

Your name

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Your organisation

Meridian Energy

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In what capacity are you making this submission?

Business

1. What emerging technologies or alternative fuel sources are likely to be covered by the Act's definition of "Gas"?

No submission

2. What aspect(s) of the Act could be a barrier to the uptake of emerging technologies or alternative fuels?

No submission

3. What aspects should be amended or changed to facilitate the emergence of new technologies and alternative fuels?

No submission

4. How will your business be impacted if changes to the Act are not made in the short-term (e.g. two to three years)?

To the extent that changes to the Gas Act are considered necessary to enable improvements to gas market information disclosure - Meridian may be significantly affected by any delays. The lack of readily available gas market information drives volatility in the closely related wholesale electricity market and undermines confidence in that market. There is a risk that Meridian and other electricity market participants will be expected to address volatility concerns, for example through more onerous and unrealistic market making obligations - ignoring the fact that recent volatility has been driven by a lack of readily available information about the gas market.

5. Does the Act cause any issues with complying with any requirements under other legislation?

No submission

6. Are you or your organisation involved in the development or deployment of emerging technologies or alternative fuels?

Yes. Meridian is a member of the New Zealand Hydrogen Association. As the largest electricity generator in New Zealand we are closely involved in the development and deployment of emerging technologies, in particular the latest wind, solar and EV charging technologies.

7. Are you interested in being contacted as MBIE develops a longer-term programme of regulatory work around the development of emerging technologies and alternative fuels relating to the Act?

Yes

8. What concerns do you have about the flow and availability of information available to you or your organisation regarding situations that may affect the price and/or availability of gas supply?

Meridian is concerned that the flow and availability of information regarding situations that may affect the price and / or availability of gas supply is wholly inadequate and is damaging confidence in both the gas and electricity sectors. We have written to the GIC saying:

- the goal for the GIC and / or policy makers should be to align disclosure requirements across the electricity and gas sectors as soon as possible, with the relevant test or rule being the same i.e. that there should be disclosure of information that a participant expects or ought reasonably to expect will have a material impact on prices;
- lack of transparency in the gas market and the resulting uncertainty this drives, is in our view a major cause of the price volatility and widened bid ask spreads observed in the electricity futures market from late 2018;
- MBIE, the Minister and the Electricity Price Review's Expert Advisory Panel have separately express the view that information disclosure requirements in the gas industry are inadequate and we agree with them;
- this is a situation that should be addressed with some urgency.

9. Do you support the inclusion of an additional regulation/rule making power in the Act to require broader disclosure of information from the gas industry?

Yes we support the inclusion of an additional power that would make it clearer that regulations or rules can be made to address the current inadequacies in gas market disclosure. However we do not share the views of GIC and MBIE that the current Act is the barrier to the making of such regulations or rules that it has been suggested to be. In particular it seems to us that a power to make regulations for the "...provision and disclosure of data and other market information" is a broad one and we are disappointed that, to date, no steps seem to have been taken to exercise that power.

10. What concerns do you have about the current penalty regime for gas governance arrangements provided for by the Act?

No submission

11. Are there other factors, such as contractual arrangements between parties, that mitigate any concerns about the penalties regime?

No submission

12. Aside from the penalties for breaching gas governance arrangements, are there any other penalties under the Act that you consider are not fit-for-purpose?

No submission

13. Do you consider it still appropriate for the Gas Rulings Panel to only have one member if the penalties are increased to higher levels?

No submission

14. Do you support the addition of daily or volumetric penalties to the Act to enhance the flexibility of penalties available? What would be an appropriate minimum or maximum rate, if any?

No submission

15. Are there circumstances where the Act should impose a criminal offence on either industry participants or on non-industry participants? What are these?

No submission

16. Do you support the addition of a civil pecuniary fine as an additional penalty to improve the effectiveness of the penalties regime? If not, why not?

No submission

17. What are your views on expanding the definition of industry-participant to include all large gas users (e.g. any user averaging over a certain level of consumption per day)? If so, what would be an appropriate threshold?

No submission

The information provided in submissions will be used to inform MBIE's policy development process, and will inform advice to Ministers on progressing changes to the Gas Act 1992.

Can we include your name or other personal information in any information about submissions that we may publish?

Yes

We intend to upload submissions to our website. Can we include your submission on the website?

Yes

You can ask us to keep your submission, or parts of your submission, confidential. If so, you'll need to attach reasons and grounds under the Official Information Act 1982 for consideration.

No, I do not wish my submission to be kept confidential

Please provide grounds below