

13 February 2026

Gas Industry Co

Via email: consultations@gasindustry.co.nz

Tēnā koe,

Gas Industry Co's role in supporting a changing industry

Powerco appreciates the Gas Industry Co (GIC) approach to industry engagement in developing the FY27 work programme and levy proposal. The strategic context (as set out in the consultation paper) highlights the significance of gas in the energy market, from a systems perspective rather than the gas market in isolation. GIC has a critical role to support investor confidence, resilience and certainty for New Zealand's energy future. As well as the business as usual regulatory role, GIC must focus on clear priorities to support the industry in the changing context of the gas transition.

Powerco generally supports the proposed work programme and levy rate. Our feedback on the consultation is provided below.

The levy proposal is appropriate

We support the **levy proposal** which involves similar, slight reduction in work programme cost, reduction in levy, and increase (reallocation) in market fees. We acknowledge that the changing gas market warrants consideration of the levy system and support GIC looking into possible **changes to the levy arrangements** including levying LPG, LNG and biogas.

Work programme priorities for security of supply

Security of supply must be a priority in GIC's role as 'trusted adviser to Government'. As part of this work, we endorse GIC's programme focusing on strategic aspects of the gas transition. This will include gathering evidence, quantitative and qualitative analysis, consumer research, a coordinating role, policy advice and removing regulatory barriers to support changes such as LNG import, biogas uptake, and options to reduce investor risk. Specific GIC projects are not all set out in the consultation paper. We comment on this in relation to work programme topics below, but also endorse the need to consult with industry in scoping specific research projects. We would be pleased to engage with GIC for those areas where we have an interest. We also endorse alignment with the Energy Transition Framework workstreams to avoid duplication and support a whole-of-system perspective.

We understand that the work programme item '**gas industry roadmap**' is to revisit the draft gas transition plan (GTP) that GIC worked on in 2022-3. We endorse the value of a clear government-backed GTP as part of a whole-of-system energy strategy. Clarity and transparency of the gas transition is fundamental to security of supply, investor confidence and consumer awareness. However, we question the value of GIC revisiting the GTP work unless the government is committed, preferably with bipartisan support, to agreeing an energy strategy for New Zealand.

We agree that there are numerous agencies involved in **biogas**, including those noted in the consultation paper, but also those involved in related regulatory areas (eg waste and water). We endorse GIC helping to coordinate, particularly to facilitate joint industry/agency actions identified in the GasNZ biogas roadmap (in development). The consultation paper does not identify specific items of work; we encourage further work in areas GIC has previously engaged including the use/execution of tradeable renewable gas certificates; and potential for (voluntary) renewable gas targets. The consultation paper notes FY27 may include completion of the updates to Rules related to biogas injection, which we endorse as a priority, including for reconciliation. We also encourage a role for GIC in facilitating understanding and procurement of renewable gases by government agencies using gas – to underpin demand for investment confidence and security for gas supply.

The role of networks in the gas transition will be informed by the fourth default price quality path (DPP4) decisions for the coming 5 year period, but the longer-term challenges and responses require early planning to avoid consumer impact or unexpected costs for government. We endorse GIC having a 'future of infrastructure' strategic item in the work programme. We understand GIC has not yet scoped the intended project around consumer impacts of future infrastructure. Significant work has been done in this area already and we would be pleased to engage with GIC on possible gaps where GIC input would add value. Similarly, some work has already been done on right-sizing. Powerco has assessed the health of all our networks and intend to progress one decommissioning project during DPP4. This project is not expected to reflect every future scenario, however it will provide an early indication of likely processes, costs and benefits and how these may vary for different network configurations, building our knowledge of network decommissioning. The Commerce Commission also intends a separate regulatory project to investigate rightsizing and decommissioning in advance of the DPP5 period. Should GIC proceed with right-sizing research, we would encourage GIC to work with the Commission on a joint project so its value encompasses regulatory, policy and industry aspects. Robust gas distribution contracts with retailers will become more important as the energy system changes eg as biogas becomes a part of distribution networks, or if decommissioning gas connections becomes more frequent. We would encourage further GIC work in FY27 on reviewing, and supporting completion of, standard gas agreements.

Coordination of government agencies involved in energy policy, regulation and implementation is an ongoing challenge, but critical for system-level planning. The consultation paper identifies a coordination issue for biogas, but not more broadly. GIC has a key role in facilitating coordination, not only for the gas industry, but representing the need for alignment and whole-of-system planning as a part of the full energy sector. We encourage this role to be explicitly included in the work programme, perhaps in the 'educate and influence' section.

This submission does not contain any confidential information. If you have any questions regarding this submission or would like to talk further on the points we have raised, please contact Irene Clarke (Irene.Clarke@powerco.co.nz).

Nāku noa, nā,



Emma Wilson

Head of Policy, Regulation and Markets

POWERCO