



COVERSHEET

Minister	Hon Simeon Brown	Portfolio	Energy
Title of Cabinet paper	Gas Governance (Critical Contingency Management) Amendment Regulations 2026	Date to be published	22 September 2026

List of documents that have been proactively released

Date	Title	Author
August 2026	Gas Governance (Critical Contingency Management) Amendment Regulations 2026	Office of the Minister for Energy
20 August 2026	Gas Governance (Critical Contingency Management) Amendment Regulations 2026 LEG-26-MIN-0170 Minute	Cabinet Office

Information redacted

NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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Office of the Minister for Energy

Chair, Cabinet Legislation Committee

Gas Governance (Critical Contingency Management) Amendment Regulations 2026

Proposal

- 1 This paper seeks authorisation to submit to the Executive Council the *Gas Governance (Critical Contingency Management) Amendment Regulations 2026 (Amendment Regulations)*, which will amend the *Gas Governance (Critical Contingency Management) Regulations 2008 (CCM Regulations)*.

Policy

The critical contingency regime manages risks from unplanned gas network disruptions

- 2 The CCM Regulations govern the critical contingency management regime that manages risks to gas transmission and distribution systems from unplanned disruptions, such as pipeline ruptures. During a critical contingency event, the Critical Contingency Operator (an independent service provider appointed under the CCM Regulations) can direct gas users to curtail their use to help maintain supply and network pressure.
- 3 If a critical contingency event like a gas pipeline rupture were not managed promptly it could result in the loss of gas supply to potentially thousands of commercial and residential customers. Restoration could take months and involve significant economic cost. A gas network failure could also impact the delivery of gas to designated consumers, such as hospitals that require gas for critical care services, or the ability to provide time for an orderly shutdown of an industrial plant to prevent or mitigate major plant or environmental damage.
- 4 The CCM Regulations were last significantly amended in 2013. Critical contingency events and annual exercises to prepare for such events have since highlighted areas where the CCM Regulations could be amended to better prepare for, and respond to, future critical contingency events.

Gas Industry Company recommended improvements to the critical contingency regime

- 5 The gas market is regulated under a co-regulatory model under the *Gas Act 1992*. Gas Industry Company (**GIC**), a company owned by gas market participants, makes recommendations to the Minister for Energy to make or amend gas governance regulations and industry rules.
- 6 In July 2024, GIC recommended amendments to improve curtailment arrangements by enabling larger volumes of gas to be curtailed from fewer users to support more efficient and less disruptive curtailment and by clarifying how curtailment instructions are issued. These amendments would also make critical contingency management

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plans easier to administer, including by supporting up-to-date contact information and streamlining minor updates.

- 7 Other changes would update the thresholds and response settings for declaring a critical contingency, broaden eligibility for essential service provider status, and make technical and drafting improvements to clarify obligations, reduce ambiguity and support the effective operation of the CCM Regulations.
- 8 All of these changes have been widely consulted on with the gas sector.

I accepted GIC's recommendations and Cabinet agreed to amend the CCM Regulations

- 9 The Gas Act required me to accept or reject GIC's recommendations as a package. As I stated when I sought Cabinet authority to issue drafting instructions for the Amendment Regulations, I was satisfied that:
 - 9.1 GIC had met the statutory requirements to make this recommendation to me, including assessing the practicable options, preparing a statement of proposal and then consulting stakeholders on this proposal.
 - 9.2 GIC's recommended amendments would improve the critical contingency regime. It would better manage the risk of a gas network failure, enable more efficient curtailment of gas when needed and make the regime more fit-for-purpose.
- 10 In September 2024, Cabinet agreed to amend the CCM Regulations [ECO-24-MIN-0194]. I published a notice in the Gazette stating my decision to accept GIC's recommendation and issued drafting instructions to amend the CCM Regulations.
- 11 The Amendment Regulations are now ready for submission to the Executive Council.

