

YEAR IN REVIEW 2020



FOREWORD

When I started this role just over 12 months ago it's fair to say I didn't expect 2020 to pan out the way it has!



To be fair, no-one could have anticipated what has been a dramatic and challenging year. Along with Covid-19 our industry has also faced a historically low oil price which has been a major challenge and forced all of us to find new efficiencies and ways of doing things.

I'm proud of the way our industry kept running through the various lockdown periods, helping keep the lights on and our economy running. I'm also extremely proud of the PEPANZ team who have worked hard representing the industry this year.

Consistent with the need to do things differently, I have been working with the Board and members to position us to meet the challenges and seize the opportunities in front of us.

To be successful we will increasingly collaborate with a wider set of energy sector participants. We will facilitate a joined-up conversation from the upstream to end consumers, especially around security of supply and affordability.

This new approach will help us create the sustainable energy resources sector we all want; one that contributes to New Zealand's prosperity, through and beyond the transition to a lower emissions world.

Needless to say, as we implement this new approach we'll be constructively engaging with the Government to help them achieve their goals.

We will have more to say on this in the new year, including a likely name change, so stay tuned for more details.

Within our industry there are many opportunities to look forward to. With the right conditions to encourage investment, our sector can play an even greater role in ensuring affordable, reliable and sustainable energy for New Zealand.

I want to thank all PEPANZ members and stakeholders for their support and involvement through 2020. In particular, I acknowledge PEPANZ Chair and Todd Energy Chief Executive Dr Joanna Breare who is retiring from both roles in March 2021. Joanna has been an outstanding leader and advocate for the industry. She will be missed, but to be fair, no-one can begrudge her a well-earned change of pace. We hope she won't be completely lost to the sector and can continue some form of involvement.

All the best for a relaxing holiday period and a new year hopefully much better than 2020!

A handwritten signature in black ink, appearing to read 'John Carnegie'.

John Carnegie
PEPANZ Chief Executive



ADVOCATE



This year we've had a number of regulatory wins for our members. Highlights include the Government agreeing to work with us on Crown Minerals Act decommissioning reform, the EEZ decommissioning regulations being reworked, and important concessions on marine mammal reserve rules for seismic surveying.



Our submissions

This year we have made 11 submissions to central and local Government on important issues including:

- Crown Minerals Act
- Resource Management Act (RMA)
- Emissions Trading Scheme (ETS)
- EEZ regulations.

We've also worked closely with the Government on important issues like decommissioning policy and ensuring the industry could operate smoothly under Covid-19 restrictions.

Publications

This year PEPANZ produced two key briefing documents to help policy-makers and stakeholders better understand the big issues facing the wider energy sector.

"Asking the burning questions" highlighted our declining natural gas reserves and the challenges this creates both economically and environmentally.

"Energy for better lives" presented the key choices and pathways for the energy sector in the transition to a lower emissions world, and highlighted the principles and policies we recommend.





Gas Information Disclosure Code

A new industry-led disclosure code for natural gas producers came into effect in June. Developed by PEPANZ and gas producers, it provides a public platform with information on unplanned and planned outages at gas production facilities and storage facilities.



In the media

PEPANZ has spoken on behalf of the industry in 137 articles in print, radio, TV and online this year. We have also issued 27 press releases and published four opinion pieces.

Major public issues have included natural gas reserves, the proposed pumped hydro scheme, decommissioning at Tui, anti-industry protest action, and successful projects by OMV.



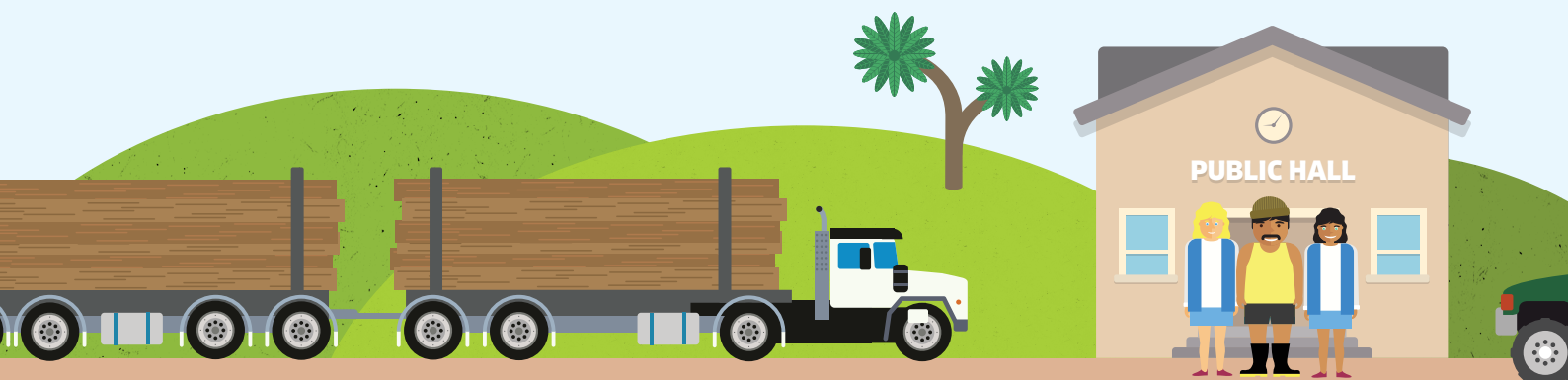
Social media

This year our educational campaign 'Energy Voices' has reached over 600,000 people with graphics and videos explaining the role of our industry, and especially the importance of natural gas to New Zealand. In total our material has appeared nearly three million times on Facebook and Twitter.

