

6 November 2025

Energy Markets Group  
Ministry of Business, Innovation and Employment

Attention: [gasconsultation@mbie.govt.nz](mailto:gasconsultation@mbie.govt.nz)

## Subject: Improving the transparency of the gas market

The Gaseous Biofuels Interest Group of the Bioenergy Association is pleased to provide feedback on the Ministry of Business, Innovation and Employment proposals on additional information which they plan to request, and in some cases publish, to improve the transparency of the gas market.

The submission is provided by:

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The Association is happy for this submission to be made publicly available. The submission does not include confidential information

The Gaseous Biofuels Interest Group includes most of the biogas market participants; gas producers, gas retailers, gas distributors, consultants, equipment suppliers, academics, regulators and researchers. As members of the Bioenergy Association they have agreed to work together to ensure an efficient gaseous biofuels market, advocate for supportive policies, establish best practice guides, disseminate information and to jointly promote gaseous biofuels within the energy market.

### Summary of key points raised in our submission:

- Renewable gases are already part of NZ's gas market but excluded from data collection
- This data gap prevents efficient investment decisions and market development
- Including renewable gas data is essential for achieving MBIE's stated objectives
- The benefits far outweigh the compliance costs

### Improving the transparency of the gas market

1. MBIE and GIC currently publish a range of gas information but there are issues with this:
  - a. MBIE's information has gaps and is often published with a lag.
  - b. GIC's data (while more timely) does not include private pipelines. This creates gaps.

Do you agree with the issues outlined above? Please explain why or why not.

Yes       Yes, with changes       No       Not sure/No preference

Please explain your views.

1. The scope of gas data collected by both MBIE and GIC is focused on fossil gases and does not include for renewable gases such as biogas and biomethane. The gas market today includes both fossil and renewable gases so that data collected should reflect that.
  2. There is currently close to 5PJ of biogas being produced in New Zealand, mostly at landfills, wastewater treatment plants and commercial digestion facilities. These productions are not being tracked.
  3. It is understood that the data collected on renewable gases is not actual measured data but derived from the electricity produced. As a consequence renewable gas which is flared, or used directly to produce heat, is not included in the published data.
  4. Biogas produced on-site from say food processing residues, and used as an on-site energy source, avoids the need to purchase natural gas from the market. It is expected that over the next decade that the quantity of on-site produced and consumed renewable gas will become significant, and must be included within overall data available to the market.
  5. Over the next two decades it is expected that significant quantities of renewable gas will be produced and a high percentage will be traded as biomethane.
  6. The renewable gas may be produced from landfill, anaerobic digestion facilities, and waste water treatment facilities. The owners of these facilities require sound gas market information so that they can make appropriate investment decisions.
  7. Purchasers of gas require sound market information so that where possible they can locate their manufacturing operations close to where gas is readily available.
  8. Producers of organic material which could be recycled to produce biogas need to know the possible location of such recycling facilities so that they can minimize transport costs.
2. Is a lack of information or out-of-date information impacting your ability to make informed decisions about gas use? Please provide examples.

Yes    Yes, in part    No    Not sure

Please explain your views.

1. Potential investors in new biogas production facilities require sound gas market information as investment is ideally located close to existing gas users and close to sources of feedstocks.
2. The growth of the renewable gas market is being partly constrained because of the lack of gas market information. In particular investments in biogas production facilities are ideally located as alliances of a number of parties. Identification of gas market participants will assist the establishment of these alliances.

3. We want to achieve three objectives with this work:

- a. Enable businesses to make efficient decisions
- b. Create a more level playing field for businesses
- c. Enable government to better monitor the gas market

Do you agree with the objectives we have proposed for these changes? Please explain why or why not.

I agree    I agree, with changes    I disagree    Not sure

Please explain your views.

1. The expansion of the existing gas market to include for renewable gases has resulted in a large number of new entrants to the gas market. Many of these new entrants lack

knowledge and experience and as a result we are likely to have mistakes made and inefficiencies that could be avoided if we have an inclusive gas market.

