



7 November 2025

MBIE Resource Policy

To: gasconsultation@mbie.govt.nz

Submission on the Proposal Paper titled ‘Improving the transparency of the gas market’

Todd Energy welcomes the opportunity to provide feedback on the MBIE Proposal Paper titled ‘Improving the transparency of the gas market’ released in October 2025 (the **Paper**).

Todd consents to MBIE uploading this submission to its website. Todd considers that the Privacy Act 2020 should apply so that no personal information should be published by MBIE.

The Schedule contains Todd’s responses to MBIE’s specific questions in the Paper.

Todd does not agree with MBIE’s argument that market participants have insufficient information to make informed decisions. The paper does not provide any findings to support this position. Todd considers that market participants are sufficiently informed from information published by the Government and from external sources (for example, Enerlytica).

Even if MBIE’s position was correct, we consider that almost all the new classes of requested information will not help market participants.

We are concerned that several classes of requested information are too subjective to be mandated or will disclose commercially sensitive information that could be used by a third party to undermine a permit holder’s strategy or commercial position, such that it would impact on incentives to invest and competitive market outcomes.

Todd recommends that MBIE limit its information request to a breakdown of aggregate annual reserves and resources by PRMS-defined maturity sub-classes. This approach would provide meaningful insight into New Zealand’s current and future gas supply through straightforward data analysis, while avoiding disclosure of commercially sensitive project-level information. See our responses to Q4 and Q5 in the Schedule.

The cost to permit holders to acquire MBIE’s proposed information request would be substantial and would not result in any real benefit to any party, in Todd’s opinion. We consider that this is another layer of unnecessary regulation that impedes permit holders from getting on with the business of bringing new gas to market to help New Zealand’s security of supply.

We would be happy to discuss any of the comments in this submission with MBIE.

Todd Energy

Schedule
Todd's responses to MBIE's questions in the Paper

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.

No to both (a) and (b).

(a) Problem definition

Todd generally does not agree with MBIE's definition of the problem as stated on page 4 of the Paper. We do not agree that market participants do not have sufficient information, or are unable to obtain sufficient information, to make informed decisions. Not only is there data from both MBIE and GIC, but there is also a significant amount of independent daily, weekly, monthly, and quarterly data and analysis available from third-party energy analysts, such as Enerlytica.

MBIE has offered no evidence that a perceived lack of published gas information is a primary driver in gas retailers offering shorter contracts and charging higher prices to manage risks from uncertainty about gas availability. We generally disagree with this premise.

(b) Private pipelines

GIC should not have access to or publish volumes transmitted through privately owned pipelines. The main reason for this is that any third-party competitor would gain a competitive advantage from such detailed and targeted information compared to gas shipped through the main transmission lines. Privately owned pipelines commonly go to only one or perhaps two gas purchasers. So, any third-party competitor would be able to easily deduce how much gas and how regularly that purchaser takes gas, and would be able to prejudice the commercial position of the gas provider that has invested in the construction, upgrade, and operation of that private pipeline.

We are also concerned that the release of such information about private pipelines is actually a first step towards the Government requiring the owners of private pipelines to make those pipelines available to third-party competitors. We are aware of at least one occasion recently where a particular gas producer requested the Government and Minister (unsuccessfully) to compel the owner of a private pipeline to provide access to the requestor against its wishes.

2. Is a lack of information or out-of-date information impacting your ability to make informed decisions about gas use? Please provide examples.

No.

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.

Todd does not disagree with the objectives but rather considers that the objectives are largely already satisfied, noting again that published information is only a small part of a market participant's contracting strategy. Most market participants have (and should have) sufficiently mature contracting strategies and sources of relevant information.

Todd does not consider that changing the information provision rules will materially impact the gas market and gas contracting.

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

Given that it is already November, Todd considers that this year is too soon to provide the extra information requested in the Paper. If applicable, the earliest should be 1Q 2027 in line with other information required by permit holders under the CMA Petroleum Regulations.

