

GAS NEW ZEALAND

Representing New Zealand's Gas Industry

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Welcome to Gasline, a joint publication of the LPG Association of NZ and the Gas Association of NZ.

Gas New Zealand will be published regularly as part of the industry's efforts to encourage the direct use of natural gas and LPG into households and small businesses.

Using natural gas and LPG as a direct energy source offers numerous cost, environmental and energy efficiency benefits, and Gas New Zealand hopes to educate consumers and policy makers about the many advantages of making wider use of this strategic energy asset.

PCE'S REPORT FINDS FAULT WITH SOLAR WATER HEATING IN THE HOME

The Parliamentary Commissioner for the Environment has released an unfavourable report on the environmental merits of solar water heaters, which could create opportunities for gas in home water heating.

The report, titled 'Evaluating solar heating: sun, renewable energy and climate change,' published in July 2012, queries the impact of technologies on New Zealand carbon emissions.

Gas New Zealand spokesperson, Ray Ferner, says the report concludes that solar water heating is not the most environmentally-friendly heating option.

"The report found that solar water heaters do little to reduce the need to build peak generation, as the highest demand for power is during a time of the year when solar returns are the lowest," he says.

"Reducing peak load power has strong environmental and economic advantages, which makes it a priority for the Commissioner."

Mr Ferner believes these conclusions could be beneficial for promoting gas in the home water heating scene.

"The report states there are more cost effective solutions to heating water, which have a greater impact on reducing carbon emissions. This, of course, provides opportunities to promote gas," he says.

"Gas water heaters offer a strong alternative, being highly efficient, economical to buy and operate, and have no impact on peak power loads."

Mr Ferner says local authorities' support of solar heating could shift as a result of this report.

"The Commissioner also points out that it is important for councils to make wise investments on behalf of their rate payers, as many local authorities support solar hot water systems in their communities.

"This could be an opportunity for gas on a larger scale."

Mr Ferner says this is not the first publication in recent months to promote gas as a key player in the heating world.

"The Commissioner's conclusions support some recent reports from the Gas Industry Company and others, that gas hot water heating is very appropriate in the context of the New Zealand energy scene.

"The systems are economically attractive. They provide good consumer benefits in terms of space, lower running costs, continuous hot water and positive environmental outcomes."

GASFITTING CERTIFICATION TO BE UPDATED

The certification of gas installation work will be updated in 2013, with a view to improving the efficiency and effectiveness of the certification process.

All gasfitting work, including connection to supply, will have to be certified. All exemptions will be removed, including the exemption for LPG installations under 15 kg.

Energy Safety's Operations Manager, Mark Wogan, says the proposed changes will better clarify the roles and accountabilities of all parties involved in the delivery of gas installation work.

He says this will offer improved protection for both tradespeople and consumers.

"All gas installation work will require a Gas Safety Certificate when work is completed, which will be issued after commissioning and connection. This will remove confusion around when certification is required," he says.

"The role of the Certificate of Compliance will continue, while the updated regulations will introduce formal recognition of the role of both Design and Manufacturer's Instructions.

"This will enable the responsibilities, liabilities and accountabilities of all parties that influence the safety of completed work to be identified."

Mr Wogan says another change will be the introduction of an Electricity and Gas High Risk Register.

"The Register will be managed by the Ministry of Business, Innovation and Employment, and certifying gasfitters will be responsible for recording specific details of high risk gasfitting work on the Register.

"The Register will be made publicly available and easily accessible."

Mr Wogan says the changes will give gasfitters more flexibility in their business practices.

"Where gasfitters have previously had to fill out a prescribed certificate, they will now be able to design their own certificates. But they will have another option of using certificates produced by industry organisations if they so wish," he says.

"Gasfitters will also now have the flexibility to legally send Gas Safety Certificates by email and save them online, but they will still have the option of paper-based certification if that is their preference."

Changes to gasfitting certification are proposed to come into effect from 1 April 2013.

For more information on the update of gasfitting certification, please visit www.energyandsafety.govt.nz.

Survey shows LPGA performing well

The LPG Association has rated well in a stakeholder survey designed to assess its effectiveness as a sector communicator and industry advocate.

The survey canvassed relevant government officials and regulators, and members of other industry organisations with which the LPGA has a relationship.

