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TRUSTPOWER SUBMISSION: GAS INDUSTRY CO ROLE IN GTAC CODE CHANGES

1 Introduction and overview

- 1.1.1 Trustpower Limited (**Trustpower**) welcomes the opportunity to provide a submission to the Gas Industry Company (**GIC**) on its *Gas Industry Co role in GTAC code changes* consultation paper (**the Consultation Paper**).
- 1.1.2 Gas Transmission Access Code (**GTAC**) s17 sets out the four methods through which changes to the GTAC can be made.
- 1.1.3 The GIC's Consultation Paper describes the GIC's role in relation to the full change request process, outlined in GTAC s17.3 – 17.4.¹ The focus of the Consultation Paper and this submission relates to the full change request process.

2 Trustpower's view

- 2.1.1 We are generally supportive of the GIC's proposed approach for performing a GTAC Change Request role.
- 2.1.2 We provided feedback to the GIC in 2017 regarding the Change Request process, and this submission continues to reflect those views which are still relevant.
- 2.1.3 In particular our submission:
 - a) reiterates the importance of ensuring that decisions to change the GTAC are made by independent members of the GIC Board; and
 - b) suggests that the GIC and change proponents should consider using industry workshops and/or working groups as they can help in ensuring "best solutions" are put forward in code changes.
- 2.1.4 We address these matters in the remainder of this submission.

2.2 Important that decisions are made by independent directors

- 2.2.1 As we noted in 2017, Trustpower continues to have some reservations as to whether the GIC Board's current composition can work to provide independent decisions in practice.
- 2.2.2 While we are supportive of the GIC's intent that only those independent directors of the GIC will make decisions with respect to Rule Change Request, we are uncertain how the GIC Board will

¹ Gas Transmission Access Code, October 2018.

ensure that independent decision making is achieved in effect, given that the GIC Board also consists of a number of non-independent members.

2.2.3 We suggest that to provide greater comfort that independent decisions around GTAC code changes are made in practice, the GIC should provide further details around how it will ensure that:

- a) only independent directors are involved in any decision making around change requests; and
- b) those independent directors are not influenced (directly or indirectly) by directors who are associated with Interested Parties (that is those parties who have a contractual relationship with the Transmission Service Provider).

2.3 Valuable to have working groups and workshops

2.3.1 We note that the stakeholder interaction in the code change process appear to be largely limited to written submissions and cross-submissions.

2.3.2 While there is merit in following this traditional approach, working groups and workshops play an important role in ensuring that “best solutions” are put forward in code changes.

2.3.3 As we explained in our 2017 submission:

“...working groups and workshops provide an opportunity for:

- a) The change proponent to explain its views and proposed approach;*
- b) Stakeholders to understand the interests and perspectives (including areas of common ground as well as differences) of others;*
- c) Stakeholders to explore the operational complexities of the matters being considered and identify appropriate solutions (if any) to identified issues; and*
- d) Stakeholders to evolve their views in response to group interaction.²*

2.3.4 Trustpower believes industry workshops and working groups are useful at any stage of a consultation process and encourages the GIC and change proponents to consider the use of working groups and/or workshops both:

- a) prior to initiating the code change process, including when seeking to identify potential solutions to an identified issue³, and
- b) throughout the various stages of the code process (as appropriate)

as a way to ensuring best outcomes are achieved for all parties to the GTAC.

2.3.5 In change requests that are expected to have a complex or detailed consultation process we suggest that it would be valuable for the GIC to recognise within in its final paper that working groups and/or workshops can have a role in the code change process.

2.3.6 For any questions relating to the material in this submission, please contact me directly on 027 549 9330.



Fiona Wiseman
Senior Advisor, Strategy and Regulation

² Trustpower submission: report on how GIC would perform a GTAC change request role, 22 September 2017.

³ We note this would likely be more relevant for change proponents but suggest that the GIC may be able to assist in facilitating a broader discussion with relevant stakeholders.