Broadly, Todd considers that none of the information in items (a) to (k) on pages 6 and 7 of the Paper, and (i) to (v) on page 9 of the Paper, should be provided. Todd argues that preparing and providing this information is costly and onerous to providers and provides little real value to MBIE or the gas market.

Todd strongly disagrees that this information should also be published. For example, items (a) and (c) can provide third parties with sensitive information about a permit holder's operations and commercial position. Any information to be published should only relate to raw data equivalent to what is already being published, and aggregated and anonymised, where possible.

Specifically:

Explanation for any changes to 2P and 2C classifications

We do not agree that the proposed request to publish explanations for changes to 2P and 2C classifications will meaningfully improve gas market transparency. This information is commercially sensitive and already partially addressed through existing reporting mechanisms, including the Annual Summary Reports, which contain production data, and the annual engagement process, where resource reclassifications are discussed. The proposed request appears to conflate reserve and resource movements with production accounting and does not reflect a clear understanding of the SPE PRMS framework. Specifically, changes in 2P and 2C volumes do not inherently convey the underlying project status or commercial maturity.

Instead, we suggest MBIE request a structured reporting of resources by aggregate project maturity sub-classes, which would provide clearer insight into the development status of resources. As currently framed, the proposed request risks

duplicating existing disclosures without delivering meaningful transparency benefits.

Quarterly update to gas forecasts:

We do not support the proposal to request quarterly updates to gas forecasts. Reserve forecasts provided at year-end are developed with rigour and discipline, aligned with the SPE PRMS framework and internal governance processes (including periodic external audit). Introducing quarterly updates would detract from the focus on reservoir management and project execution, as it would require frequent reallocation of technical resources to produce interim forecasts that are inherently less stable and more speculative. Most upstream operators work to an annual budget cycle, and reserve forecasts are structured to support that cadence. Quarterly forecasting risks introducing volatility and inconsistency into market expectations without delivering meaningful improvements in transparency.

Explanation for production differing from forecasts:

We do not support the proposal to publish explanations for why actual production differs from forecasted volumes. This information is commercially sensitive and often subjective, reflecting a range of technical, operational, and commercial factors that may not be appropriate for public disclosure. MBIE already receives actual production data through regular reporting and can compare this against annual reserves forecasts to assess performance. Additionally, contextual discussions around production variances are typically covered during annual review meetings, which provide MBIE with sufficient insight into the drivers of change. As such, the proposed request would duplicate existing disclosures without materially enhancing transparency, while potentially exposing sensitive internal decision-making.

More regular gas supply data:

We do not support the proposal to request more frequent gas supply data. Hydrocarbon accounting processes operate on a monthly reconciliation cycle to ensure production data is properly validated, back-allocated, and quality assured. Requiring daily or weekly reporting would introduce a risk of inaccuracies and misinterpretation, particularly where short-term operational variability or downtime may distort underlying trends. The current delay in monthly reporting is necessary to allow for this validation process. Moreover, reserves forecasting and reservoir management practices rely on monthly data to maintain consistency and avoid drawing misleading conclusions from transient fluctuations. Increasing reporting frequency would place undue strain on internal resources without delivering meaningful improvements in transparency.

Forecast assumptions:

We do not support the proposal to request forecast assumptions. This type of information is inherently subjective and open to varied interpretation, which risks creating confusion rather than clarity. Forecasts are already underpinned by rigorous internal processes aligned with the SPE PRMS framework, and the assumptions behind them are embedded within the technical and commercial context of each operator's development planning.

Instead, we suggest MBIE request a structured reporting of aggregate project maturity sub-classes, which would provide clearer insight into the development status of resources. MBIE would gain more meaningful insight by focusing on structured reporting of aggregate project maturity sub-classes resources, which directly reflect the status and progression of reserves and resources.

