendations it proposes to take forward.
- Linked to the above point, submitters urged GIC to only act on EPR recommendations, in response to *identified* Gas industry problems.
- GIC was urged to allow time to observe how changes implemented in the electricity market in response to the EPR, develop in practice, before taking action in the Gas market.
- Submitters cautioned GIC against making changes that might reduce customer choice or market competition.
- Submitters that opposed EPR recommendations made in respect of the electricity market, typically opposed the extension of those same measures to the Gas market.

3. GIC implementation recommendations snapshot

3.1 GIC has updated its EPR recommendations following its analysis of the submissions received

Set out below is a summary of GIC's updated recommendations.

Key	
We consider the recommendation should be extended to the Gas market	
We are undecided	
We do not support extension of the recommendation to the Gas market	

3.1.1 Strengthening the consumer voice

EPR reference	Recommendation	GIC draft view	GIC post-consultation view
A1	Establish a consumer advisory council to advocate for residential and small business consumers		
A2	Ensure regulators listen to consumers		

3.1.2 Reducing energy hardship

EPR reference	Recommendation	GIC draft view	GIC post-consultation view
B1	Establish a cross sector energy hardship group		
B2	Define energy hardship		
B3	Establish a network of community-level support services to help consumers in energy hardship		
B4	Set up a fund to help households in energy hardship become more energy efficient		
B5	Offer extra financial support for households in energy hardship		

EPR reference	Recommendation	GIC draft view	GIC post-consultation view
B6	Set mandatory minimum standards to protect vulnerable and medically dependent consumers		
B7	Prohibit prompt payment discounts but allow reasonable late payment fees		
B8	Encourage bulk deals for social housing and/or work and income clients		

3.1.3 Increasing retail competition

EPR reference	Recommendation	GIC draft view	GIC post-consultation view
C1	Merge the Electricity Authority and Consumer NZ price comparison websites: Whatsmynumber and Powerswitch		
C2	Improve consumer awareness of Powerswitch and Utilities Disputes		
C3	Develop a streamlined way to process customer requests for consumption data		
C4	Make distributors offer retailers standard terms of network access		
C5	Prohibit saves and win-backs		
C6	Establish a pilot scheme to help non-switching consumers find better deals		

3.1.4 Reinforcing wholesale market competition

EPR reference	Recommendation	GIC draft view	GIC post-consultation view
D1	Toughen rules on disclosing wholesale market information		
D2	Introduce mandatory market-making obligations		

EPR reference	Recommendation	GIC draft view	GIC post-consultation view
D3	Make generator retailers release information about the profitability of their retailing activities	●	●
D4	Monitor contract prices and generation costs more closely	●	●

3.1.5 Improving transmission and distribution

EPR reference	Recommendation	GIC draft view	GIC post-consultation view
E1	Issue a government policy statement on transmission pricing	●	●
E2	Issue a government policy statement on distribution pricing	●	●
E3	Ensure distributors have access to smart meter data on reasonable terms	●	●
E4	Strengthen the Commerce Commissions powers to regulate distributor's performance	●	●

3.1.6 Improving the regulatory system

EPR reference	Recommendation	GIC draft view	GIC post-consultation view
F1	Give the Electricity Authority clearer, more flexible powers to regulate network access for distributed energy services	●	●
F2	Give the Electricity Authority an explicit consumer protection function	●	●
F3	Update the Electricity Authority's compliance framework and strengthen its information-gathering powers	●	●
F4	Phase out low fixed charge tariff regulations	●	●

3.1.7 Preparing for a Low-Carbon Future

EPR reference	Recommendation	GIC draft view	GIC post-consultation view
G1	Encourage more energy sector innovation	●	●
G2	Examine security and resilience of electricity supply	●	●
G3	Explore new institutional arrangements for energy policy regulation	●	●
G4	Improve the energy efficiency of new and existing buildings	●	●

4. GIC implementation recommendations – detailed description

4.1 GIC implementation recommendation categories

GIC has divided its EPR implementation recommendations into the following three categories:

- EPR recommendations for which no further steps will be taken by GIC (as the EPR recommendation will not be extended to the Gas market);
- EPR recommendations that GIC recommends *are* extended to the Gas industry, and that GIC *will not* undertake further consultation on; and
- EPR recommendations that GIC recommends *are* extended to the Gas industry, that GIC *will* undertake further consultation on.

4.2 EPR recommendations for which no further steps will be taken by GIC

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
C4	Make distributors offer retailers standard terms of network access	The EA has implemented mandatory default distributor agreement terms covering network access terms and distributors accessing consumption data due to a concern that	There is broad submitter support for GIC's recommendation that a mandatory model for Gas distribution contracts is not required and that the current voluntary approach is functioning well. No further action required.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
		<p>a lack of standardization increases retailer costs and impedes competition. Electricity distributors will have default agreements in place we understand by early 2021.</p> <p>GIC does not support a similar mandatory model for Gas.</p>	
D1	Toughen rules on disclosing wholesale market information	GIC's Information Disclosure workstream established to assess information transparency and asymmetry in the Gas sector is running in parallel to this EPR workstream and will deliver the GIC's views on availability of Gas market information.	<p>There is strong support for GIC's information disclosure workstream.</p> <p>No action in addition to that workstream is required by GIC.</p>

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
D2	Introduce mandatory market-making obligations	Not supported by GIC.	Submitters agree with GIC's recommendation. No further action required.
D3	Make generator retailers release information about the profitability of their retailing activities	Not supported by GIC.	Submitters agree with GIC's recommendation. No further action required.
D4	Monitor contract prices and generation costs more closely	Not supported by GIC.	Submitters agree with GIC's recommendation. No further action required.
E1	Issue a government policy statement on transmission pricing	GIC does not support extending this recommendation to Gas transmission.	Submitters agree with GIC's recommendation. No further action required. Note however, GIC is keeping a watching brief on the transmission pricing effects of large natural gas consumers leaving the natural gas transmission system. One submitter (MGUG) supported this GIC initiative.
E2	Issue a government policy statement on distribution pricing	Not supported by GIC.	Submitters agree with GIC's recommendation. No further action required.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
E4	Strengthen the Commerce Commissions powers to regulate distributor's performance	The GIC is undecided on this recommendation being extended to Gas distribution.	<p>There is no submitter support for strengthening the Commerce Commission's powers to regulate distributor's performance. GIC has not identified any market issues that would support a strengthening of the Commission's powers and accordingly does not currently support extending this recommendation to the Gas market.</p> <p>No further action required.</p>
F1	Give the Electricity Authority clearer, more flexible powers to regulate network access for distributed energy services	The GIC proposes to keep a watching brief on Gas market technology developments in the event the need for more regulatory power to manage these new technology-driven issues arise in future.	<p>Submitters agree with GIC's recommendation.</p> <p>No further action required.</p>
F2	Give the Electricity Authority an explicit consumer protection function	GIC does not support extending this recommendation to Gas market. GIC sees no need for change to its regulatory objectives in response to this EPR recommendation.	<p>Submitters agree with GIC's recommendation.</p> <p>No further action required.</p>

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
		The GIC already takes fairness to consumers into account when it is discharging its Gas Act functions (the GPS extended the GIC's policy objective to include "fairness" to consumers).	
F4	Phase out low fixed charge tariff regulations	There is no low fixed charge tariff equivalent in the Gas market.	Submitters agree with GIC's recommendation. No further action required.
G2	Examine security and resilience of electricity supply	GIC supports the inclusion of Gas in any Government initiatives arising from this recommendation (including the proposed work of the SRC). The EA is leading work on this recommendation. GIC is liaising with the EA to seek appropriate	Submitters strongly supported GIC's recommendation. Gas plays a key role in the security of supply of the electricity system and the wider New Zealand energy system. GIC has now begun an investigation of Gas market issues associated with New Zealand transitioning to a future with 100% renewable electricity from 2030 and a net zero carbon economy by 2050. GIC's focus is on whether current market, commercial and regulatory settings that provide for Gas availability and flexibility are fit for purpose in supporting this transition. No action in addition to that workstream is required by GIC.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
		Gas market involvement.	