2. At present with extremely poor data on how much renewable gas is already being produced, by who, and for what purpose the renewable gases are not accepted as part of the gas market. To have an inclusive market we need to start with the measured and published data. If we don't know where we are it is very difficult to plan to be somewhere different.

## Information we propose to seek from gas producers (page 6 onwards)

4. Do you agree that the information we propose to request will help improve gas market transparency? If not, why not?

I agree     I agree, with changes     I disagree     Not sure

Please explain your views.

The Bioenergy Association agrees with the general principles outlined but suggests that there is a third category, which is the gas producer who uses the gas themselves and does not trade it. This information is important for gas modelling as the alternative for the gas user is to purchase gas from the market. Over time it is expected that self production of biogas from own feedstocks could be a significant part of the market, particularly in areas where the gas distribution network doesn't go.

5. Is there any other information we should request that would help improve gas market transparency?

**No**

6. If your organisation would use the information outlined in the Proposals Paper, are there any proposals that would be of particular value to your organisation? If so, which ones and why? For instance, would contextual information about reserves and forecasts be useful?

The renewable gas information is critical for expansion of the sector. This needs to include:

- volumes
- location data
- source/feedstock

7. Do you agree with the items that we do not propose to request?

I agree     I agree, with changes     I disagree     Not sure

Please explain your views.

**No comment**

8. Do you agree with our decisions on which information to publish and which not to publish? If not, which information should we, or should we not, publish?

I agree     I agree, with changes     I disagree     Not sure

Please explain your views.

We need to publish all but confidential information. Where possible confidential information which can be aggregated so as not being identifiable should be published..

9. What are the challenges and costs of providing the additional information we propose to request? You may respond to as many items as you wish.

Yes, there are challenges and/or costs  No, there are no challenges and/or costs

Not sure

Please explain your views.

While there are costs from measuring and reporting the expected benefits to participants will be much greater.

10. What are the risks (if any) if we publish the additional information from gas producers?

[insert response here] Any risks are outweighed by the benefits gained from the additional information (supporting growing investment into renewable gas).

11. Any other comments not covered by the questions above?

[insert response here] None.

## Information we propose to seek from the wider gas sector (page 9 onwards)

[Also covered in the answers above]

12. Do you agree that the information we propose to request will help improve gas market transparency? If not, why not?

I agree  I agree, with changes  I disagree  Not sure

The Bioenergy Association agrees with requesting information from the wider gas sector. As noted in our response to Question 4, complete gas market transparency requires information from all participants including distributors, retailers, and storage providers. This is particularly important for renewable gases, where the supply chain may differ from traditional fossil gas infrastructure. Information from the wider gas sector will help identify opportunities for renewable gas integration into existing infrastructure and highlight where new infrastructure investments may be needed.

13. Is there any other information we should request that would help improve gas market transparency?

The Bioenergy Association recommends that all information requests to the wider gas sector should explicitly include renewable gases (biogas, biomethane, green hydrogen) alongside fossil gases. Participants should be required to separately identify renewable gas volumes where applicable, particularly for:

- Gas distribution networks (volumes of renewable gas transported)
- Gas retailers (renewable gas sales)
- Storage facilities (renewable gas storage capacity and utilization)

14. If your organisation would use the information above, are there any proposals that would be of particular value to your organisation? Why is that?

Information from gas distributors and retailers regarding renewable gas handling capacity and current renewable gas flows would be particularly valuable. This information would:

1. Help biogas producers identify which parts of the distribution network are ready to accept renewable gas

2. Assist potential investors in understanding where infrastructure upgrades may be needed
3. Enable organic waste producers to identify the most efficient locations for biogas production facilities based on proximity to both feedstock sources and gas distribution infrastructure
4. Support the formation of strategic alliances between feedstock suppliers, biogas producers, and gas distributors

15. Do you agree with our proposal to not request contract information for stored gas?

I agree     I agree, with changes     I disagree     Not sure

The Bioenergy Association has no strong view on this question as stored gas contracts are not currently a significant factor in the renewable gas market. However, as the renewable gas sector matures, seasonal storage of biomethane may become important. We suggest this decision be reviewed in future years as the market develops.

