

Representation - Draft Modification Report UNC 0808

Reverse Compression

Responses invited by: 5pm on 10 August 2023

To: enquiries@gasgovernance.co.uk

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

Representative:	Rosanna Butters
Organisation:	Barrow Shipping Limited
Date of Representation:	27/07/2023
Support or oppose implementation?	Support
Relevant Objective:	<p>b) Positive</p> <p>d) Positive</p>
Relevant Charging Methodology Objective:	c) None

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

We support this modification because it facilitates competition, thereby allowing more green gas producers to connect to the gas network. Reverse compression (moving gas from lower to higher pressure tiers) can increase the availability of network capacity for parties looking to inject gas. This modification facilitates independent Gas Transporters owning the pipeline on which reverse compression assets are installed. By facilitating competition, the modification is expected to help deliver cost effective reverse compression solutions.

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

No lead time is necessary and implementation can be immediate when a decision is made. We are aware of a reverse compression project with a target of implementation in early 2024, and implementation well ahead of this is desirable.

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

None.

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

Yes.

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.*

No.

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

As a Gas Shipper, we are not directly involved nor impacted by this modification. We raised Modification 0808 since we hear the concerns of current and potential customers about the availability of network capacity. Reverse compression has the potential to relieve capacity constraints for parties that may be flaring gas at times when capacity is not available, and also provides the potential for some existing AD plants to expand. There is also considerable potential for additional grid injection of green gas in areas where capacity would be constrained in the absence of reverse compression.

Reverse compression involves short new pipelines hosting an embedded compressor to move gas from lower to higher pressure tiers. A Network Innovation Competition project to demonstrate the principle was completed successfully in 2012, but the distribution networks have not subsequently taken forward reverse compression other than a current Cadent project to provide capacity for a range of injection projects as opposed to a single site.

Allowing the pipeline that hosts a compressor to be iGT rather than DN owned should not be a material issue. The concept of iGTs is clearly not new. Similarly compressors to move gas are not a new concept – for example, around 20 AD plants already have compressors installed that mean the gas produced can be injected to higher pressure tiers. When an iGT hosts a compressor, however, it is obviously important to ensure that the iGT and DNO cooperate to ensure the compressor is operated appropriately to deliver the intended outcome. In fact the aim is for the compressor to be run exactly as it would be if the pipeline were owned by the DNO. That is why Modification 0808 requires that an operator to operator agreement is implemented, and that is the only substantive provision introduced by 0808.

With Modification 0808, AD developers will be able to choose whether an iGT or DNO hosted solution will best meet their requirements. This may be a lower cost option but the timing of delivery can also be important. If, for example, an iGT is able to deliver reverse compression with a shorter lead time than the local DNO can offer, that may enable a project to go ahead earlier – or even to go ahead (as opposed to be cancelled).

Making the provision of reverse compression open to competition is expected to lead to innovative and efficient solutions and to more green gas being injected to the network, supporting the transition to net zero.