4.3 EPR recommendations that GIC recommends *are* extended to the Gas industry, and that GIC *will not* undertake further consultation on

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
A1	Establish the Consumer Advisory Council (CAC)	There are no current Government plans to expand the CAC's remit to include Gas. The Cabinet Paper "Progressing the Electricity Price Review's Recommendations" published on 13 February 2020 recommended the CAC should initially focus on electricity.	<p>There is strong support from stakeholders for the inclusion of Natural gas and LPG into the CAC (Gas) remit. Only one submitter (Contact) opposed this approach, based on increased cost without clear benefit.</p> <p>GIC expects any incremental cost of adding Gas to the CAC remit to be small (relative to the costs of establishing the CAC), with strong potential benefits for Gas consumers.</p> <p>GIC will make a recommendation to the Minister of Energy and Resources to include Gas in the CAC's establishment remit.</p>

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
		<i>Recommend GIC write letter to the Minister of Energy recommending the earlier inclusion in the CAC of both natural gas and LPG (Gas).</i>	
A2	Ensure regulators listen to consumers	GIC is open to considering new initiatives to improve engagement with residential and small business consumers in the discharge of the GIC's objectives.	<p>Submitters were generally supportive of GIC's recommendation and suggested GIC consult with the EA on steps the EA is taking on this recommendation and conduct market research or similar to better understand what residential and small business consumers value.</p> <p>GIC will consult with the EA on steps it is taking in the electricity market on this recommendation. We consider that market research into residential or small business attitudes to gas more appropriately sits with industry participants.</p>
B1	Establish a cross sector energy hardship group	GIC supports the Government's Energy Hardship Group initiative and supports the Group's remit being extended to include Gas. MBIE is leading the establishment of this Group. GIC will collaborate with this group as appropriate.	<p>Submitters are strongly supportive of GIC's recommendation.</p> <p>GIC will engage with MBIE to ensure that Gas interests are appropriately represented on this energy hardship group, with the GIC collaborating with the group as reasonably required, to ensure that Gas is considered in the group's recommendations.</p>
B2	Define energy hardship	GIC supports the inclusion of Gas within	Submitters are strongly supportive of GIC's recommendation.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
		any energy hardship definition and will work with its stakeholders to help facilitate this work program. GIC will collaborate with MBIE in respect of this work program.	GIC will engage with MBIE to ensure that Gas is taken account of as part of the energy hardship definition work.
B3	Establish a network of community-level support services to help consumers in energy hardship	The GIC supports this initiative in principle and supports work on this recommendation being extended by the appropriate Government agency to include Gas.	<p>Submitters are supportive of GIC's draft recommendation. Submitters referred to the valuable work already being undertaken by the Energy Retailer Association (ERANZ). One submitter (Genesis) recommended the cross-sector energy hardship group be tasked with carrying out a stocktake of existing available services as a priority; this work can then form the basis of an initiative to raise awareness of and access to these services for those who are eligible. This should provide visibility of where gaps are in access to these services and inform a response.</p> <p>GIC will recommend to MBIE and the cross-sector energy hardship group (once established) that work on this EPR recommendation is extended to include Gas, including a stock take of existing community-level support services.</p>
B4	Set up a fund to help households in energy hardship become more energy efficient	The GIC supports this initiative in principle and supports work on this recommendation being extended by the	<p>Submitters are supportive of GIC's recommendation. One submitter (Contact) suggested any extension of the energy hardship fund be deferred until Energy Hardship (including Gas) is defined.</p> <p>GIC will recommend to MBIE, the cross-sector energy hardship group (once established) and any other relevant Government agency that this fund is extended to include Gas customers. We</p>

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
		appropriate Government agency to include Gas.	believe that the comment regarding the timeframe for establishing the fund is a matter that MBIE is best placed to consider.
B5	Offer extra financial support for households in energy hardship	The GIC supports this initiative in principle and supports work on this recommendation being extended by the appropriate Government agency to include Gas.	<p>Submitters are supportive of GIC's recommendation. One submitter (Contact) suggested any additional finance support decision be deferred until Energy Hardship (including Gas) is defined.</p> <p>GIC will recommend to the Government agency taking the lead on this recommendation that this financial support is extended to include Gas customers. We believe that the comment regarding the timeframe for providing extra financial support is a matter that MBIE is best placed to consider.</p>
B8	Encourage bulk deals for social housing and/or Work and Income clients	GIC in principle supports this initiative being extended to Gas consumers. The work of the Hardship Group on the role of Gas in energy hardship should be used to help inform the solutions developed for this recommendation.	<p>There is support for GIC's recommendation from submitters. One submitter (Genesis) noted the difficulty in extending such deals to include LPG, given the structure of this retail market, and associated logistical challenge.</p> <p>GIC will recommend to the Government agency taking the lead on this recommendation that this initiative is extended to Gas consumers noting that:</p> <ul style="list-style-type: none"> - the role of Gas in energy hardship, once determined, should be used to inform the solutions developed for this recommendation; and - extending this initiative to LPG needs to take account of the logistical challenges caused by the unique retail LPG market structure.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
C3	Develop a streamlined way to process customer requests for consumption data	GIC supports in principle the development of an agreed approach to processing customer requests for consumption data, noting various differences between the electricity and Gas markets. The EA is commencing a workstream on this recommendation, in respect of electricity. GIC will liaise with the EA in the development of these new guidelines and assess the extent to which these should be extended to the Gas market	<p>There is broad submitter support for the development of guidelines enabling streamlined access to customer Gas consumption data, but only in the context of a Gas smart meter rollout.</p> <p>One retailer (Genesis) is in the process of undertaking a mass rollout of this technology in conjunction with a technology provider (Vector). The EA is separately commencing a workstream on this recommendation, in respect of electricity.</p> <ul style="list-style-type: none"> - GIC recommends, therefore, for efficiency purposes, that the Technical Advanced Metering Advisory Committee (TArMAC) be specifically tasked to look at issues around access to and use of Gas smart metering data, and assessing the adequacy of the current Gas industry regulation around customer data. - TArMAC’s current remit is to develop a set of minimum standards that will allow for the consistent collection and treatment of advanced metering data; and to identify any registry changes or rules amendments needed to accommodate the uptake of advanced metering. - GIC recommends TArMAC work closely with the EA in respect of its workstream on access to electricity smart meter data. (See E3 below.)
C6	Establish a pilot scheme to help non-switching consumers find better deals	GIC is undecided on this recommendation being extended to the Gas market.	There is not widespread submitter support for extending this recommendation to the Gas market. GIC agrees with several submitters that currently there is insufficient justification for implementing a pilot scheme to help non-switching consumers find better deals.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
		<p>GIC would like to better understand the design of the proposed EA scheme and the resulting benefits for consumers before determining whether it would be appropriate to extend that scheme to Gas consumers.</p>	<ul style="list-style-type: none"> - GIC would like to better understand the design of any proposed EA scheme and the resulting benefits for consumers <i>before</i> determining whether it would be appropriate to extend any such scheme to Gas consumers. - GIC will consult with the EA on any proposed pilot scheme.
E3	<p>Ensure distributors have access to smart meter data on reasonable terms</p>	<p>GIC does not support extending this recommendation to Gas distributors. GIC recommends this issue should be revisited following the roll-out of smart metering technology for smaller Gas consumers and following any material changes to Gas distribution networks that mean distributors would benefit from access to this data (for the efficient management of Gas distribution networks).</p>	<p>Three submitters disagreed with GIC's recommendation on this issue (Powerco, Vector and Genesis). They highlighted the potential benefits to distribution networks (and ultimately Gas customers) of making customer gas smart meter data available to Gas distributors and argued for industry consideration of appropriate rules to be undertaken in conjunction with (and not after) any Gas smart meter roll out.</p> <p>GIC is now aware of Genesis's mass roll out of Gas smart meters.</p> <ul style="list-style-type: none"> - GIC recommends, therefore, for efficiency purposes, that TArMAC also be tasked to look at issues around access to and use of Gas smart metering data, and assessing the adequacy of the current Gas industry regulation around customer data. - GIC recommends TArMAC should work closely with the EA in respect of its workstream on access to electricity smart meter data. (See C3 above.)

