

The Beauty of Gas

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Welcome to Gasline, which is produced by Gas New Zealand.

Gasline is 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. Gas New Zealand hopes to educate consumers and policy makers about the many advantages of making wider use of this strategic use of this energy asset.

Energy Minister optimistic about gas industry

Energy Minister Simon Bridges says New Zealand has a diverse and resilient supply of gas that continues to be an essential component of our overall energy supply.



Energy Minister, Simon Bridges.

"Development of petroleum resources makes an important contribution to regional and national economic growth and employment, and we have worked hard to attract international investment and build our collective understanding of New Zealand's reserves. Spending on exploration and development-related activities in New Zealand over the past two years totalled nearly \$3 billion," says Mr Bridges.

"We have seen that exploration activity has enhanced the future of existing gas fields with an increase in gas reserves. There was a 31 percent increase in gas reserves in 2013, compared with 2012. Gas reserves now stand at 2,642 PJ, representing approximately 15 years of demand at 2013 levels. This is the highest level since 2001."

Mr Bridges says gas markets have shown flexibility in responding to changing demand patterns.

"Decline in the need for natural gas in baseload electricity generation has been picked up by increased demand for non-energy use, particularly through high production levels of methanol.

"The world is transitioning towards a low-carbon future and New Zealand has unique challenges and opportunities in its energy sector to join this transition. I believe New Zealand is well positioned to benefit from changing technology that will both increase energy productivity and reduce emissions.

"I note that the International Energy Agency predicts natural gas demand will continue its expansion as the fastest growing fossil fuel. Petroleum exploration activity in New Zealand presents exciting challenges if new commercially sized gas or oil wells are discovered outside of Taranaki. It presents a range of opportunities for investors and operators.

"Today there are nine gas retailers competing for customers with the prospect of more new entrants. Better gas offerings from energy retailers give consumers choice over which combination of energy sources best meets their needs.

"I am optimistic that the gas industry will respond well to these challenges," Mr Bridges says.

This year's Forum a great success

This year's Gas Industry Forum, held in November in Queenstown, was excellent and a real success, according to LPGA Executive Director, Peter Gilbert.

"There has been very positive feedback and our attendance was well up on last year," he said.

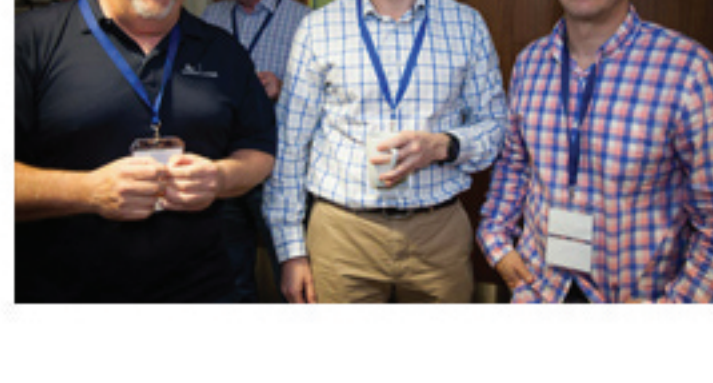
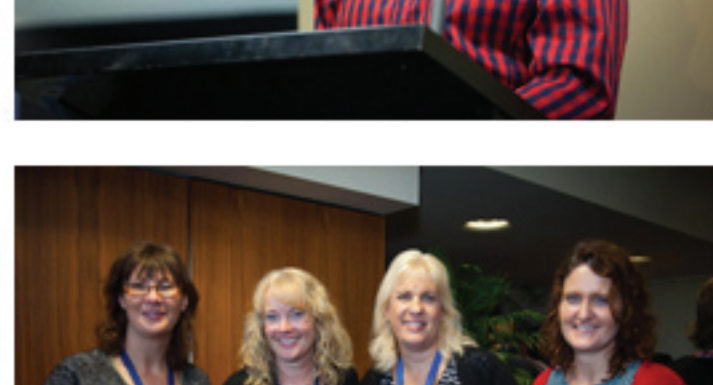
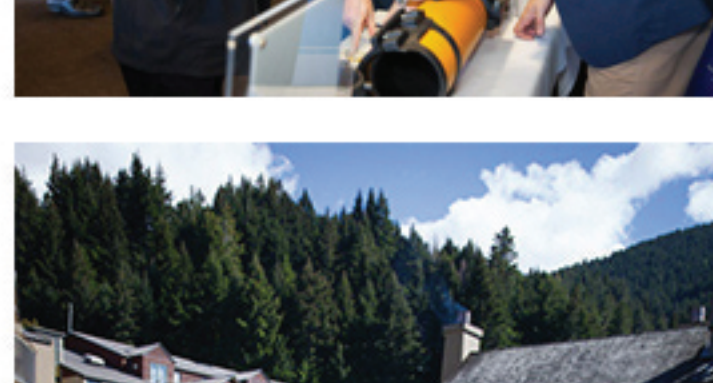
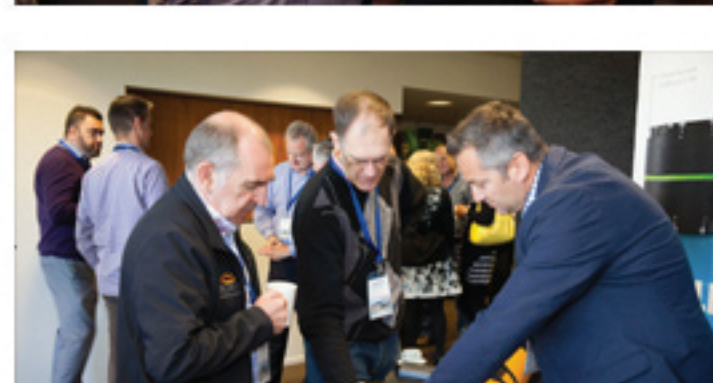
"The venue for the Forum was excellent and a very popular choice. The feeling amongst attendees about the current state of the gas industry was also very positive."

