

Media release  
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## **New gas market to launch on 1 August**

Transpower's Energy Market Services today announced that its new energy exchange, emTrade, will be launched on 1 August 2013 and be available for live trading 1 September 2013.

The first product to be made available for trade is a natural gas spot product that is sponsored by three major gas industry participants. These sponsors include OMV, Vector and Methanex.

The sponsors are working closely with Transpower to ensure the market and product design is fit-for-purpose, and is suited to providing a sustainable and long-lasting industry solution. Importantly, liquidity and price will be supported by two contracted market makers that will stand in the market from day one.

Transpower's General Manager System Operations Kieran Devine said that one of the most important aspects for Transpower in developing and launching a new gas spot product for New Zealand was that it was designed by the industry, for the industry.

"We have been working closely with those involved in the gas industry over the last eight months to ensure that what we designed was going to be successful and well supported by those participating. We've had a very positive reaction from the industry so far.

"The initial objective of emTrade is to provide a highly liquid, transparent and widely accessible trading hub for natural gas. The market will operate 7 days a week for both Day-Ahead and On-The-Day delivery, and will be cleared by a central counterparty protecting participants from risk – both physical and financial," he said.

Prospective participants can expect the emTrade rules and agreements to be available for review 1 July 2013, and the trading platform will be available for testing and system integration on 1 August 2013.

Mr Devine said that a well-developed gas spot market will be of significant value to the New Zealand energy industry and the country as a whole.

"It will add flexibility to the market and allow participants to better manage their gas requirements in a market that is currently dominated by long-term and relatively inflexible supply agreements."

"We would like to thank those gas industry stakeholders who have given us valuable insights into the current market environment and who have helped us to develop what we are confident will be a successful market development for New Zealand. We look forward to working with our sponsors and the wider gas industry in the lead up to the launch on 1 August" he said.

**For further information, please contact:**

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