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
G1	Encourage more energy sector innovation	GIC supports the inclusion of Gas in any Government initiatives arising from this recommendation. MBIE is leading work on this recommendation. GIC is liaising with MBIE to seek appropriate Gas market involvement.	<p>Submitters strongly supported GIC's recommendation. Gas market participants and Gas market assets have an important role in New Zealand's transition to a low-carbon future. MBIE is leading work on this recommendation.</p> <p>GIC will liaise with MBIE to seek appropriate Gas market involvement.</p>
G3	Explore new institutional arrangements for energy policy and regulation	GIC supports increased collaboration and cooperation between Government agencies involved in energy policy and regulation. The Council of Energy Regulators has an increasingly important role to play in this regard. GIC is an active contributor to the Council of Energy Regulators. MBIE is leading work on this recommendation. GIC is liaising with MBIE	<p>Submitters strongly supported GIC's recommendation. MBIE is leading work on this recommendation. One submitter (Trustpower) advocated in favour of a combined Gas and electricity regulator.</p> <p>GIC will liaise with MBIE to seek appropriate Gas market involvement in initiatives for collaboration and cooperation. GIC will also continue to support increased collaboration and cooperation between Government agencies involved in energy policy and regulation, with the Council of Energy Regulators playing a key role.</p>

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation and Associated Actions (post consultation)
		to seek appropriate Gas market involvement.	
G4	Improve the energy efficiency of new and existing buildings	GIC supports this recommendation and is open to the role the Gas market can play in delivering such improvements, cost effectively. MBIE is leading work on this recommendation. GIC is liaising with MBIE to seek appropriate Gas involvement.	<p>Submitters strongly supported GIC's recommendation. Energy efficiency and conservation should be energy policy priority issues. MBIE is leading work on this recommendation.</p> <p>GIC will liaise with MBIE to seek appropriate Gas market involvement.</p>

4.4 EPR recommendations that GIC recommends *are* extended to the Gas industry, that GIC *will* undertake further consultation on

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
B6	Set mandatory minimum standards to protect vulnerable and medically dependent consumers	GIC will liaise with the EA in the development of these new [electricity vulnerable customer] guidelines and assess the extent to which these should be extended to vulnerable Gas consumers. Gas is not a fuel for critical medical support. Thus, Gas is not relevant when establishing guidelines (minimum standards) for treating medically dependent customers.	<p>Submitters are supportive of creating a set of standards for the protection of vulnerable Gas consumers. However, there is no common view on how to create and implement such standards.</p> <p>Consistency with the electricity standards is noted as being important by submitters, with one submitter (Contact) confirming it will apply EA guidance equally to electricity only and dual fuel customers.</p> <p>One submitter (Genesis) submitted that given the differences between markets, that it is unlikely that simply applying the electricity standards equally to gas would be effective. GIC agrees that consistency with the EA's approach is important given the retail Gas market is dominated by dual fuel retailers.</p> <p>GIC does not however consider that differences between the Gas and electricity markets are sufficiently material to warrant material modification to the guidance being developed by the EA.</p>

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
			<p><i>Dual fuel retailers:</i></p> <ul style="list-style-type: none"> - Standards to protect medically dependent consumers are not relevant in the retail Gas market.² - GIC recommends, for fairness and efficiency purposes, that all dual fuel retailers should voluntarily extend the measures they are putting in place with vulnerable electricity customers (in compliance with the EA's guidance) to dual fuel and Gas-only customers (residential and small business). - GIC will prepare and consult on a guidance document setting out the relevant provisions of the EA's guidance that should be applied by dual fuel retailers to Gas customers (residential and small business). - GIC will survey dual fuel retailers 12 months after publishing the above guidance, to monitor compliance. Regulatory change will be considered if this voluntary approach proves unsuccessful. <p><i>Stand-alone LPG retailers:</i></p> <ul style="list-style-type: none"> - Standards to protect medically dependent consumers are not relevant in the retail LPG market.

² A medically dependent customer is defined as a person who is dependent on mains electricity [Gas] for critical medical support such that a loss of electricity [Gas] may result in loss of life or serious harm. Ventilators, oxygen concentrators or ventricular assistance devices are examples of critical medical equipment, but non-medical equipment can also be required for critical medical support. (Sources: Electricity Authority guidance and Ministry of Health). For example, an MDC may need to use a microwave to heat fluids for renal dialysis. GIC is not aware of any Gas-operated critical medical equipment.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
			<ul style="list-style-type: none"> - Stand-alone LPG retailers cannot extend vulnerable customer systems they already have in place for electricity customers. - GIC recommends, in principle, for fairness and efficiency purposes, that stand-alone LPG retailers should voluntarily implement consumer care systems consistent with the EA’s vulnerable customer guidelines, with appropriate modification to take account of the unique characteristics of the bottled LPG market. - GIC will prepare and consult on a guidance document setting out the relevant provisions of the EA’s guidance that should be applied to LPG customers by LPG-only retailers, taking into account the unique characteristics of the LPG market. - GIC will survey stand-alone LPG retailers 24 months after publishing the above guidance, to monitor compliance. Regulatory change will be considered if this voluntary approach proves unsuccessful.
B7	Prohibit prompt payment discounts but allow reasonable late payment fees	GIC supports extending the electricity market’s initiative to move away from prompt payment discounts, to the Gas market.	<p>There is broad support from submitters for GIC’s recommendation for dual fuel retailers to extend PPD measures taken with electricity customers, to Gas customers. However, there were dissenting views.</p> <p>One submitter (Genesis) does not support this approach, in principle, but advised that it is already extending the PPD measures it is taking for electricity customers, to gas customers.</p>