Results from the survey of attendees shows the Forum was rated 'excellent' by nearly 50 percent of participants with 46 percent rating it 'good'.

The quality of the presentations received high marks and nearly all attendees indicated they intended to download one or more presentations after the event. The networking events featured well, rating 'excellent' by 64 percent of participants.

Over 90 percent of attendees this year have said they'll definitely be back for next year's event which, at this stage, will be held in either Rotorua or Taupo.

Pictures taken at the 2014 Gas Industry Forum.

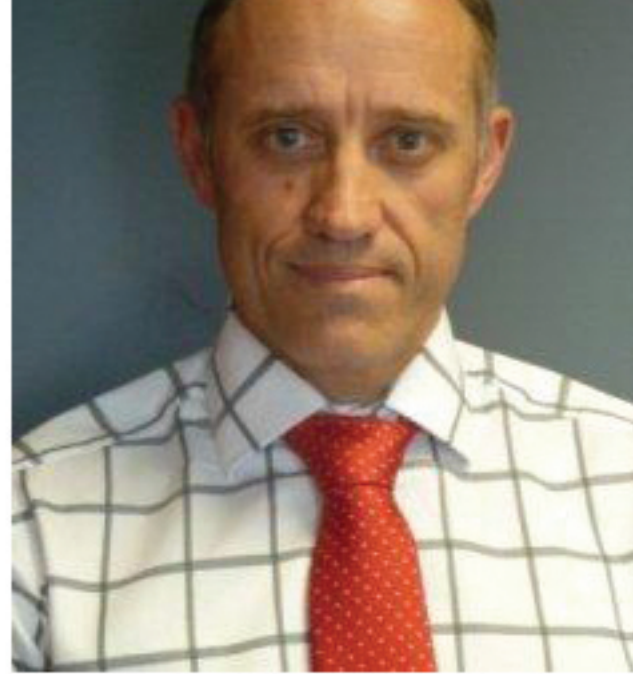


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WorkSafe New Zealand – priorities for 2014-15

WorkSafe NZ High Hazards and Specialist Services General Manager Brett Murray outlined the organisation's Statement of Intent for the next year at the NZ Gas Industry Forum in Queenstown this month.



WorkSafe New Zealand High Hazards and Specialist Services General Manager, Brett Murray.

Mr Murray was one of the main key note presenters at the forum.

He said WorkSafe's aspirations are to move the focus from hazard to risk, and from being reactive to proactive.

He said the 2014-15 priorities include targeting risk, working collaboratively with others for maximum effect, rebuilding Canterbury safely, implementing a clearer regulatory regime and strengthening the organisation to build a high performance agency.

He told the conference that New Zealand has recently appointed a team of Major Hazard Facilities Inspectors which cover a wide range of skills including process engineering, auditing, land use planning, and health and safety regulation.

