

Your name

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Your organisation

OMV

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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"?

In addition to those technologies identified in the consultation document (hydrogen and biofuels), Carbon Dioxide is covered by the Act's definition of Gas. CO₂ is relevant for the development of the emergent technology of Carbon Capture and Storage.

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

OMV's involvement in, and assessment of the application of the emergent technologies outlined in the consultation document are at an early stage in New Zealand. As yet, OMV has not made an assessment of these technologies against the requirements of the Act. Further consideration of the Act will be needed in the future, once the potential role of the different emerging technologies in NZ is clearer.

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

See answer to question two.

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)?

See answer to question two. If the submission process does identify any desirable changes to the Act, we consider it important that those changes do not jeopardise the existing functions of the Act as they pertain to the use of natural gas.

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

See answer to question two.

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

See answer to question two.

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?

The information currently available to OMV in relation to price and/or availability of gas supply is generally sufficient. However, OMV is alive to the concerns expressed by some market participants and the Minister following the Pohokura outages of 2018. We consider that a clear, broadly understood and consistently applied disclosure regime for planned and unplanned production outages would increase confidence in the gas market.

We do not believe that a problem has been identified that would warrant disclosure beyond planned and unplanned outage information.

Further, we note that much information is submitted to MBIE in March of each year by upstream operators, including production forecasts. Historically there has been a significant delay (months) between the submission date and the publishing of the data. In relation to some of the information provided, the usefulness of the information decreases over time. We therefore consider that an improvement in the quality of the information available to the industry could be made by simply reducing the elapsed time between the submission and publishing of data (to a few weeks).

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.

While OMV is optimistic that an industry led solution will be developed to improve disclosure in relation to gas supply outages, it is important that the GIC has the ability to propose regulation to the minister should that become necessary. The normal controls should apply to the use of such regulation/rule making powers e.g. consultation, cost benefit analysis, regulation as a backstop. As noted above, OMV does not see any basis for information disclosure beyond planned and unplanned outage information.

Significant quantities of gas industry information is already supplied and/or made public to MBIE under the provisions of the CMA. In order to limit compliance costs and avoid duplication of efforts, the regulation/rule making powers should not cover the provision of information that is already collected by MBIE.

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

OMV does not have particular concerns in relation to the current penalties regime.

If changes are proposed to the structure or level of penalties, we will assess and feedback our views on the merits of the proposed changes as part of any subsequent consultation process.

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

See answer to question 10.

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?

See answer to question 10.

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?

See answer to question 10.

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?

See answer to question 10.

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

See answer to question 10.

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?

See answer to question 10.

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?

See answer to question 10.

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?

No

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