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
			<p>Another submitter (Nova) also did not support this approach, particularly in relation to business customers.</p> <p>GIC considers that at least two of the issues associated with PPDs, identified by the EPR, apply equally to residential and small business Gas consumers – (1) the increased potential confusion created by PPDs when customers compare prices between retailers, and PPDs form part of the relevant tariff(s), and (2) the outsized (and unfair) nature of PPD discounts relative to the true cost of recovering an overdue bill.</p> <p><i>Dual fuel retailers:</i></p> <ul style="list-style-type: none"> - GIC recommends, for fairness and efficiency purposes, that all dual fuel retailers <i>voluntarily</i> extend the PPD measures they are implementing in respect of electricity customers in response to the Minister of Energy and Resources’ letter dated November 2019, to all dual fuel and Gas-only energy customers (residential and small business). - All retailers on reticulated LPG networks should also phase out any PPD arrangements that are not reflective of late payment costs. - GIC will write to the Minister of Energy and Resources advising her that, following consultation, GIC considers her proposal to end PPDs should be extended to the Gas market, notifying her that we have advised industry of that view. - GIC will survey dual fuel retailers 12 months after making this recommendation, to monitor compliance. Regulatory

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
			<p>change will be considered if this voluntary approach proves unsuccessful.</p> <p><i>Stand-alone LPG retailers:</i></p> <ul style="list-style-type: none"> - PPDs are not a feature of the LPG market therefore GIC makes no recommendation in relation to LPG on this issue. - The introduction of PPDs to the LPG market will cause GIC to revisit this issue.
C1	Merge the Electricity Authority and Consumer NZ price comparison websites: Whatsmynumber and PowerSwitch	This work is already underway and is supported by the GIC. The GIC notes however that LPG price comparison functionality is not currently included on Powerswitch.	<p>There is broad support from submitters for the work done to merge Powerswitch and Whatsmynumber.</p> <p>There is also support for extending Powerswitch to include LPG pricing (bottles and reticulation), as a tool for increasing retail competition for LPG.</p> <p>One submitter (Vector) however opposes the addition of LPG to Powerswitch on the basis that LPG already benefits from transparent (albeit non-displayed) retail pricing, and that the costs would likely outweigh the benefits. Vector advocates instead for making LPG reticulation networks 'open access' as a means of increasing competition. Another submitter (Genesis) supported LPG's inclusion on Powerswitch but suggested there were other Powerswitch issues to address with higher priority.</p> <ul style="list-style-type: none"> - GIC considers that transparent, accessible pricing is a key attribute to competitive, fair markets. GIC notes there is

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
			<p>currently no readily available means of comparing prices between bottled LPG retailers.</p> <ul style="list-style-type: none"> - GIC therefore recommends that subject to the results of an assessment of the cost and complexity of adding LPG pricing to Powerswitch, LPG retailers <i>voluntarily</i> add bottled LPG (45kg) pricing to Powerswitch. - GIC will survey LPG retailers 24 months after making this recommendation, to monitor progress. Regulatory change will be considered if this voluntary approach proves unsuccessful. - GIC does not consider that this recommendation should be extended to reticulated LPG networks as (1) these networks are not open access so there are no competing retailer offers to compare against and (2) making price comparisons against bottled LPG alternatives is likely difficult to achieve in practice, and as a result, likely inefficient. - GIC will investigate with Consumer NZ (the current owners and operators of Powerswitch) the costs and complexity of this change. - GIC does not propose to revisit the LPG reticulation network 'open access' issue raised by Vector. GIC published a review of retail competition in the LPG market in September 2018. GIC found no barriers to entry in the LPG market, noting that reticulation networks represent only a small fraction of the LPG market and that

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
			customers on reticulated LPG networks have alternate energy choices.
C2	Improve consumer awareness of PowerSwitch and Utilities Disputes	GIC in principle supports improving Gas consumer awareness of the Powerswitch and Utilities Disputes services.	<p>There is broad support from submitters for improving Gas customer awareness of the Powerswitch and Utilities Disputes services, by extending the awareness measures being implemented by the EA in respect of electricity, to Gas.</p> <p>One submitter (Vector) opposed this proposal on the basis that the cost of this recommendation would likely outweigh the benefits.</p> <p>GIC notes that while Gas retailers and Gas distributors are already subject to the Utilities Disputes rules, the awareness provisions in those rules are significantly less prescriptive than the EA's new awareness Code changes and guidance and may be less effective in making customers aware of these services.</p> <p>Extending these awareness measures equally to Gas customers is likely to enhance fairness and is an efficient approach across energy markets.</p> <p><i>Dual fuel retailers:</i></p> <ul style="list-style-type: none"> - GIC recommends, for fairness and efficiency purposes, that all dual fuel retailers <i>voluntarily</i> extend the EA's Powerswitch and Utilities Disputes awareness Code provisions and guidelines to all dual fuel and Gas-only energy customers (residential and small business). - GIC will prepare and consult on a guidance document setting out the relevant provisions of the EA's guidance that should be applied to Gas customers by dual fuel retailers.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
			<ul style="list-style-type: none"> - GIC will survey dual fuel retailers 12 months after publishing the above guidance, to monitor compliance. Regulatory change will be considered if this voluntary approach proves unsuccessful. <p><i>Stand-alone LPG retailers and Gas distributors:</i></p> <ul style="list-style-type: none"> - LPG pricing is not currently included on Powerswitch. Until such time as that occurs, the recommendation below relates only to the awareness of Utilities Disputes service measures. If LPG pricing is added to Powerswitch, the Powerswitch awareness guidelines will extend also to LPG. - GIC recommends, for fairness and efficiency purposes, that LPG-only retailers and Gas distributors <i>voluntarily</i> agree to providing clear and prominent information about the Utilities Disputes service: (1) on their website (2) when responding to queries from consumers and (3) in directed outbound communications to consumers about LPG/distribution services and bills (as applicable). - GIC will prepare and consult on a guidance document setting out the relevant provisions of the EA’s guidance that should be applied to Gas customers by LPG retailers and Gas distributors. - Compliance with all the Utilities Disputes provisions of the EA guidance, relevant to LPG retailing and Gas distribution, would be viewed by GIC as ‘best practice’ compliance with this GIC recommendation.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
			<ul style="list-style-type: none"> - GIC will survey stand-alone LPG retailers and distributors 24 months after making this recommendation, to monitor compliance. Regulatory change will be considered if this voluntary approach proves unsuccessful.
C5	Prohibit saves & win-backs	GIC supports extending the saves and win-backs prohibition to include residential and small business Gas consumers	<p>There is not widespread submitter support for extending the electricity market's saves and winbacks prohibitions to the Gas market. Submitters referenced the lack of a case for change or an identified problem (Genesis and Trustpower) and the potential for such measures to reduce competition (Nova). Submitters generally recommended that if a prohibition is to be implemented that an approach consistent with the electricity market approach is adopted.</p> <p>GIC considers that a saves and winbacks prohibition is likely equally relevant and beneficial to the Gas market, as it is to the electricity market. Consistency of approach across both markets is important for fairness and efficiency purposes.</p> <p><i>Dual fuel retailers:</i></p> <ul style="list-style-type: none"> - GIC recommends, for fairness and efficiency purposes, that dual fuel retailers voluntarily extend the saves and win-backs prohibition measures implemented within the electricity market, to include residential and small business Gas customers. - GIC will prepare and consult on a guidance document setting out the relevant provisions of the EA's Code provisions that should be applied to Gas customers by dual fuel retailers.

