

# Gas Security Response Group

## Terms of Reference

### Purpose of the document

1. This document sets out the Terms of Reference for the Gas Security Response Group.
2. The Terms of Reference may be amended with agreement from the Minister for Energy and Minister for Resources. Amendments will be published on the Ministry of Business, Innovation and Employment's (MBIE) website as required.

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## Introduction

3. There is an emerging immediate issue with gas security of supply. Gas supply has been tight for some time, but recent forecasts from the Gas Industry Company (GIC) suggests it is, or may, become materially tighter than anticipated.
4. There is evidence from industrial users and retailers that the volume of gas they are receiving is at the low end of their contracted range. And companies who are coming to the end of contracts and looking to re-contract are having difficulty, with prices increasing and contract terms markedly shorter.
5. The Gas Security Response Group (the Group) will be set up at the direction of Cabinet to respond to identify and respond to any problems.

## Role and function

6. The Group will be convened to plan for, and coordinate a response to, increasing information on tight gas supply from GIC and the sector. It will verify gas supply and demand and identify actions to be taken to address the situation.
7. The role of the Group is to provide a coordinated approach to planning and a single point of contact to MBIE as the lead agency to coordinate the sector's response.

## Objectives

The objectives of the Group are to:

- Verify gas supply and demand to identify the nature and extent of the supply problems we face.
- Ensure government, key stakeholders and the public are kept informed with consistent information.
- Coordinate across government, the gas sector and electricity use to help identify and resolve any problems.
- Provide advice to government on appropriate actions to ensure security of gas supply.

## Membership

8. The Group will consist of 14 members across government entities, upstream producers, and downstream retailers and major consumers.

Government entities	Upstream producers	Downstream retailers and major consumers
<ul style="list-style-type: none"><li>• Ministry of Business Innovation &amp; Employment (Chair and secretariat)</li><li>• Gas Industry Company (GIC)</li><li>• Electricity Authority (EA)</li><li>• Observer – Department of Prime minister and Cabinet (DPMC)</li></ul>	<ul style="list-style-type: none"><li>• OMV</li><li>• Todd Energy</li><li>• Greymouth</li><li>• Beach Energy</li></ul>	<ul style="list-style-type: none"><li>• Methanex</li><li>• Contact Energy</li><li>• Genesis</li><li>• Nova</li><li>• Mercury NZ</li><li>• Meridian Energy</li></ul>

## Role of MBIE as Chair

9. MBIE, as Chair of the Gas Security Response Group, will be responsible for:

- Convening the Group to manage and coordinate the response
- Chairing meetings
- Providing regular reporting to the Minister for Energy and the Minister for Resources
- Providing advice to the Minister for Energy and Minister for Resources on measures to be implemented
- Collecting information from industry and, where necessary, coordinating the implementation of response measures
- Providing a secretariat

## **Meeting requirements**

10. As chair, MBIE will convene the Group with an initial meeting of all members. The purpose of this meeting will be to:
  - Set out the government’s objectives and purpose of the Group
  - Agree on actions and roles
  - Agree to a communication approach
11. MBIE will convene meetings with the Group as needed to:
  - Maintain awareness of the gas supply and demand landscape
  - Request regular situational awareness reports from relevant members
  - Coordinate information between members
  - Coordinate information between the Group and the Minister for Energy and the Minister for Resources
12. Bilateral meetings between government entities and members of subgroups may be more appropriate at times. This will depend on the topic being discussed and whether there are commercial sensitivities.

## **Public communications**

13. A communication approach will be agreed by the Group at the first meeting. A spokesperson may be nominated as needed to lead communication with media and the public.
14. MBIE as chair will advise the Minister for Energy and the Minister for Resources of the Group’s intention to make public comments. The Minister for Energy, Minister for Resources and the Group will operate on a ‘no surprises’ basis.

## **Reporting requirements**

15. The Group will provide regular reporting to the Minister for Energy and the Minister for Resources. MBIE as chair and secretariat of the Group will lead reporting with relevant information supplied by members.

## **Inclusion of other parties**

16. Other key parties may be invited to meetings, relevant to the matters being discussed.

## **Commerce Act 1986 considerations**

17. Many participants in the gas sector are also competitors, so any joint response must be done so in compliance with the Commerce Act 1986 and ensure any commercial sensitivities are acknowledged and managed appropriately.
18. MBIE as Chair will be responsible for managing any conflicts and smaller sub meetings will be held where necessary.

## **Obligations**

19. In carrying out its role, the Group will:
  - Act in accordance with procedures agreed or mandated by the Minister for Energy and the Minister for Resources
  - Maintain the confidentiality of confidential material submitted to the Group or obtained in carrying out, or incidental to, its functions
  - Comply with legal requirements

## **Official Information Act 1982**

20. The Official Information Act applies to the records of the Group.

## **Confidentiality clause**

21. The Groups reporting may be published with the agreement of the Minister for Energy and Minister for Resources. Published reporting will not contain information supplied to the Group in confidence.