

Natural gas is still available in Aotearoa, with residential households only using a small share of the total gas supply.

## Industrial shift frees up gas for homes

- As large industrial users move away from gas, the availability of gas supply for homes and small businesses is extended by many years.
- Over 80% of gas in Aotearoa is currently used by industries and big processors.
- Reduction in industrial demand frees up more gas for households and small businesses, significantly increasing available supply for these customers.
- This means that as the wider energy mix evolves, residential and small business customers are well-placed to have reliable access to gas for many years.

## Supply for households

- Several gas retailers currently operate in the residential new-build market. Customers who choose to include gas in their homes can do so knowing there is ongoing retailer participation in the residential gas market.
- Current reserves could provide residential and small business customers with gas for many years to come.
- New discoveries or the proposed LNG imports would increase supply.

## The future mix could include biomethane

- Work is underway to develop a biomethane industry in Aotearoa New Zealand, a renewable gas, which is chemically the same as today's natural gas.
- This means today's gas appliances can run on biomethane in the future.

## Exploration is continuing

- Exploration is actively being pursued, with new legislation allowing for further exploration. Recently, additional gas reserves have been found in Taranaki. While some of the older gas fields are in decline, the new fields have increased production.

## Efficient use of resources

- When the supply of an important resource such as natural gas, diminishes or depletes, it's sensible to utilise it in the most efficient manner possible. Utilising natural gas directly in homes is very efficient. Direct use of natural gas is highly energy efficient as it avoids energy losses associated with converting gas to electricity.

- More than 95% of The Gas Hub's lower North Island connections are residential customers. This means we're working hard to maintain not only reliable ongoing natural gas supply but also the development of renewable biomethane for the same purpose.

## For gasfitters with existing gas customers

The information below comes from Switching off the gas distribution network: Consumer, network, and emissions impacts, an independent Castalia report commissioned by the Gas Industry Company (GIC) in 2025. The report studied three regions – Wellington, Hamilton and Gisborne<sup>1</sup>.

- As New Zealand works towards a lower-carbon future, gas continues to play an important role.
- Independent studies show that gas is still a cost-effective and reliable energy source for many homes.
- The cost to remove your gas setup, update your home and replace all appliances is significant – and most of that burden falls on homeowners. Until electricity prices fall dramatically and supply is almost entirely renewable, gas remains a smart, dependable option.
- The report acknowledges that future energy prices are difficult to predict with certainty. However, using credible sources, two of three scenarios suggest gas remaining cheaper per GJ than electricity through to 2048.
- Compared to recent historical energy prices, natural gas prices would have to rise 70% or electricity/LPG prices would have to drop by 60% to create a break-even position on switch-out costs over 25 years.
- The cost to electricity distribution businesses (EDBs) to upgrade their networks to handle the extra load is estimated at \$152 million across the studied regions.

## LNG

- The New Zealand Government has shown support for LNG (liquefied natural gas) imports – a step that could help strengthen supply security for residential and small commercial customers in the years ahead.
- It's great to see a wider acknowledgement of the critical role gas plays in New Zealand's energy system and broader economy.
- LNG can be used in the natural gas network.

As Aotearoa New Zealand's energy system evolves, the sector is taking steps to improve resilience and security of supply across both electricity and gas. Investment in coal reserves for electricity generation helps ease pressure on natural gas, supporting its continued use in homes and small commercial businesses. Longer term LNG is being investigated.

Energy costs for households and businesses reflect a range of factors across the supply chain. Distribution charges are one component of the final gas bill, alongside the cost of gas itself, GST, and retailer charges.

**Visit The Gas Hub website for the latest info.**

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1. <https://www.gasindustry.co.nz/assets/CoverDocument/Final-Report-250925-Impact-of-switching-off-gas-distribution-network-v6.pdf>