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
			<ul style="list-style-type: none"> - GIC also proposes to amend the “Reason Request” codes used in respect of Gas Switching Withdrawal Notices, issued pursuant to Rule 64 of the Gas (Switching Arrangements) Rules 2008 (see the Notice of Determinations by the Industry Body (GIC) under the Gas (Switching Arrangements) Rules 2008 dated 1 October 2019), to specify that the “CR” code must not be used in respect customers that have changed their mind or who wish to cancel a switch, as a consequence of save or winback activity by or on behalf of the losing retailer. - GIC will monitor Gas switching data, and survey dual fuel retailers 12 months after making its recommendation, to monitor compliance with the recommendation. GIC will consider a regulatory solution if there is insufficient retailer compliance. <p><i>Stand-alone LPG retailers:</i></p> <ul style="list-style-type: none"> - GIC is not aware of any stand-alone LPG retailer conducting saves and win-back activity – there is no LPG customer register to enable this behaviour.
F3	Update the Electricity Authority’s compliance framework and strengthen its information-gathering powers	GIC sees no need to update to its compliance framework as it has not identified any problems with the current framework. GIC proposes however to keep a	<p>Submitters were broadly supportive of GIC's recommendation to <i>not</i> update its compliance framework.</p> <p>There is <i>not</i> however strong support for an extension of GIC's information gathering powers, to align with the powers of the EA.</p> <ul style="list-style-type: none"> - GIC supports this recommendation. GIC considers there are consistency (consistent regulator access to market information across overlapping energy markets) and

EPR Reference	EPR Recommendation	GIC Draft Recommendation (pre-consultation)	GIC Final Recommendation (post consultation)
		<p>watching brief on changes made to the EA's compliance framework and to monitor the success or otherwise of these changes.</p> <p>GIC supports a strengthening of its information gathering powers to better enable it to assess and monitor Gas market arrangements. Generally, GIC experiences good compliance with information requests however on occasion its information requests are not met. GIC considers there may be merit in aligning its information gathering powers with the EA's modified powers.</p>	<p>efficiency (improving market efficiency by reducing market participants' ability to refuse to provide market information to Gas Industry Company) benefits from aligning its information gathering powers with the EA's modified powers.</p> <ul style="list-style-type: none"> - GIC will engage with MBIE on the review of institutional arrangements for energy policy and regulation that MBIE is undertaking, as they affect the EA's information gathering powers, to consider making corresponding changes to GIC's powers under the Gas Act 1992.

5. Appendix I – Submissions analysis

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
Strengthening the consumer voice				
A1	Establish the Consumer Advisory Council (CAC)	<p>There are no current Government plans to expand the CAC's remit to include Gas. The Cabinet Paper "Progressing the Electricity Price Review's Recommendations" published on 13 February 2020 recommended the CAC should initially focus on electricity.</p> <p><i>Recommend GIC write letter to the Minister of Energy recommending the earlier inclusion in the</i></p>	<p>Grey Power Powerco Trustpower Intellihub UDL Firstgas Vector OMV Nova Contact Genesis</p>	<ul style="list-style-type: none"> • All respondents, bar one, support extending the CAC's remit to cover Gas. • Respondents consider it important that residential and small business Gas customers enjoyed the same protections as electricity customers. • The only dissenting voice is Contact's. Contact does not consider that there is value in expanding the CAC to cover Gas at this stage. In Contact's view, expanding CAC's scope would increase costs, and dilute the CAC's focus – without clear benefit.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
		<i>CAC of both natural gas and LPG (Gas).</i>		
A2	Ensure regulators listen to consumers	GIC is open to considering new initiatives to improve engagement with residential and small business consumers in the discharge of the GIC's objectives.	Powerco Intellihub Firstgas Vector Contact HUD	<ul style="list-style-type: none"> Respondents generally support GIC's recommendation and suggested GIC consult with the EA on steps the EA is taking on this recommendation and gather information to better understand what residential and small business consumers value. One submitter (Contact) does not appear supportive and submitted that the GIC should always be cognisant of consumers, consistent with the Gas Industry Act s43ZN(a) which has a principal objective to ensure that gas is delivered to existing and new customers in a safe, efficient, and reliable manner. Contact does not consider that further regulatory action or government direction is required to achieve that outcome. One submitter (HUD) encouraged GIC to think about how the Gas industry engages with Maōri and other demographics that are likely to be disproportionately impacted by high prices.
Reducing energy hardship				
B1	Establish a cross sector energy hardship group	GIC supports the Government's Energy Hardship Group initiative and supports the Group's remit being extended to include Gas. MBIE is	Mercury Trustpower Intellihub UDL Vector OMV	<ul style="list-style-type: none"> Respondents unanimously support GIC's draft recommendation. Submitters consider that consistency of treatment between electricity and Gas customers is important. Mercury has submitted that "Many vulnerable families rely on gas for cooking and hot water. Therefore, it makes sense to extend the same obligations to the Gas market as

