

# Exposure Draft – Gas (Safety and Measurement) Regulations 2010

## Background

- 1 In 2006 significant amendments were made to the Gas Act 1992. Changes to the Gas Regulations 1993 are required as a consequence of those amendments and the opportunity has been taken to update the regulations to improve the overall clarity and to strengthen the focus on public safety.
- 2 This document guides you through some of the key aspects of the proposed Gas (Safety and Measurement) Regulations and explains the exposure draft process.
- 3 The regulations have been drafted following Cabinet decisions in 2008 and 2009, subsequent to the 2007 Discussion Paper on the proposed Gas (Safety) Regulations.
- 4 The regulations have been fully rewritten with more user-friendly wording and have also been re-arranged to group together the regulations for appliances, distribution systems, safety management, installations and CNG.
- 5 The listing of all standards and codes of practice that are relevant to the regulations have been moved into a schedule.
- 6 More than 60% of the current technical and administrative provisions have been retained. The critical drivers of the majority of actual changes include the new appliance regime and providing for Safety Management Systems (SMS).
- 7 The requirements supporting safety have been retained and reinforced where appropriate. Risk management principles have been utilised to required higher levels of initial and ongoing safety verification in circumstances of higher safety risk.

## Exposure Draft Process

- 8 The exposure draft process provides an opportunity for key members of the gas industry to comment on the technical nature of the regulations and to suggest improvements for their workability for the gas industry. It is your opportunity to assess the draft regulations.
- 9 Any comments and suggestions on the regulations should be sent by **26 February 2010** to Energy Safety, Ministry of Economic Development, 33 Bowen Street, PO Box 1473, Wellington or emailed to [vanessa.horne@med.govt.nz](mailto:vanessa.horne@med.govt.nz).

## Gas Amendment Act 2006

- 10 The Gas Amendment Act 2006 is not yet fully in force. It is intended to bring the Gas Amendment Act 2006 fully into force at the time the proposed Gas (Safety and Measurement) Regulations are made, anticipated to be in April 2010.

## Plumbers, Gasfitters and Drainlayers Act 2006

- 11 The Gas Amendment Act and these regulations complement the Plumbers, Gasfitters and Drainlayers Act 2006 which sets out the regulatory requirements for the use of a competent and registered gasfitter when undertaking gasfitting. The Plumbers, Gasfitters and Drainlayers Act is due to come into force at the same time as the Gas Amendment Act and these regulations.

### **Point of Supply**

- 12 The Gas Act as amended in 2006 provides for the point of supply to be defined in regulations. The point of supply determines the point at which gasfitters must be used for gas work and where responsibilities for gas quality and pressure changes from the distributor to the retailer.
- 13 The regulations define the point of supply: for reticulated gas is the outlet of the gas meter; for non-reticulated liquefied petroleum gas (LPG) is the point at which the LPG is no longer liquid and in a pipe, being the outlet valve of a cylinder, or the outlet of the first stage regulator for a tank, or the outlet of any fitting that supplies gaseous LPG; and for other non-reticulated gases is the outlet valve of the cylinder or tank

### **General Safety Requirements – gas safety**

- 14 Part 1 of the regulations set out the basic safety rules for the safety of distribution systems, installations, appliances and fittings. Safe has been defined.

### **Safety of Distribution Systems**

- 15 The majority of the current provisions have been retained, with clearer obligations for those responsible for the odorisation of gas, as odorization is one of the key safety platforms.

### **Gas odorisation**

- 16 Odorisation of non-reticulated gas, canister gas and low pressure reticulated gas (2,000 kPa and below, which excludes gas transmission) is considered fundamental to public safety in that it is the only mechanism that allows the general public to be able to detect leaking gas. The regulations require all low pressure gas is odorised, specify retailers and distributors are responsible for odorisation, and cite the new gas odorisation Standard NZS 5263 as a means of compliance.

### **Safety Management Systems**

- 17 Safety management systems (SMS) aim to enhance public safety and confidence that the gas supply industry is taking all practicable steps to ensure the safe supply of gas to consumers. The Act provides that regulations must define those gas suppliers responsible for the conveyance of gas who must have a SMS. NZS 7901 is cited as a means of compliance.