Timing and 28-day rule

- 12 A waiver of the 28-day rule is not sought. Subject to Cabinet's approval, the proposed regulations will be notified in the Gazette on 27 August 2026 and will come into force on 24 September 2026.

Compliance

- 13 The Regulations comply with:
 - 13.1 the principles of the Treaty of Waitangi;
 - 13.2 the rights and freedoms contained in the *New Zealand Bill of Rights Act 1990* or the *Human Rights Act 1993*;
 - 13.3 the principles and guidelines set out in the *Privacy Act 2020*;
 - 13.4 relevant international standards and obligations;
 - 13.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

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- 14 The *Gas Governance (Critical Contingency Management) Amendment Regulations 2026* comply with the statutory prerequisites contained in sections 43J-43O and 43ZP of the Gas Act, that is:
- 14.1 the regulations implement the effect of a recommendation of GIC;
 - 14.2 the regulations do not differ from that recommendation in any material way (eg other than style or minor detail);
 - 14.3 GIC have consulted, assessed and publicised the proposed changes;
 - 14.4 I have published the decision to accept the recommendation, following Cabinet agreement.

Regulations Review Committee

- 15 I do not consider there are grounds for the Regulations Review Committee to draw the Regulations to the attention of the House under Standing Order 327.

Certification by Parliamentary Counsel Office

- 16 The regulations are certified by the Parliamentary Counsel Office (**PCO**) as being in order for submission to Cabinet.

Regulatory Analysis

- 17 A regulatory impact statement was prepared and submitted at the time Cabinet approval was sought for the policy relating to the regulations [ECO-24-MIN-0194].

Consistency with principles of responsible regulation

- 18 A Consistency Accountability Statement and Summary of Underpinning Analysis has been prepared. No inconsistencies with the principles of responsible regulation have been identified.

Publicity

- 19 The regulations will be notified in the Gazette. GIC will inform the gas industry about the changes.

Proactive release

- 20 I intend to proactively release this paper with any necessary redactions, within 30 business days of Cabinet approval. The Ministry of Business, Innovation and Employment (**MBIE**) will publish a copy on its website.

Consultation

- 21 As noted above, GIC consulted stakeholders in the gas industry when making its recommendation to me to amend the CCM Regulations.
- 22 Between December 2025 and February 2026, MBIE undertook targeted consultation on the drafting of the regulations with key participants in the gas industry and refined the Amendment Regulations in response to their feedback.

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- 23 The Treasury, the Electricity Authority, the Commerce Commission, WorkSafe New Zealand and the Ministry for Regulation were consulted on this paper. The Department of the Prime Minister and Cabinet was informed.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 note that on 2 July 2024, the Gas Industry Company (**GIC**) recommended the *Gas Governance (Critical Contingency Management) Regulations 2008 (CCM Regulations)* be amended to make a range of changes and refinements to improve the critical contingency management regime;
- 2 note that I was satisfied that the changes would improve the critical contingency management regime by better managing the risk of a gas network failure, enabling more efficient curtailment of gas and making the regime more fit-for-purpose;
- 3 note that on 20 September 2024, the Cabinet Economic Policy Committee agreed to amend the CCM Regulations as per GIC's recommendation to improve the gas critical contingency management regime [ECO-24-MIN-0194];
- 4 note that the *Gas Governance (Critical Contingency Management) Amendment Regulations 2026* will give effect to the decision referred to in recommendation 3 above;
- 5 note that sections 43J-43O and 43ZP of the *Gas Act 1992* requires that GIC assess the practicable options, prepare a statement of proposal, consult stakeholders and publish the recommendation, and that I must also publish my acceptance of the recommendation within 90 days of receiving it;
- 6 note the advice of the Minister for Energy that these requirements have been met;
- 7 authorise the submission to the Executive Council of the *Gas Governance (Critical Contingency Management) Amendment Regulations 2026*;
- 8 note that the *Gas Governance (Critical Contingency Management) Amendment Regulations 2026* come into force on 24 September 2026.

Authorised for lodgement

Hon Simeon Brown

Minister for Energy