16. Do you agree with our proposal to publish all of the requested information? If not, which information should we not publish?

I agree     I agree, with changes     I disagree     Not sure

As stated in our response to Question 8, we support publishing all non-confidential information. Where commercially sensitive information exists, it should be aggregated to protect individual participants while still providing valuable market intelligence. This principle applies equally to information from the wider gas sector. Transparency is essential for efficient market development, particularly for the emerging renewable gas sector where information gaps currently hinder investment decisions.

17. What are the challenges and costs to provide the information we propose to request? You may respond to as many items as you wish.

As noted in our response to Question 9, there will be measurement and reporting costs for all gas sector participants. For renewable gas specifically, some participants may need to install additional metering equipment to separately track renewable gas volumes. However, these costs are modest compared to the benefits of improved market transparency. Clear, comprehensive gas market data will drive more efficient investment decisions across the entire sector, reducing the risk of stranded assets and suboptimal infrastructure development. The renewable gas sector in particular will benefit significantly from this transparency as it seeks to scale up over the coming decade.

18. What are the risks (if any) if we publish the additional information from the wider gas sector?

The primary risk is the potential disclosure of commercially sensitive information. This can be effectively managed through:

1. Aggregating data where necessary to protect individual participants
2. Setting appropriate thresholds for data publication (e.g., only publish if minimum number of participants in a category)
3. Time delays for publication of particularly sensitive data

For the renewable gas sector, the benefits of transparency significantly outweigh these risks. The sector is at an early stage of development and requires market visibility to attract investment. Any perceived competitive disadvantage from transparency is far outweighed by the market development benefits that will accrue to all participants.

19. If you are a renewable gas producer, what would be the costs and implications of having to report on your production volumes?

Many renewable gas producers already measure production volumes for operational purposes (particularly those generating electricity). The incremental cost of reporting this data to MBIE would be minimal.

For producers who currently use gas directly on-site without measurement, installing flow meters would involve modest capital costs (typically \$5,000-\$20,000 depending on scale) and minimal ongoing operational costs.

These costs are justified because:

1. Accurate production data benefits individual producers by enabling better operational optimization
2. Market-wide visibility will help attract investment to the sector
3. Comprehensive data will support policy development that benefits renewable gas producers
4. Demonstrating the scale of renewable gas production will help establish the sector's credibility and importance within New Zealand's energy transition

20. Any other comments not covered by the questions above?

1. The Bioenergy Association strongly emphasizes that **renewable gases must be integrated into the gas market transparency framework from the outset**, not added as an afterthought.
2. The renewable gas sector is at a critical growth phase. New Zealand has significant biogas potential from landfills, wastewater treatment, agricultural residues, and food processing waste. Over the next two decades, renewable gas production could become a significant component of New Zealand's gas market.
3. If the transparency framework excludes or inadequately captures renewable gas data, it will:
  - Understate the true size and potential of New Zealand's gas resources
  - Create an incomplete picture that disadvantages renewable gas investment
  - Perpetuate the misconception that "gas" means only fossil gas
  - Hinder the efficient development of integrated gas infrastructure
4. We urge MBIE to design all data collection, reporting, and publication systems to include renewable gases on an equal footing with fossil gases from day one. This requires clear definitions, appropriate categories in reporting templates, and explicit instructions to all participants that renewable gases must be included in their responses.
5. Data collection must be from all renewable gas producers, including those whose biogas is behind the meter, as it is critical for market development that behind the meter biogas is known as it avoids the need to purchase natural gas.



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