Project maturity sub-classes 2P & 2C:

We do not support the proposal to request the maturity sub-classes for each gas project as currently framed. The title and description of this item appear misaligned, and it is unclear whether MBIE is seeking a breakdown of reserves by individual project or by an aggregate of all resource projects maturity sub-class. At present, operators report reserves and contingent resources in aggregate (e.g., 1P, 2P, 3P, 2C), without project-level or sub-class granularity. Requiring maturity sub-classes at the project level would effectively disclose project-level forecasts, which are highly sensitive and commercially confidential. Moreover, such detail is not necessary to achieve transparency objectives.

If MBIE wishes to understand the development status of resources, it would be more appropriate to request a breakdown of aggregate reserves and resources by PRMS-defined maturity sub-classes. This would provide meaningful insight into the progression of supply without exposing commercially sensitive project-level data.

Drilling Plans:

We do not support the proposal to request drilling plans beyond what is already provided through the annual review process. The decision to drill, apart from being highly commercially sensitive, is inherently uncertain and becomes increasingly contingent the further out the planning horizon extends. Operators already engage with MBIE annually to discuss forward activity, including indicative drilling plans, within the context of broader development strategies. Additional reporting would not materially improve transparency and risks creating confusion or misinterpretation of contingent plans.

If MBIE's objective is to understand the development status of reserves, this could be more effectively achieved through structured reporting of resources by maturity sub-classes, which would distinguish between developed and undeveloped reserves without requiring disclosure of sensitive, project-level detail.

Gas contracts:

Todd strongly opposes the provision of information on all contracted and uncontracted gas production. Further, we consider that the provision of such information undermines the Dealings provisions of the CMA, which already require permit holders to seek consent for certain contracts.

Continuous disclosure regime:

We do not support the proposal to implement a continuous disclosure regime for material changes affecting gas supply forecasts. Forecasting is a complex process that requires time to properly assess the implications of events such as drilling outcomes, infrastructure outages, or commercial developments. Requiring immediate disclosure of such changes risks premature or incomplete communication, leading to volatility and confusion in the market. Annual reporting remains the appropriate cadence for forecast updates, allowing for considered

<p>evaluation and alignment with internal governance and reserves processes. More frequent updates would undermine the integrity of forecasting and detract from the quality of information provided.</p>
<p>5. Is there any other information we should request that would help improve gas market transparency?</p>
<p>Yes.</p> <p>To improve gas market transparency in a way that is meaningful and consistent across the sector, MBIE should consider requesting an annual breakdown of reserves and contingent resources by aggregate maturity subclass, as defined under the SPE PRMS framework.</p> <p>This would provide clear insight into the development status of resources, such as distinguishing between developed, undeveloped, and contingent categories, without requiring disclosure of commercially sensitive individual project-level data. For example, reserves classified as undeveloped typically imply a reasonable expectation of development within approximately five years, offering MBIE a practical view of future supply outlook.</p> <p>In addition, reporting contingent resources in an aggregate maturity sub-class, particularly identifying volumes associated with Development Pending projects, would give MBIE and the market a clear understanding of which 2C resources are more likely to progress to commercial development. These projects are actively being evaluated, often with planned near-term activities such as drilling or feasibility studies, and have contingencies that are reasonably expected to be resolved. This contrasts with lower maturity subclasses such as Development On-Hold or Development Not Viable, which are unlikely to be developed in the foreseeable future. Such a breakdown would allow MBIE to distinguish between contingent volumes with genuine development potential and those that are unlikely to contribute to future supply.</p> <p>This format is standardised, easy to interpret, and applicable across all permits. It would also benefit market participants by enabling a clearer understanding of the sector's development pipeline. In contrast, requesting project-level resource data would expose high-detail commercial information that is not necessary for the intended transparency outcomes. This single, well-structured request would effectively replace several of the more granular proposals and deliver the intended transparency in a concise and aligned manner across all operators.</p> <p>As an example, in line with SPE PRMS, we are suggesting the following aggregate maturity sub-class resources to be reported: 2P Developed, 2P Undeveloped, 2C Development Pending, 2C On-Hold, 2C Unclarified, 2C Not Viable</p>
<p>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?</p>
<p>No.</p>
<p>7. Do you agree with the items that we do not propose to request?</p>
<p>We do not agree with MBIE's decision to exclude forecast confidence level from the proposed information requests. Operators should be required to provide a P50 forecast, which represents the best estimate and is consistent with the SPE PRMS framework.</p>

Without a standardised confidence level, any aggregate forecast compiled across the sector would be unreliable and potentially misleading. Ensuring that all participants report using a P50 basis is essential for producing meaningful and comparable market-wide insights.

