

Gas  
Transmission

# NTSCMF

St Fergus Emissions works /  
Charging considerations

04 May 2021

nationalgrid



# St Fergus – Compressors & Charging Arrangements

- In the RII02 Final Determinations the emissions compliance at St Fergus was referred to:
  - [https://www.ofgem.gov.uk/system/files/docs/2021/02/final\\_determinations\\_-\\_nggt\\_annex\\_revised.pdf](https://www.ofgem.gov.uk/system/files/docs/2021/02/final_determinations_-_nggt_annex_revised.pdf)
- Starting paragraph 3.59 of the RII02 Final Determinations Annex for NGGT
  - “3.59 St Fergus compressor station is the highest utilisation site on the NTS and brings gas from the North Sea Midstream Partnership (NSMP) sub-terminal up to NTS pressure.
  - 3.60 The site has four Rolls Royce Avon compressor units that do not meet the requirements of the Medium Combustion Plants (MCP) directive, as such these will need to cease operation or face limited operating hours from 2030.”
  - 3.61 We agreed on the need for NGGT to develop its options for emissions compliance at St Fergus, and we proposed to provide a baseline allowance for this options selection process. We also stated that we were considering the issue of who should pay for compressor capital costs at St Fergus given that the assets provide compression to NTS pressures for the NSMP terminal only.”

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- “Final Determination rationale and Draft Determination responses
  - 3.64 We have had constructive engagement with NGGT to discuss the issue of who pays for compressor capital works at St Fergus. We expect NGGT to take reasonable steps within its powers to ensure that an appropriate solution representing a fair balance between consumers and terminal users is in place before an application under the St Fergus reopener mechanism is submitted to Ofgem. As part of this process we expect NGGT to consider a range of solutions including putting forward and progressing a modification to the UNC charging provisions. We intend to review NGGT’s progress on a regular basis following Final Determinations.”
- Main page for RII0-2 Final Determinations for Gas Transmission:
  - <https://www.ofgem.gov.uk/publications-and-updates/riio-2-final-determinations-transmission-and-gas-distribution-network-companies-and-electricity-system-operator>

# St Fergus – Compressors & Charging Arrangements

- Works at St Fergus are looking to cover both asset health works and emissions compliance
  - In Final Determinations consideration of who pays for any emissions compliance works as it is expected these will directly benefit the Users of the NSMP terminal where the compression assets are owned and operated by National Grid and these are required to ensure NTS pressures are met.
  - The arrangement is different compared to the other terminals at St Fergus where National Grid does not own and operate comparable assets. National Grid is undertaking works to consider options on the emissions works and who should pay for them.
- Why bring to NTSCMF now?
  - Raising awareness for Stakeholders and provide opportunities to share any views alongside developments.
  - Options will include potential charging arrangements that, if done through Transportation Charges differently to the arrangements in place in the prevailing methodology, would require UNC changes to accommodate which could include targeted charging arrangements for capital works.
  - Whilst prudent to raise awareness it should be stressed, at this time, this an option and National Grid will bring back further developments as we have them in future NTSCMFs and other stakeholder engagement.

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## General Questions

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