

Representation - Draft Modification Report 0581S

Amending the Oxygen content limit specified in the Network Entry Agreements at Grain LNG

Responses invited by: **5pm 13 May 2016**

To: enquiries@gasgovernance.co.uk

Representative:	Nicola Duffin
Organisation:	Grain LNG
Date of Representation:	13 May 2016
Support or oppose implementation?	Support
Relevant Objective:	d) (i) Positive d) (ii) Positive d) (iii) Positive

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

Increasing the oxygen content limits at Grain LNG will enable the terminal to receive a broader range of LNG, which in turn will enhance security of supply. The UK relies on imports to meet its energy requirements and it is vital that we are able to attract LNG from all over the world to not only meet these requirements but to foster competition and liquidity in the market. The current oxygen limits could be a barrier to entry for certain market players.

Self-Governance Statement: Please provide your views on the self-governance statement.

We agree that this modification is suitable for Self-Governance as it could have a low impact on transporters and consumers of gas conveyed through pipes and may also have a positive effect to some degree on competition in the LNG market, supporting future GB market requirements.

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

We would like to see this change implemented as soon as possible, following the relevant amendments to the NEAs.

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

We do not envisage any additional costs becoming apparent and understand that analysis from previous, similar NEA amendments have not realised any negative impacts.

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.*

None

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

Currently the oxygen restriction may act as a significant barrier to entry for Shippers wishing to send LNG to the UK market and may impact the free flow of gas between EU member states. We therefore support this Modification as we believe it would have a positive impact on LNG availability and competition between shippers and suppliers, therefore furthering Relevant Objective d). In addition, it may also aid progress towards the alignment of gas importation agreements in both the EU and other parts of the UK, in line with Article 15 of the Interoperability Network Code which requires that:

“1. Transmission system operators shall co-operate to avoid restrictions to cross-border trade due to gas quality differences.