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?

No. Most of the requested information should not be published, primarily on the basis that it is either too commercially sensitive or too subjective in nature (for example, in (a) a permit holder's explanation may include some unsupported assumptions, so it would be reckless to publish this information, especially if third parties might rely on it).

If required, the only information in (a) to (d) that should be published is (b) and (d) on the basis that they are similar in nature to information already being 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.

Providing the additional information proposed would involve considerable cost and operational burden. Annual reserves forecasts already require around three months to complete and include external audit costs exceeding NZ\$300,000. Repeating this process quarterly is not feasible and would divert resources from core technical work. Similarly, shifting from monthly to weekly production reporting would significantly increase internal workload and likely require an additional full-time equivalent to support the data validation and reconciliation effort. These changes would not only increase costs but also risk reducing the quality and reliability of the information provided.

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

Publishing the additional information proposed by MBIE carries several risks. Some of the data requested could reveal trade secrets or strategic plans that, if made public, may commercially disadvantage the provider. In particular, reserves can be forecast based on technical feasibility before commercial agreements are finalised, and premature disclosure could complicate sensitive negotiations or stakeholder relationships. This is especially relevant in community engagement, where early disclosure of development intentions without formal agreements in place may create confusion or concern. Furthermore, certain information appears to fall within the scope of protections under the Official Information Act, and its publication could raise legal and confidentiality issues.

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

No.

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

Some aggregated demand-side data may help government monitoring, but publishing retailer-level contracts and pricing risks exposing sensitive strategies and discouraging investment.

Publishing retailer-level contracted gas, weekly pricing, and usage detail risks exposing commercially sensitive strategies, reducing contracting flexibility, and producing chilling effects on investment (Akerlof, 1970; Laffont & Tirole, 1993). Aggregation and lags should be used to avoid harming market function.

The real problem is not a lack of information; it is that the gas supply is running out, and fewer wells are being drilled. More disclosure will not solve that.
13. Is there any other information we should request that would help improve gas market transparency?
We recommend MBIE continue strengthening system-level synthesis—e.g., quarterly aggregated supply demand balances and high-level pipeline capacity utilisation—without producer or retailer attribution. This improves planning confidence while preserving exploration and appraisal incentives.
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
No. What matters for investment decisions is stable policy, credible demand outlooks, and protection of commercial confidentiality to sustain expected returns under uncertainty.
15. Do you agree with our proposal to not request contract information for stored gas?
Yes. This information is already available. However, our view is that stored gas contract transparency adds little to system situational awareness while potentially encouraging competitive harm.
16. Do you agree with our proposal to publish all of the requested information? If not, which information should we not publish?
No. Publication should be limited to aggregated, lagged system-level summaries that inform planning without chilling investment
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.
18. What are the risks (if any) if we publish the additional information from the wider gas sector?
19. If you are a renewable gas producer, what would be the costs and implications of having to report on your production volumes?
20. Any other comments not covered by the questions above?
Transparency is important, but it must be balanced. In a small market like New Zealand, too much disclosure will backfire by scaring off the very investment we need. New Zealand's strategic priority should be to sustain domestic gas supply through the transition, preserving electricity reliability and industrial competitiveness while renewables and flexibility resources scale. Disclosure policy must reflect market thinness: use aggregated, lagged, non-attributable system-level reporting; avoid producer-level obligations that disincentivise investment. International case studies underscore this calibration—Australia's east coast transparency measures were designed to inform planning while minimising investment chill (ACCC, AEMO, GMRG), whereas the US context benefits from deep liquidity and export outlets

that New Zealand does not possess. The evidence from information economics and resource markets consistently cautions against forced, granular disclosure in thin markets.