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
		leading the establishment of this Group. GIC will collaborate with this group as appropriate.	Nova Contact Genesis	<p>will be applied to the electricity sector. Mercury has observed a gap in the Gas market for vulnerable consumers who for poor credit reasons are unable to maintain their gas supply to meet their basic daily cooking and hygiene needs. Unlike the electricity sector, the Gas market does not have a prepay product providing vulnerable families with a tool for managing their debt and ensuring a consistent power supply. Better coordination between gas and electricity retailers and social agencies such as Kainga Ora, Work and Income and Money Talks would help close this gap and reduce the risk of families living without gas and power”.</p> <ul style="list-style-type: none"> • Contact recommends that further analysis be undertaken by the group to assess whether the nature of identified hardship differs between those customers who have both electricity and gas, to those customers who purchase electricity only.
B2	Define energy hardship	GIC supports the inclusion of Gas within any energy hardship definition and will work with its stakeholders to help facilitate this work program. GIC will collaborate with MBIE in respect of this work program.	Mercury Powerco Trustpower Intellihub UDL Firstgas Vector Nova Contact Genesis	<ul style="list-style-type: none"> • Respondents unanimously support GIC’s draft recommendation. • Respondents broadly consider it important the Hardship Group’s remit includes all energy sources used by consumers (covering Gas as well as electricity). • Trustpower and Vector both encourage further work to better understand the role of Gas in the energy hardship problem.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
B3	Establish a network of community-level support services to help consumers in energy hardship	The GIC supports this initiative in principle and supports work on this recommendation being extended by the appropriate Government agency to include Gas.	Mercury Intellihub UDL Nova Contact Genesis	<ul style="list-style-type: none"> • Respondents support GIC's draft recommendation. • Contact refers to the valuable work already being undertaken by the Energy Retailer Association (ERANZ). • Mercury encourages better coordination between gas and electricity retailers and social agencies such as Kainga Ora, Work and Income and Money Talks. • Genesis recommends the cross-sector energy hardship group be tasked with carrying out a stocktake of existing available services as a priority; this work can then form the basis of an initiative to raise awareness of and access to these services for those who are eligible. This work should provide visibility of where gaps are in access to these services and inform a response.
B4	Set up a fund to help households in energy hardship become more energy efficient	The GIC supports this initiative in principle and supports work on this recommendation being extended by the appropriate Government agency to include Gas.	Intellihub UDL Nova Contact Genesis	<ul style="list-style-type: none"> • Respondents broadly support GIC's recommendation. • Contact suggests any additional finance support decision is deferred until Energy Hardship (including Gas) is defined. • Genesis considers there is scope to expand on the support already provided through programmes such as EECA's Warmer Kiwi Homes initiative.
B5	Offer extra financial support for households in energy hardship	The GIC supports this initiative in principle and supports work on this recommendation being extended by the appropriate	Intellihub UDL Nova Contact Genesis	<ul style="list-style-type: none"> • Respondents broadly support GIC's recommendation. • Genesis notes that successfully implementing the measures described in B3 and B4 above should provide greater visibility on the scale of the problem and additional financial support required.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
		Government agency to include Gas.		
B6	Set mandatory minimum standards to protect vulnerable and medically dependent consumers	GIC will liaise with the EA in the development of these new [electricity vulnerable customer] guidelines and assess the extent to which these should be extended to vulnerable Gas consumers.	Intellihub UDL Firstgas Vector Nova Contact Genesis	<ul style="list-style-type: none"> • Respondents support creating a set of standards for the protection of vulnerable Gas consumers, however, there is no common view on how to create and implement such standards. • Consistency with the electricity standards is noted as being important, but the differences between electricity and Gas retail markets should also be taken into account in designing any Gas market guidelines for vulnerable customers (Firstgas, Genesis). • Several respondents support and commend the work underway between the EA and industry to update the current medically dependent and vulnerable customer guidance (Vector, Genesis). • Contact confirms it will apply EA guidance equally to electricity-only and dual fuel customers. It does not support further regulation on this issue.
B7	Prohibit prompt payment discounts but allow reasonable late payment fees	GIC supports extending the electricity market's initiative to move away from prompt payment discounts, to the Gas market.	Grey Power Trustpower Intellihub UDL Firstgas Vector Nova Contact	<ul style="list-style-type: none"> • There is mixed support from respondents for GIC's recommendation for dual fuel retailers to extend PPD measures taken with electricity customers, to Gas customers. • Grey Power, Trustpower, UDL and Firstgas all support the recommendation. • Trustpower urges GIC to allow time to determine whether dual fuel retailers naturally extend measures they are taking with electricity customers to gas customers.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
			Genesis	<ul style="list-style-type: none"> UDL considers that the reasons set out in the EPR Report would apply equally to the gas industry and would also reduce consumer confusion and potential complaints. Nova and Genesis disagree with the recommendation. Nova supports the retention of customer choice for customers selecting billing plans (particularly business customers) and Genesis considers any prohibition of PPDs a “concerning intervention”. Whilst Genesis disagrees with the recommendation, it advises that it is already extending the PPD measures it is taking for electricity customers, to gas customers. Contact notes it has stopped PPDs for new residential customers, and existing customers with prompt payment discounts are being migrated to new plans, without prompt payment discounts, as they renew. Contact states it has a consistent approach with dual fuel customers who purchase both electricity and Gas.
B8	Encourage bulk deals for social housing and/or Work and Income clients	GIC in principle supports this initiative being extended to Gas consumers. The work of the Hardship Group on the role of Gas in energy hardship should be used to help inform the solutions developed for this recommendation.	Intellihub UDL Genesis Nova	<ul style="list-style-type: none"> Respondents support GIC's recommendation. Genesis noted the difficulty in extending such deals to include LPG, given the significant logistical challenge that would be presented by servicing customers covered by a bulk arrangement.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
Increasing retail competition				
C1	Merge the Electricity Authority and Consumer NZ price comparison websites: Whatsmynumber and PowerSwitch	This work is already underway and is supported by the GIC. The GIC notes however that LPG price comparison functionality is not currently included on Powerswitch.	Grey Power Powerco Trustpower Intellihub UDL Firstgas Vector OMV Nova Genesis	<ul style="list-style-type: none"> • Respondents broadly support the work done to merge Powerswitch and Whatsmynumber. • Respondents also support extending Powerswitch to include LPG pricing (bottles and reticulation), as a tool for increasing retail competition for LPG. • Genesis supports LPG's inclusion on Powerswitch but suggests there were other Powerswitch issues to address with higher priority than this issue. • Trustpower suggests that further clarity around funding arrangements for adding LPG to Powerswitch would be valuable for the industry. • UDL notes there may not be a high uptake of LPG information on Powerswitch as the LPG market has relatively few providers and is localized. • Only one respondent (Vector) disagrees with adding LPG to Powerswitch. Vector opposes the addition of LPG to Powerswitch on the basis that LPG already benefits from transparent, non-complex retail pricing, and straightforward switching arrangements. Vector considers the costs of adding LPG would likely outweigh the benefits. Vector advocates instead for making LPG reticulation networks 'open access' as a means of increasing competition.
C2	Improve consumer awareness of PowerSwitch and Utilities Disputes	GIC in principle supports improving Gas consumer awareness of the	Powerco Trustpower Intellihub	<ul style="list-style-type: none"> • There is broad support from respondents for improving Gas consumer awareness of the Powerswitch and Utilities Disputes services, by extending the awareness measures

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
		Powerswitch and Utilities Disputes services.	UDL Firstgas Vector Nova Contact	<p>being implemented by the EA in respect of electricity, to Gas.</p> <ul style="list-style-type: none"> A number of respondents note that dual fuel retailers are likely already doing this (Trustpower, Intellihub and UDL). Trustpower urges GIC to allow time to determine whether dual fuel retailers naturally extend the awareness measures they are taking with electricity customers to gas customers. Only one respondent (Vector) opposed this recommendation on the basis that the benefits of the recommendation would likely be outweighed by the cost.
C3	Develop a streamlined way to process customer requests for consumption data	GIC supports in principle the development of an agreed approach to processing customer requests for consumption data, noting the following differences between the electricity and Gas market	Grey Power Powerco Trustpower Intellihub Firstgas Vector Nova Contact Genesis	<ul style="list-style-type: none"> All respondents, bar one, in principle support the development of guidelines enabling streamlined access to customer Gas consumption data, but only in the context of a Gas smart meter rollout. Genesis confirms it is in the process of undertaking a mass rollout of gas smart meters in conjunction with a technology provider (Vector) and encourages early engagement on this issue to ensure customers can realize the full value of this new metering technology. Grey Power submitted that customers should have access to real time internet-based access to their consumption data. Whilst supportive in principle, Trustpower considers that there are more urgent workstreams for GIC to progress because the benefits of 'real time' data cannot be realised due to the lack of Gas smart metering at present. Trustpower also notes that MBIE is evaluating whether New Zealand should develop a Consumer Data Right and