### **Who must have an SMS?**

- 18 Requiring all distributors to implement and maintain a SMS, would place a disproportionate burden on smaller operators in the gas supply industry and such operators are less likely to have the capability or resources to meet the additional responsibility and accountability associated with a SMS. The benefit of a SMS is the reduced risk of a public safety incident. The regulations require those parties supplying more than 10TJ gas/year must have in place a SMS. This threshold is based on the Gas Act Part 4A definition for small consumers and is equivalent to gas used by 500 average homes a year. Gas suppliers falling below this threshold may continue to comply with the current requirements for distribution systems repeated in the proposed regulations, or they may choose to take on the SMS requirements.

### **Safety of Installations**

- 19 Most of the current obligations relating to the safety of gas installations have been retained in the regulations.
- 20 The regulations reflect that the ranges of gasfitting work, categories of registration and worker competencies will be set by the Plumbers, Drainlayers and Gasfitting Board. The regulations cannot refer to actual registration categories as these are now set by the PGD Board.
- 21 The opportunity has been taken to further align the regulations with the proposed Electricity (Safety) Regulations 2010 in relation to the connection of installations to a gas supply.

### **Certification of gasfitting**

- 22 The regulations provide that in two instances gasfitting does not need to be certified; any work on pipes or fittings supplied with LPG from portable gas storage containers containing less than 15kg LPG and the replacement of a 'like for like' appliance.
- 23 Please note that Cabinet has agreed that the certification scheme as a whole needs to be reviewed within the next two years. The review will be a joint review by Energy Safety and the Department of Building and Housing.

### **Safety of gas appliances**

- 24 The regulations introduce a new third party certification appliance regime.
- 25 Prior to being offered for sale, a supplier (whether importer or manufacturer):
- 25.1 must ensure the appliance has current third party certification; and
  - 25.2 must register the appliance on the Energy Safety website; and
  - 25.3 must upload a copy of the relevant certification to the website.

- 26 Prior to being offered for sale, a gas appliance must be durably and accessibly labelled in English with:
- 26.1 supplier identification; and
  - 26.2 gas supply pressure, gas supply type(s), and nominal heat input rating (e.g. kW); and
  - 26.3 the joint New Zealand/Australia compliance mark; and
  - 26.4 the standard against which the appliance has been tested and certified; and
  - 26.5 the certification number issued by the certifying body.
- 27 The regulations do not prescribe when the matters set out in 25 and 26 must occur, only that it must occur prior to offer for sale.

### **Third party certification**

- 28 Certification must be to:
- 28.1 NZS 5262:2003, as modified by the test gases and specifications prescribed in the regulations; or
  - 28.2 AS 3654 that include certification to equivalent test gas specifications; or
  - 28.3 the EC Directive 90/396/EEC provided that the certification includes certification to equivalent test gas specifications.
- 29 As a minimum, certification will be required in accordance with product certification system 2 as defined in ISO/IEC Guide 67:2004(E).

### **Certification exemption**

- 30 The regulations will recognise that not all appliances are suitable for “type approval” certification. One-off appliances and large appliances (defined as having a greater than 250MJ/h capacity) will need to be approved safe for use in New Zealand by an approved practitioner.
- 31 Once approved, an appliance may be labelled with the compliance mark.

- 32 The approved practitioner framework has been established in the Regulations. The framework will be managed by Energy Safety, who will receive and assess applications and will undertake auditing to ensure competency and compliance.

### **Transitional provisions**

- 33 Provision has been made for transition from the current scheme to the new scheme. After two years all gas appliances on sale in New Zealand must be third party certified and carry the required labelling.

### **Declared Articles**

- 34 The current regulation provisions for declared articles has been retained but amended by reference to high risk articles. These enable recognition, by notice in the Gazette, that some appliances pose a greater safety risk and require increased intervention, for example application of product certification system 5 as defined in ISO/IEC Guide 67:2004(E).

### **TTMRA**

- 35 The Australian and New Zealand Governments support moving the remainder of the Trans Tasman Mutual Recognition Act (TTMRA) gas appliances under the special exemption to a permanent exemption (ie non-certified gas appliances).
- 36 Following implementation of the gas appliance regime a gas appliance that has been third party certified in either New Zealand or Australia and carries the joint gas certification mark will be able to be sold in both jurisdictions.
- 37 A permanent exemption for LPG appliances not tested and certified to operate safely on universal LPG, and flueless cabinet heaters will apply, these appliances will not be able to be sold in Australia under the TTMRA.