

# WELCOME TO THE GASLINE NEWSLETTER

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### CANCELLED MARCH GAS FORUM

Due to the COVID Protection Framework being at Red, we are taking the prudent step of cancelling the Forum scheduled for 9-10 March. **We ask that you hold tight for a new Gas Forum event later this year. Potentially to be held 27-28 October**, we will post details when confirmed. Thanks so much for your patience and understanding.

Ngā mihi nui  
Janet Carson  
Chief Executive  
LPGA / GANZ

### DECARBONISING LPG

The LPGA released new research this month outlining how New Zealand could transition to renewable LPG alternatives by 2035. Prepared for the LPGA by Worley, the report found that renewable dimethyl ether (rDME) is a clear option for decarbonising LPG in New Zealand, by way of second generation rDME, utilising waste.

DME is a methanol derivative, which can be used directly as a liquid fuel or blended with LPG as an LPG substitute. Renewable DME has the same use but is made from renewable feedstock such as dairy manure. Vice President of the LPGA, Albert de Geest, says "The report signposts where we need to be putting our effort as a sector, to get cleaner, quickest.

"The conversion technologies for second generation rDME, use waste such as dairy manure, broken down through anaerobic digestion, and producing biogas, to be further processed into rDME and rLPG, provides a viable pathway for New Zealand. "With several rDME plants emerging globally we have examples to learn from and adapt to our environment, and it is this pathway that is most feasible in New Zealand in the short term."

The first report (released in March 2021) looked at the overall approach to decarbonising the New Zealand LPG sector. See [here](#) for the media release and links to the reports.

### MAJOR HAZARD FACILITIES FEES - FUTURE LEVIES AND SURPLUS

Worksafe has opened consultation this week seeking feedback on options for resetting the safety case fees and annual levies charged to major hazard facilities operators

The consultation explores a range of options for re-setting the major hazard facilities fees and levies to better reflect the on-going costs, as some are set too low and some are set too high based on future costs. The fees and levies were set in 2016 based on the best estimate at the time of the expected costs of regulatory activities. They now have data on the actual costs, which inform the consultation.

**Submissions are due: 8 March 2022, 5pm.** MBIE has been in contact with major hazard facility operators regarding the consultation. The LPGA also intends to make an industry submission.

Further information is available [here](#).

### TRAINING MATERIAL

The LPGA has prepared two new training resources: [The Best practice guide for Safe Handling of LPG](#) and [On-site charging of LPG Cylinders](#). The LPGA technical advisory group says the safe handling guide usefully defines what 'handling' is, which previously has caused issues with Compliance Certifiers requiring training for those that do not 'handle' LPG. The guide covers:

- Legal requirements
- Regulatory requirements for workers and the PCBU
- Required records for compliance
- Properties and hazards of LPG
- Actions in case of an emergency
- Safe handling of LPG and LPG equipment

The on-site charging guide was developed to address a gap in the training system after the HSWA HS Regulations were introduced and the current cylinder filling training system was limited to cylinders no larger than 100L capacity. This meant that the system and certification could not be used for cylinders larger than 100L (45kg).

The new training system provides a route for the LPG Industry Compliance Certifiers, approved for training and certifying cylinder fillers for up to 100L cylinders, to obtain approval by WorkSafe to certify cylinders over this capacity.

### PROGRESS ON DUNEDIN COUNCIL APPEAL FOR LPG CONSENTS

Back in 2018 the LPGA appealed the controls on LPG storage and use in the proposed Dunedin Second Generation District Plan. The proposal required additional consents for LPG in the Dunedin region.

In December 2021 we got good news. The Dunedin City Council proposes to accept our position, specifically, that up to a maximum of 10,000KG there was "...no need for the district plan to control LPG storage and use, as that job is done effectively by the HSNO / HSWA regulations".

This recommendation may yet be disputed by parties, however the council's recommendation is very encouraging and we will advise final plan when it's confirmed.

### BETTER GAS SERVICES AND FEWER OUTAGES SAYS COMMISSION

New Zealand's gas pipeline businesses are delivering better services despite a decline in profits per customer, says the Commerce Commission. The four local gas pipeline businesses, are GANZ members – Vector, Powerco, First Gas and GasNet. In its report, [Trends in gas pipeline business performance](#), the Commerce Commission found that profits per customer declined for regulated gas pipeline businesses over the seven years to 2020 - the average profit per customer for local gas pipeline businesses was \$111 in 2020, \$79 less than the average profit per customer in 2014.

The regulatory settings are designed to prevent gas pipeline businesses from using their monopoly power to extract excessive profits. At the same time, the settings provide incentives for businesses to invest in maintaining and improving their networks to ensure reliable gas supply.

Significantly the number of emergencies experienced by customers and the number of complaints made by customers has also decreased significantly.

### ENTRIES DUE - ENERGY EXCELLENCE AWARDS

Entries are due by **9 March 2022** for the New Zealand Energy Excellence Awards. Showcasing the critical work being done to ensure reliable, affordable and sustainable energy supply, the awards are a chance to recognise excellence in the energy sector in a range of areas, including projects, products, policies, and people. Keep in mind that your "business as usual" might actually be best-in-class!