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
				<p>suggests GIC wait for the MBIE to release further details on this initiative before progressing with recommendation C3.</p> <ul style="list-style-type: none"> • Contact disagrees with the recommendation. It states no problem has been identified as there is currently no Gas smart metering. Contact does not support the GIC seeking to expand the mandate when there is no clear issue to address.
C4	Make distributors offer retailers standard terms of network access	<p>The EA has implemented mandatory default distributor agreement terms covering network access terms and distributors accessing consumption data due to a concern that a lack of standardization increases retailer costs and impedes competition. Electricity distributors will have default agreements in place we understand by early 2021.</p> <p>GIC does not support a similar mandatory model for Gas.</p>	<p>Powerco Trustpower Intellihub Firstgas Vector Nova Contact Genesis</p>	<ul style="list-style-type: none"> • There is unanimous respondent support for GIC's recommendation that a mandatory model for Gas distribution contracts is not required and that the current voluntary approach is functioning well. • Firstgas noted it is currently updating its Use of System Agreement for its gas distribution network and will adapt the electricity sector's default distributor agreement terms, where appropriate.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
C5	Prohibit saves & win-backs	GIC supports extending the saves and win-backs prohibition to include residential and small business Gas consumers	Grey Power Powerco Trustpower Intellihub Firstgas Vector Nova Contact Genesis	<ul style="list-style-type: none"> • Grey Power, Powerco and Vector support GIC's recommendation. • Trustpower, Nova and Genesis disagree with the recommendation. • Trustpower and Genesis refer to the lack of a case for change or evidence of an identified problem. Genesis urges an assessment of the benefits of the restrictions imposed on the electricity market before any measures are imposed on the Gas market. • Nova and Genesis are concerned about the potential for such measures to reduce competition. • Respondents recommended that if a prohibition is to be implemented that an approach consistent with the electricity market approach is adopted (Trustpower, Nova, Genesis). • Firstgas urges GIC to scan the market to gauge the level of Gas market save and winback activity before taking any steps and encouraged a voluntary approach rather than a regulatory prohibition. • Contact states that customers acquire gas together with electricity, and do not acquire on a stand-alone basis. For that reason, the electricity retail prohibition of saves and win-backs practically means that the same applies for gas customers.
C6	Establish a pilot scheme to help non-	GIC is undecided on this recommendation	Powerco Trustpower Intellihub	<ul style="list-style-type: none"> • There is no respondent support for rapidly extending this recommendation to the Gas market.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
	switching consumers find better deals	being extended to the Gas market. GIC would like to better understand the design of the proposed EA scheme and the resulting benefits for consumers before determining whether it would be appropriate to extend that scheme to Gas consumers.	Firstgas Vector Nova Contact Genesis	<ul style="list-style-type: none"> • Powerco, Intellihub, Firstgas and Vector support GIC’s intention to better understand the design of the proposed EA scheme and the resulting benefits for consumers before determining whether it would be appropriate to extend that scheme to Gas consumers. • Trustpower, Nova, Contact and Genesis disagree with implementing schemes to help non-switching customers switch retailers. • Trustpower refers to the potential for unintended consequences of imposing mandatory switching. • Genesis has concerns about the potential such schemes may have in disincentivizing customers from engaging effectively in the market. • Contact does not think GIC has made a case that regulation would deliver any benefits on this issue.
Reinforcing wholesale market competition				
D1	Toughen rules on disclosing wholesale market information	The GIC’s Information Disclosure workstream established to assess information transparency and asymmetry in the Gas sector is running in parallel to this EPR workstream and will deliver the GIC’s views	Mercury Grey Power Trustpower Intellihub Firstgas Vector OMV Nova Contact	<ul style="list-style-type: none"> • Respondents unanimously support GIC’s Information Disclosure workstream. • Mercury emphasizes the importance of information disclosure, supporting specifically anonymous gas market hedging disclosures, equivalent to what applies to the electricity market. • Trustpower supports GIC establishing a regulated information disclosure regime for the downstream and upstream gas markets. • Firstgas and Vector emphasized the importance of transparency around planned and unplanned outages

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
		on availability of gas market information.	Genesis MGUG	(Vector specifically referring to gas production and storage outage data). <ul style="list-style-type: none"> OMV suggests given the upstream industry's well-received outage disclosure code and practices, there is no need for regulation and industry-lead solutions should be favoured.
D2	Introduce mandatory market-making obligations	Not supported by GIC.	Intellihub Firstgas OMV Contact Genesis	<ul style="list-style-type: none"> Respondents unanimously agree with GIC's recommendation.
D3	Make generator retailers release information about the profitability of their retailing activities	Not supported by GIC.	Intellihub OMV Contact Genesis	<ul style="list-style-type: none"> Respondents unanimously agree with GIC's recommendation.
D4	Monitor contract prices and generation costs more closely	Not supported by GIC.	Intellihub OMV Contact Genesis	<ul style="list-style-type: none"> Respondents unanimously agree with GIC's recommendation.
Improving transmission and distribution				
E1	Issue a government policy statement on transmission pricing	Not supported by GIC.	Grey Power Powerco Intellihub Firstgas	<ul style="list-style-type: none"> Respondents unanimously agree with GIC's recommendation. Grey Power considers that transmission pricing should be under the scrutiny of the Commerce Commission to ensure

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
			OMV Nova MGUG	<p>for example 'distant consumer' charges are fair and reasonable.</p> <ul style="list-style-type: none"> • MGUG notes the major cost impact on MGUG members of large gas users leaving the transmission system. When Otahuhu B and Southdown left the market, gas transmission costs were spread across fewer remaining users, significantly increasing transmission costs. MGUG considers GIC should consider whether the current gas policy framework is fit for purpose, in light of this issue.
E2	Issue a government policy statement on distribution pricing	Not supported by GIC.	Powerco Intellihub Firstgas OMV Nova	<ul style="list-style-type: none"> • Respondents unanimously agree with GIC's recommendation.
E3	Ensure distributors have access to smart meter data on reasonable terms	GIC does not support extending this recommendation to Gas distributors. GIC recommends this issue should be revisited following the roll-out of smart metering technology for smaller Gas consumers, and following any material changes to Gas	Grey Power Powerco Intellihub Firstgas Vector OMV Nova Contact Genesis	<ul style="list-style-type: none"> • Intellihub, Firstgas, MOV, Nova and Contact support GIC's recommendation to revisit this issue following the roll-out of smart metering technology. • Powerco, Vector and Genesis all refer to the fact rollout of smart meters has begun. All these parties also support consideration by the industry and GIC of data access issues, alongside the rollout of the technology.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
		distribution networks that mean distributors would benefit from access to this data (for the efficient management of Gas distribution networks).		
E4	Strengthen the Commerce Commissions powers to regulate distributor's performance	The GIC is undecided on this recommendation being extended to Gas distribution.	Powerco Intellihub Firstgas OMV Nova Contact Genesis	<ul style="list-style-type: none"> All respondents, bar one, disagree with any strengthening of Commerce Commission powers to regulate distributor performance. Firstgas and Contact considers that there is no identified issue to address in the Gas market. OMV is undecided on this issue.
Improving the regulatory system				
F1	Give the Electricity Authority clearer, more flexible powers to regulate network access for distributed energy services	The GIC proposes to keep a watching brief on Gas market technology developments in the event the need for more regulatory power to manage these new technology-driven issues arise in future.	Grey Power Powerco Intellihub Firstgas Vector OMV Nova Contact Genesis	<ul style="list-style-type: none"> Respondents support GIC's recommendation (Powerco, Intellihub, Firstgas, Vector, OMV, Nova, Genesis). Grey Power notes any inclusion of hydrogen in the supply mix must be shown to be usable and safe. OMV refers to the potential for "overspilling" of regulated monopoly participant activity into the unregulated competitive gas storage market (with the advent of hydrogen transportation on regulated gas pipelines).