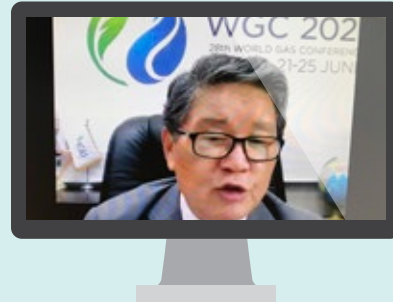


Public opinion

An important benchmark of our influence is the wider public's view of our industry. We were very pleased to see a marked improvement in our annual survey this year with more people having a favourable view (24%) compared to unfavourable (16%). This is a major improvement from two years ago when the respective figures were 19% and 32%.



EDUCATE



Collaborating for mutual value

Building relationships with those involved in the wider energy industry has been a priority for PEPA NZ this year. We've had hundreds of meetings and engagements and given dozens of speeches and presentations.

Some of the groups we've worked with include:

- The Climate Change Commission
- Road Transport Forum
- Taranaki Chamber of Commerce
- New Zealand Wind Energy Association
- Electricity CEO Forum
- Gas NZ
- Meat Industry Association
- Environment Institute of Australia and New Zealand.

Events

Despite the challenges of Covid-19 we've still managed to hold a series of popular and well-attended events. These have included:

- Webinars with Dr Joe Kang, President of the International Gas Union and Andrew McConville, CEO of APPEA.
- A New Plymouth pre-election event with guest speakers Dr Oliver Hartwich and Phil O'Reilly.
- A political forum in Wellington with spokespeople from all major political parties, including Hon Dr Megan Woods, Jonathan Young and Hon James Shaw.
- Our end of year Christmas party attended by over 100 key industry people.

Next year we will hold even more regular events with industry leaders, politicians, regulators and other relevant guests – so watch this space.

Political engagement

In 2020 we've worked closely with policy makers at both central and local Government level. As well as regular meetings with Ministers and MPs, we also hold regular meetings with officials from the Ministry of Business, Innovation and Employment on regulatory issues important to our members.



SUPPORT

Our team has worked hard this year to deliver excellent support for members and improve how we do things. Some highlights include:

- A new weekly update for members with topical issues we are working on.
- A stakeholder survey to hear the views of key people we work with.

- Updated internal policies.
- Updated websites.
- Moving to a new and more economical office next year.

The option of merging Energy Skills into our organisation from next year is being actively investigated. Attracting, promoting and developing talent for the energy industry is an important challenge and it makes sense to have this under one roof.



John Carnegie
Chief Executive



Joshua O'Rourke
Policy Manager

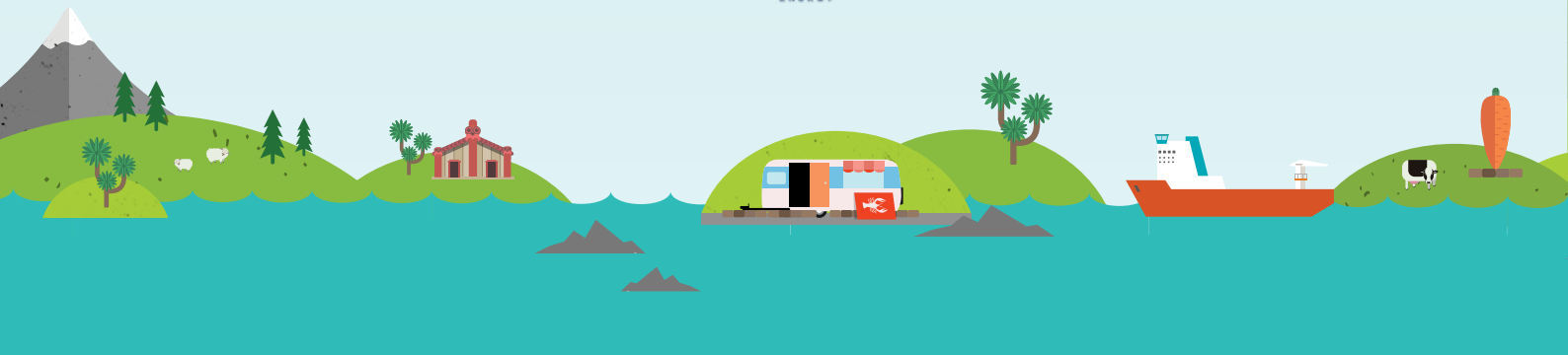


Phil Rennie
Communications
Manager



Carolyn Clark
Office and Events
Manager

OUR MEMBERS





THANKS

to all our Members for the support you have given PEPANZ during 2020.

Merry Christmas and all the best for a relaxing holiday period.



