

GAS NEW ZEALAND

Representing New Zealand's Gas Industry

smart. clean. efficient.



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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.

BENCHMARKS BRING MAJOR IMPROVEMENTS IN RETAIL GAS CONTRACT ARRANGEMENTS

Gas retailers are improving their supply arrangements with small consumers, according to the Gas Industry Company (GIC)'s latest assessment of retail gas contracts.

The GIC's benchmark scheme shows a substantial improvement in gas retailers' supply arrangements this year.

They were judged to have 'Substantial' alignment with contract benchmarks under the Retail Gas Contracts Oversight Scheme introduced in 2010 by GIC.

This compares to an initial baseline evaluation in 2010 and a transitional assessment last year that rated overall alignment as 'Moderate'.

GIC Co Chief Executive, Steve Bielby, says it's pleasing to see that retailers have embraced the voluntary scheme and have used the benchmarks to update their contract arrangements with consumers.

"We are seeing great progress towards the goal of ensuring contractual arrangements between gas retailers and small consumers protect the long-term interests of those consumers," he says.

"As gas continues to be an attractive energy choice with year-on-year connection growth on distribution networks, it is encouraging to see consumers also receiving competitive supply offerings with clearer terms."

Mr Bielby says while there is currently no retailer with an overall 'Full' alignment rating, it is clear retailers are meeting the 'Full' criteria for many individual benchmarks.

"The overall assessment for each retailer is an average, and the rigorous nature of the assessment sets a very high standard for achieving an overall 'Full' rating," he says.

"The assessment shows the trend to be very much in the right direction."

The main issues identified in the latest assessment relate to disconnection/reconnection, personal information management, the recovery of under-charging, instructions on turning off gas in an emergency, the communication of material changes in the contract terms, service disruption payments, and references to relevant prices or price schedules.

Mr Bielby highlighted that the scheme forms part of a wider story supporting the market proposition for small gas consumers. He says the updated story confirms that gas remains a strong option, including in terms of a strong gas supply for decades to come and in the efficiency and environmental aspects of gas.

To read the benchmark report in full or for more details on the story for small gas consumers, please go to www.qasindustry.co.nz.

RESULTS FROM THE GAS NZ INDUSTRY FORUM SURVEY ARE IN!

The 2012 Gas Industry forum has received a major thumbs up from delegates, according to a post-event survey.

According to LPGA Executive Director, Peter Gilbert, nearly 94% of respondents said they would attend another joint industry forum, which is an outstanding result.

"The survey also told us that 96% of respondents rated the overall forum as either excellent or good," he says.

Mr Gilbert says the information gathered from the survey will be used to improve the industry forum.

"We've received some great feedback to inform next year's forum," he says.

"Respondents gave us some really good ideas for topics we could cover at future industry forums, including more from gas/LPG producers, LPG-specific topics and a more in-depth discussion of technical issues.

"Most respondents were very happy with the quality of presentations and the mixture of papers and topics. People also commented on the value of discussions around the future of the gas industry.

"From data collected in the survey, we have agreed the workshops could be improved for future forums."

Mr Gilbert says feedback on the new registration process was important this year.

"This year we trialed an online registration process for the forum, so we were very interested to hear how people found it.

"Overall ease of use of the registration site, choice of payment options and choosing a networking event were all rated 'good', with many respondents rating these categories as 'excellent'."



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GAS NZ MOVES TO NEXT PHASE

The LPG and Gas Associations have agreed to continue funding for Gas NZ's consumer awareness programme.

The next phase of activities will revolve around how best to leverage the interesting data that has come out of the report entitled [Consumer Energy Options: An evaluation of the different fuels and technologies for providing water, space and process heat](#).

That report shows clearly that gas is an effective option at reducing household power prices and Gas NZ is keen to see that message promulgated widely.

The Consumer Energy Report was prepared for the Gas Industry Company by Concept Consulting Group.

Gas NZ spokesperson, Ray Ferner, says there is still considerable untapped opportunity to push the 'gas is good' message to Kiwi households which have been swamped in recent times by heat pump advertising.

"The data from the GIC report shows we definitely have a great story to tell – it's just a question of getting out there and telling it."

NEW ENERGY STAR RATING FOR GAS HEATERS TO BE INTRODUCED IN 2013

The Energy Efficiency and Conservation Authority (EECA) has launched a new specification for gas heaters, to inform consumers which gas appliances or products are the most energy efficient.



ENERGY STAR for gas heating appliances is being introduced next March. It will help consumers to identify, and industry to promote, energy efficient products, says ENERGY STAR Programme Manager, Chris Forsman.

Only those flued gas heaters with a gas consumption under 150 MJ/h (or 79% efficiency) are eligible for ENERGY STAR.

"The ENERGY STAR mark has nearly 80% brand awareness in New Zealand," Mr Forsman says.

"With consumers increasingly taking energy efficiency into consideration when making purchasing decisions, ENERGY STAR will help to get the best performing products into the market."

He says it is important to encourage people to use energy, especially non-renewable energy like gas, as efficiently as possible.

"This system will act as an independent endorsement for marketing of products. We hope ENERGY STAR will provide enough information for consumers to make informed decisions about the best kind of heating."

For more information on ENERGY STAR, please go to the [EECA website](#).

AUTOGAS THE WAY OF THE FUTURE?

New Zealand and the US could be on the brink of an autogas revival, based on large quantities of natural and gas and LPG being available in both countries.

A recent article by the editor of the World LPG Association's newsletter Autogas Updates, Trevor Morgan, discusses the impact on the US autogas industry of the shale gas production boom.

Mr Morgan says this boom has boosted overall natural gas supplies and helped drive down the price, leading to an increase in the competitiveness – and attractiveness – of autogas in the States.

"This has boosted demand for the fuel and opened up the possibility of using it on a much larger scale as a transport fuel."

New Zealand's AutoLPG Solutions director, Ruory Fairbrother, says a report recently commissioned by the Gas Industry Company (GIC) provides a New Zealand perspective to Mr Morgan's comments.

"GIC's Supply and Demand Scenarios 2012-2027 indicates a positive gas – and therefore LPG – supply picture for New Zealand, similar to the US shale gas situation discussed by Trevor Morgan," he says.

"Unlike Trevor's article, there is no compressed natural gas competition in New Zealand. This means auto LPG a very clear advantage against petrol."

The GIC report forecasts New Zealand to be self-sufficient in gas and LPG for the next 15 years.

"If New Zealand is self-sufficient in LPG, LPG prices here are less likely to be linked to international LPG prices.

"Now is a good time for the industry and appropriate consumers to invest in AutoLPG."

To read Trevor Morgan's full editorial [please click here](#).

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](#)

Gas New Zealand is published monthly by The PR Company for the LPG Association and Gas Association of New Zealand.

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