



Media Release

Gas Transition Plan will provide clarity on future demand for renewable gas

Wellington, 31 May 2022 – The Commerce Commission has acknowledged that gas pipelines could be repurposed to carry other gases, while announcing price increases that gas line companies will be able to charge for piped gas connections.

GasNZ Chief Executive, Janet Carson, says the Gas Transition Plan - a key action in the Government's recently released Emissions Reduction Plan - will provide New Zealanders with more certainty and clarity around expected timeframes for the transition. This clarity will undoubtedly influence predictions about future gas demand, with prices that lines companies can charge expected to be readjusted accordingly.

Carson says the industry is confident in a future for renewable gas and this optimism was supported in the released Emissions Reduction Plan reiterating Government's commitment to a gas transition that includes potential for renewable gases.

"We agree that demand for conventional gases will, and must, decline. We also support the shift to low carbon gases; what we don't know yet is the precise makeup of the future renewable energy mix of Aotearoa, and we need to keep all doors open on what the future gases might be.

"It is getting harder to anticipate the future, our focus is to ensure we can adapt to the future rather than predict it, so New Zealanders that rely on gas can continue to rely on it for generations to come.

"Gas is a fuel in transition and I expect that the gas demand outlook will change as more New Zealanders become aware of renewable gases," she says.

Pipeline infrastructure may need to be developed to take certain future gases, for example green hydrogen gas, whereas other renewable gas options, like renewable natural gas made from manure, or organic landfill waste renewable gases, are unlikely to require infrastructure change.

Carson says regardless of the options, a renewable gas future is achievable and to be achievable it must be affordable.

"Gas energy is here to stay, but it will be changing. What isn't changing is the value and benefits New Zealanders get living in a home energised by gas," she says.

"New Zealanders who are connected to gas now - or are thinking about connecting - can be sure that natural gas and LPG will keep flowing as we make the shift to renewable gases. The cost of powering homes with gas is expected to remain competitive with electricity, despite the changing environment".

About Gas NZ

GasNZ represents both the LPG Association and Gas Associations of New Zealand. GasNZ is committed to a net-zero carbon future. Its vision is that renewable gases (including bio-LPG, biogas, and hydrogen gas) are a material part of the energy system in Aotearoa.

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