LPGA Executive Director, Peter Gilbert, said the survey indicated the Association was doing its job effectively.

"There's always room for improvement but overall we're reasonably pleased with the responses we received.

"They show we're engaging with the people and organisations we need to and that we're having some useful degree of influence on sector issues that affect our members."

A key finding of the survey is that the Association is well known to sector members and keeps them well briefed on issues of concern.

"Our relationship management is working well and that's very pleasing," Mr Gilbert said.

An area for improvement is ensuring the Association's website is used effectively as a source of useful and up to date information.

"We need to put a bit of effort into bringing our 'shop window' and information portal up to date," he acknowledged, "and that's something that will get some extra focus."

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LABOUR ACKNOWLEDGES THE VALUE OF GAS

Labour energy spokesperson, Moana Mackey, has acknowledged the strategic value of direct use of gas in New Zealand's residential and light commercial sectors.

Peter Gilbert, Executive Director of LPGA, represented Gas New Zealand at a recent meeting with Ms Mackey, to brief her on the issues affecting the downstream industry and to discuss opportunities to expand the sector.

"We received a good hearing," says Mr Gilbert.

"Ms Mackey obviously has some views on the value and role of the downstream gas sector and they are reasonably similar to our own."

Mr Gilbert met with Ms Mackey as part of the industry's ongoing efforts to raise the profile of the downstream sector with politicians.

"The residential gas and LPG market is small by comparison with the upstream and electricity sectors and we need to work hard to maintain our profile with officials and influencers," Mr Gilbert said.

He cited the government's Energy Strategy as an example.

"Using gas directly in the residential and light commercial sectors can have a very significant impact on both peak and base load electricity demand.

"More use of reticulated gas and LPG can save New Zealand millions and millions of dollars in new electricity generation capacity and it can offer some very positive environmental advantages.

"Yet the direct use of gas sector is underplayed in the Energy Strategy and that's a positioning we want to change."

Mr Gilbert said Ms Mackey accepted there are good reasons to re-look at how the reticulated gas and LPG sector is used by energy sector policymakers.

LPG BECOMING PREFERRED OPTION IN EUROPE

General Motors' German division, Opel, is favouring LPG-powered cars, mitigating the perception of LPG as appropriate only for large-engine vehicles.

While LPG is often overlooked as a fuel source in America, European companies are becoming more interested in the use of LPG as opposed to gasoline to fuel cars.

AutoLPG Solutions Director, Ruory Fairbrother, says the use of LPG in Europe shows LPG is not just a favoured fuel in Australia and New Zealand.

"LPG is seen as a credible fuel in Europe. The technology is continuing to be developed in line with other advances in internal combustion engine technology, such as direct injection," he says.

"The fact that LPG vehicles are being developed in Europe by original vehicle manufacturers, in addition to those being developed in Australia, highlights that LPG is not just a New Zealand/Australia phenomenon."

Mr Fairbrother says in New Zealand there is a perception that LPG is only worthwhile for vehicles with large engines.

"LPG systems work well on internal combustion engines regardless of engine capacity or vehicle size," he says.

"Most of the LPG applications in Australia and New Zealand have traditionally been in large cars, such as the Falcon and Commodore, and this has created a perception that the systems are only suitable for this size car.

"In Europe, large cars make up a small percentage of the European vehicle fleet. Consequently, LPG systems are developed for the more common smaller cars."

Mr Fairbrother believes LPG for small vehicles is an opportunity for New Zealanders.

"I hope Europe's use of LPG for smaller vehicles will show New Zealanders and Australians that there is an untapped market here.

"Opel is using LPG because it is a much cheaper alternative to gasoline, in small and large-engine vehicles. In New Zealand, LPG for small vehicles is not currently recognised as a viable option."

While Americans tend to favour biodiesel, compressed natural gas (CNG), or electricity, there are 35,000 gas stations across Europe that sell LPG.

GAS NEW ZEALAND FORUM

By now you should have received your invite to the Gas New Zealand forum. If not, please visit www.lpga.org.nz to receive all the details.

We'll look forward to seeing you there!

We are always looking for stories from both the natural gas and LPG worlds, as well as the wider gas community.

If you have any story ideas for Gasline please [email Alex Hema](mailto:email@lpga.org.nz)