



**Ministry of Business,
Innovation & Employment**

MBIE and Energy Security

MBIE Structure

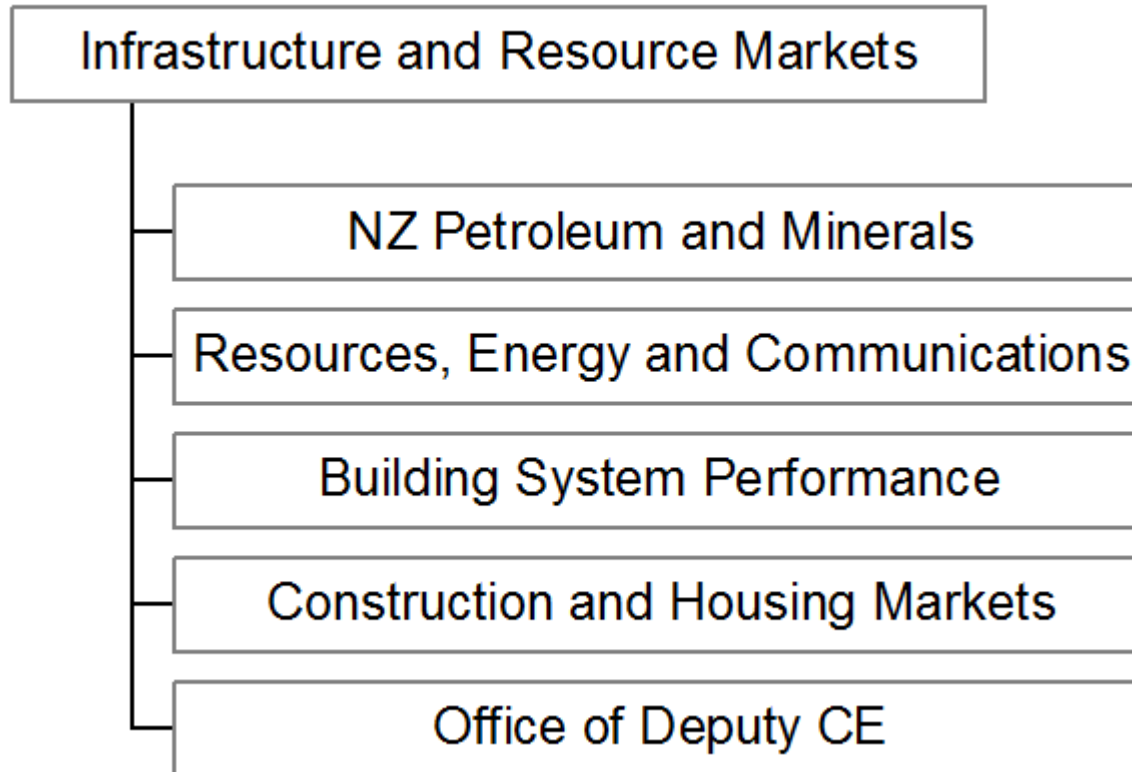
- Established as federation of the four former agencies:
 - MED
 - MSI
 - DOL
 - DBH
- New structure will take effect from 19 November 2012.
- Integrated into 37 branches in 8 broad business groups.



MBIE: Business Groups



Infrastructure and Resource Markets Group



Energy Security Strategy

- Prioritises secure and affordable energy



Oil Security

- Review of New Zealand's Oil Security
- International supply disruption
- Domestic supply disruption



Oil Security

- **Domestic supply disruption:**
 - fuel supply network is reasonably robust
 - industry adept at responding to most supply disruptions
 - processes in place to manage severe disruptions
 - significant capital expenditure is not justified
 - steps ensure re-establishment of supply in an emergency supply disruption.



Oil Security

- International supply disruption:
 - Maintain IEA membership
 - Obligations met by ticket contracts
 - Funded by levy on fuel



Oil Security

- The paper seeks feedback on:
 - proposal to impose a small levy on fuel consumers
 - various proposals to improve domestic security
 - Various questions throughout paper
- Submissions close 27 November



Maui pipeline outage review



Maui pipeline outage review



Maui pipeline outage review

- Report released 18 October
- Caused by landslide
- More public assurance needed
- Critical contingency system worked well, but...
- A number of gas consumers not well prepared



Maui pipeline outage review

Next steps

- Labour inspector
- Pipeline owner to present risk management practices to gas customers



Maui pipeline outage review

Next steps

- Amending the Gas Governance (Critical Contingency Management) Regulations 2008
- GIC proposal
- New curtailment bands?
- Customer preparedness