Mr Murray said the team may grow after the regulations commence.

"The current pre-regulation programme is to engage with industry to assist them in compliance with the proposed regulations."

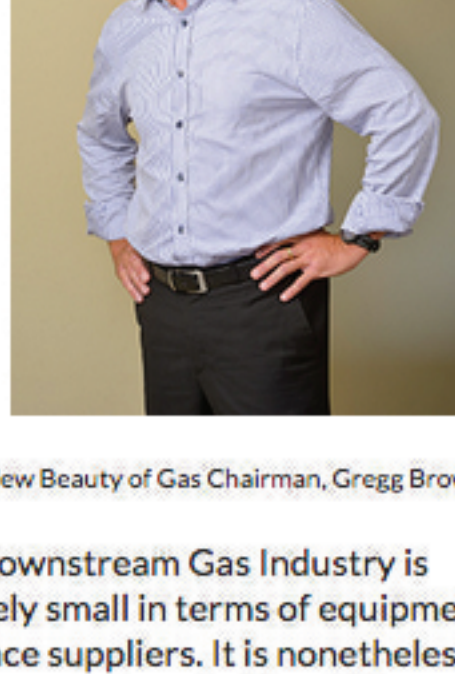
Mr Murray said as far as Energy Safety goes, it is broadly business as usual.

However, he said, Energy Safety now has broader health and safety agency drivers and awareness, access to a wider WorkSafe team, membership in an outcome and partnership focused organisation, and clear synergies and fit within WorkSafe NZ.

Mr Murray told the forum that WorkSafe will engage with and educate industry, and that resources will be needed by MHF operators to have the required focus on process safety.

New Beauty of Gas Chairman

The Beauty of Gas has a new Chairman – Gregg Brown, the Managing Director of Aber. Mr Brown is replacing Rinnai's Ray Ferner.



New Beauty of Gas Chairman, Gregg Brown.

"The Downstream Gas Industry is relatively small in terms of equipment and appliance suppliers. It is nonetheless a very visible segment, and with a high number of consumer interfaces. The workload to represent the best interests of the industry falls upon a few shoulders," says Mr Brown.

"Over the past few years, we have contributed as a gas equipment representative. In more recent months our business, Aber, has changed and our product range is more concentrated on gas products, in particular home heating and water heating.

"Ray Ferner has carried the workload in the development of the Beauty of Gas, and it is timely for ourselves to carry some of the workload over the next couple of years, and implement a rotational Chairperson policy for the Beauty of Gas."

Mr Brown says he hopes the role will be rotated every one to two years, both to share the workload and bring in a fresh perspective.

"I will continue to build on the established platform with the current website and information programme. Initially, we will work with the funds that have been allocated and will focus primarily on promoting the Beauty of Gas via digital marketing so that if consumers are searching for options as to how and why they should use gas, they find the Beauty of Gas site easily and we have the right content to encourage people to install gas over other fuel options.

"With continuous flow water heaters we are seeing good growth, particularly with increasing new home builds in both Christchurch and Auckland. With regard to home heating, where gas should naturally be a preferred option in terms of both heat output and convenience, we have struggled to compete and we have a lot of work to do so that gas appliances get a better share of this particular segment.

"Hopefully we can build the Beauty of Gas to better promote both our fuel and our appliances."

Mr Brown says Aber has been a member of the LPGA since the early 1980's and he himself has been on the Executive for over 12 years. He has recently served time as the Chairperson of the GES and as a Director of GANZ.

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Standards AG001 progressing well

The joint Australian and New Zealand Standards Committee AG001 has made good progress and is scheduled to meet again in early December, according to John Swarbrick, Technical and Compliance Manager for Rinnai.



Rinnai New Zealand Technical and Compliance Manager, John Swarbrick.

"The Standards are progressing well towards finalisation and completion. The initial public comment phase has now closed," said Mr Swarbrick.

"New Zealand has put forward a good contingent of representatives on the Standards Committee. Three of us attended the last working group meeting in Melbourne."

Mr Swarbrick said the New Zealand only parts of the standards will be put into a New Zealand specific appendix.

"We decided to place all of the NZ requirements into an appendix as this was more straightforward during the standards drafting process.

"This will allow appliances that are only sold in New Zealand to gain certification for a specific NZ only requirement."

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 Daniel