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
F2	Give the Electricity Authority an explicit consumer protection function	GIC does not support extending this recommendation to The Gas market. GIC sees no need for change to its regulatory objectives in response to this EPR recommendation. The GIC already takes fairness to consumers into account when it is discharging its Gas Act functions (the GPS extended the GIC's policy objective to include "fairness" to consumers).	Powerco Intellihub Firstgas OMV Contact Genesis	<ul style="list-style-type: none"> Respondents unanimously agree with GIC's recommendation.
F3	Update the Electricity Authority's compliance framework and strengthen its information-gathering powers	GIC sees no need to update to its compliance framework as it has not identified any problems with the current framework. GIC proposes however to keep a watching brief on changes made to the EA's compliance framework and to	Grey Power Powerco Intellihub Firstgas Vector OMV Nova Contact Genesis	<ul style="list-style-type: none"> Respondents support GIC's recommendation relating to updating its compliance framework. There is limited support for strengthening GIC's information gathering powers. Vector, OMV and Contact see no evidence of any need to strengthen these powers. Genesis does not in principle oppose an extension of GIC's information gathering powers but requires an evidence-based case being made to support such a move.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
		<p>monitor the success or otherwise of these changes.</p> <p>GIC supports a strengthening of its information gathering powers to better enable it to assess and monitor Gas market arrangements. Generally, GIC experiences good compliance with information requests however on occasion its information requests are not met. GIC considers there may be merit in aligning its information gathering powers with the EA's modified powers.</p>		
F4	Phase out low fixed charge tariff regulations	There is no low fixed charge tariff equivalent in the Gas market.	Grey Power Powerco Intellihub Firstgas	<ul style="list-style-type: none"> Respondents unanimously agree with GIC's recommendation.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
			Vector OMV Genesis	
Preparing for a low-carbon future				
G1	Encourage more energy sector innovation	GIC supports the inclusion of Gas in any Government initiatives arising from this recommendation. MBIE is leading work on this recommendation. GIC is liaising with MBIE to seek appropriate Gas market involvement.	Powerco Intellihub Firstgas Vector OMV Nova Genesis MGUG	<ul style="list-style-type: none"> Respondents unanimously agree with GIC's recommendation.
G2	Examine security and resilience of electricity supply	GIC supports the inclusion of Gas in any Government initiatives arising from this recommendation (including the proposed work of the SRC). The EA is leading work on this recommendation. GIC is liaising with the EA	Grey Power Powerco Intellihub Firstgas Vector OMV Nova Genesis	<ul style="list-style-type: none"> Respondents unanimously agree with GIC's recommendation. Grey Power refers to industry developing alternatives to gas fired thermal electricity generation to maximise the longevity of gas resource for smaller consumers.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
		to seek appropriate Gas market involvement.		
G3	Explore new institutional arrangements for energy policy and regulation	GIC supports increased collaboration and cooperation between Government agencies involved in energy policy and regulation. The Council of Energy Regulators has an increasingly important role to play in this regard. GIC is an active contributor to the Council of Energy Regulators. MBIE is leading work on this recommendation. GIC is liaising with MBIE to seek appropriate Gas market involvement.	Powerco Intellihub Firstgas Vector OMV Genesis	<ul style="list-style-type: none"> • Respondents unanimously agree with GIC's recommendation. • Trustpower is supportive of a combined electricity and Gas regulator. • Genesis commends GIC and EA for the greater alignment that both agencies have demonstrated recently. Genesis is strongly against the provision of emergency powers to reallocate electricity or gas in situations of acute electricity or gas shortage – a possibility referred to in an EPR related Cabinet paper.
G4	Improve the energy efficiency of new and existing buildings	GIC supports this recommendation and is open to the role the Gas market can play in delivering such	Powerco Intellihub Firstgas Vector	<ul style="list-style-type: none"> • Respondents unanimously agree with GIC's recommendation. • Firstgas emphasizes the important role gas options can play in improving energy efficiency of new and used buildings, such as green hydrogen, biogas and bio-LPG.

EPR Reference	EPR Recommendation	GIC Preliminary Recommendation	Respondents (by EPR Recommendation)	Submissions Analysis
		improvements, cost effectively. MBIE is leading work on this recommendation. GIC is liaising with MBIE to seek appropriate Gas involvement.	OMV Genesis	<ul style="list-style-type: none"> • Vector acknowledges the work of Energy Efficiency Conservation Authority (EECA) and the Green Building Council to drive change in this area.
Other Issues				
				<ul style="list-style-type: none"> • Trustpower refers to the lack of analytical work carried out on the EPR recommendations in respect of Gas (due to Gas being excluded from the EPR work). Trustpower encourages GIC to carry out the necessary analytical work to support any EPR recommendations it proposes to take forward. • Firstgas urges GIC only to take action when an industry problem has been identified and needs to be addressed. • Nova urges GIC to allow time to observe how the changes implemented by the EPR in the electricity market develop in practice before taking action in the Gas market. • Contact does not support an 'ad hoc' application of EPR recommendations to the gas sector because in many cases the changes currently extend to Contact's gas customers

Questions

Extending the Electricity Price Review’s Final Recommendations to the Gas Market – Submissions Analysis and Recommendations

Submission prepared by: <company name and contact>

Question		Comment
Q1	<p>Do you support GIC’s final recommendations in section 4.4 of this report? Please address your comments to each relevant recommendation separately (as set out below).</p> <p>Please note that GIC is not consulting on the EPR recommendations set out sections 4.2 and 4.3. These sections cover (respectively) EPR Recommendations that will not be extended to the Gas industry, and EPR recommendations that GIC considers do not require further industry consultation.</p>	
EPR recommendation		
B6	Set mandatory minimum standards to protect vulnerable and medically dependent consumers.	
B7	Prohibit prompt payment discounts but allow reasonable late payment fees.	
C1	Merge the Electricity Authority and Consumer NZ price comparison websites: Whatsmynumber and PowerSwitch.	

Question	Comment
C2 Improve consumer awareness of PowerSwitch and Utilities Disputes.	
C5 Prohibit saves & win-backs.	
F3 Update the Electricity Authority's compliance framework and strengthen its information gathering powers.	

Glossary

EA	Electricity Authority
EPR	Electricity Price Review
CAC	Consumer Advocacy Council
Gas	Natural gas and LPG
Gas Act	Gas Act 1992
GIC	Gas Industry Company
GPS	Government Policy Statement on Gas Governance 2008
Hardship Group	Energy Hardship Group
LPG	Liquefied Petroleum Gas
MBIE	Ministry of Business Innovation and Employment
MSD	Ministry of Social Development
PPD	Prompt Payment Discount
SRC	Security and Reliability Council

ABOUT GAS INDUSTRY CO

Gas Industry Co is the gas industry body and co-regulator under the Gas Act. Its role is to:

- develop arrangements, including regulations where appropriate, which improve:
 - the operation of gas markets;
 - access to infrastructure; and
 - consumer outcomes;
- develop these arrangements with the principal objective to ensure that gas is delivered to existing and new customers in a safe, efficient, reliable, fair and environmentally sustainable manner; and
- oversee compliance with, and review such arrangements.

Gas Industry Co is required to have regard to the Government's policy objectives for the gas sector, and to report on the achievement of those objectives and on the state of the New Zealand gas industry.

SUBMISSIONS CLOSE:
Monday, 22 March 2021 at
5pm.

SUBMIT TO:
www.gasindustry.co.nz

ENQUIRIES:
consultations@gasindustry.co.nz