

Representation - Draft Modification Report UNC 0714

Amendment to Network Entry Provision at Perenco Bacton terminal

Responses invited by: 5pm on 12 June 2020

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

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| Representative: | Rudi Streuper |
| Organisation: | BBLC |
| Date of Representation: | 2nd June 2020 |
| Support or oppose implementation? | Support |
| Relevant Objective: | a) None d) Positive |

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

BBLC supports National Grid's efforts to facilitate additional sources of gas being made available to the market in GB through investigating the provision of on-shore gas blending services. As the energy market transitions to greener forms of energy it will become more important for network operators to introduce innovative solutions to the issues that arise such as how new / additional supplies can be accommodated whilst retaining the integrity of the network and the safety of consumers.

However, BBLC is concerned that allowing non-GS(M)R gas onto National Grid's network should only be done once the safety and commercial risks have been suitably identified and the roles, responsibilities and accountabilities for managing these risks is clearly documented and understood by all parties that are involved in, and or impacted by, the management of these risks.

During the workgroup discussions National Grid assured parties that facilitating this strictly time-limited proposal would not increase the current level of risk of non-GS(M)R compliant gas leaving its terminal at Bacton either via its feeder pipelines or via third party offtakes connected within this terminal complex. BBLC also sought, and was given, assurances by National Grid that the provision of the blending services described in this Proposal would not prevent National Grid from meeting all of its current regulatory and contractual commitments including those set out in BBLC's Interconnector Agreement.

Based on the assurances given by National Grid, and subsequently captured in the draft Modification Report, BBLC offers support for implementation of the Proposal.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

No Comment

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

Based on National Grid's assurances detailed above, BBLC does not envisage any additional on-going costs as a result of this time-limited Proposal.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

No legal text has been provided for the Proposal as National Grid has stated that it intends to set out the revised arrangements within the Perenco Network Entry Agreement (NEA). BBLC therefore considers it incumbent on National Grid to ensure that, if this Proposal is implemented, the subsequent changes to the Perenco NEA accurately reflect the assurances it has given to the Workgroup attendees during the development of this Proposal.

Modification Panel Members have requested that the following questions are addressed:

Q1: Considering that National Grid would require HSE approval before the associated Network Entry Agreement could be amended, should the governance of Modification 0714 remain as Authority Direction?

On the basis that it is considered likely that this Proposal will require some form of HSE approval of a revision / derogation to National Grid's Safety Case, the terms by which this Proposal should be measured should include consideration of the Proposal's impact on the safe operation of the pipeline system and on the safety of the end consumer.

In addition to the consideration of the Relevant Objectives, 'The Authority' (Ofgem) has statutory duties that require it to consider the implications that a UNC proposal would have on the following:

- security of supply, and
- health and safety

BBLC suggests that such considerations go beyond the self-governance criteria and note that the "Self Governance Criteria Guidance" document specifically refers to requiring Authority decision in a situation where implementation of a Proposal would "*entail network operators seeking approval of an amended Safety Case*". Therefore, BBLC considers that this Proposal's governance should remain as Authority Direction.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

On the basis of the assurance given by National Grid during the Workgroup discussions, and subsequently captured in the draft Modification Report in relation to the quality of gas delivered to BBLC's facilities BBLC does not consider that there is anything further to add to the draft Modification Report.

Please provide below any additional analysis or information to support your representation

No Comment