



Reverse Compression

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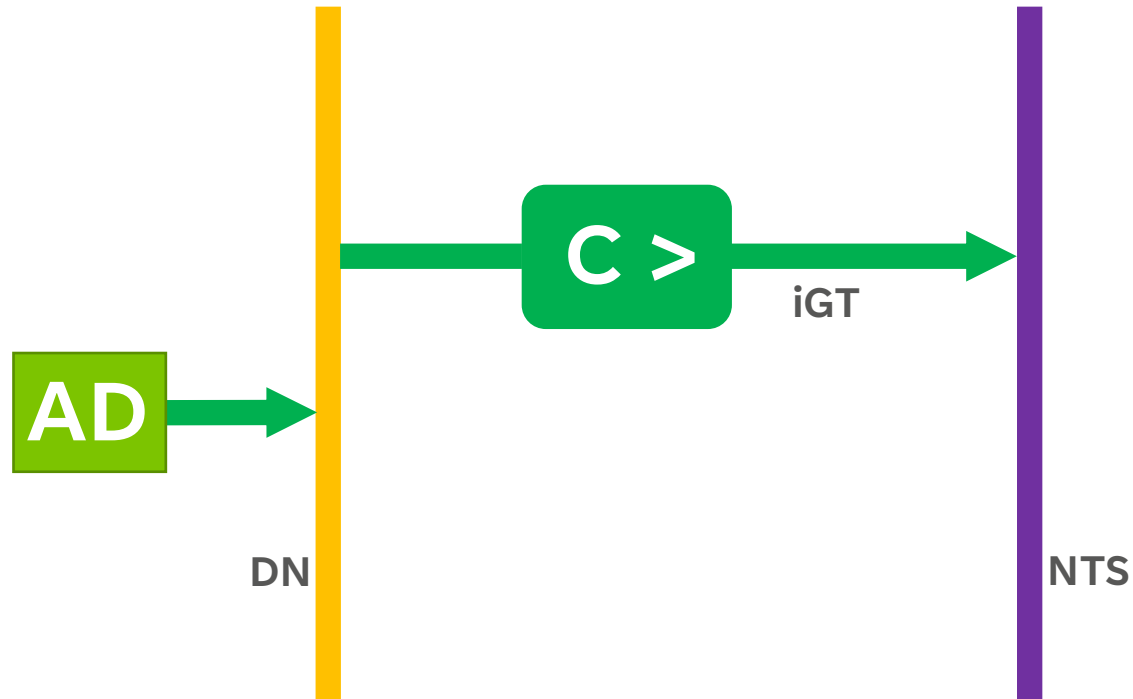
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Background

- Pre Modification discussion at July Transmission Workgroup (CNG Services)
 - Reverse Compression into the NTS
- Action 0701
 - “Tim Davis (TD), rather than raising a Modification, to have offline discussions with National Gas Transmission and report back to Transmission Workgroup in September 2023.
- CNG Services and NGT have held bilateral discussions regarding this action to identify options to meet CNG Services’ aspirations

Physical Scenario



- Insufficient capacity in Distribution Network (DN) to accept biomethane entry
- Capacity in DN created by withdrawing gas from DN, compressing it and injecting into the NTS ('Reverse Compression') via an iGT pipeline
- Energy offtaken for Reverse Compression is equal to energy delivered to the NTS
- Low volumes expected – overnight in summer months when DN demand is low

Consequences of Applying Existing UNC Regime

- Total System defined as the NTS and DN, not iGTs
 - Gas is therefore leaving the Total System at the DN/iGT connection and re-entering the Total System at the iGT/NTS connection
- From an NTS perspective
 - new ASEP
 - Shipper required to arrange conveyance with NTS
 - Shipper incentivised to procure Entry Capacity
 - Shipper required to pay the relevant Transportation Charges
 - Shipper required to provide entry gas flow nominations
- Alternatively treat iGT/NTS connection as an NTS Exit Point with negative flow

Proposed Interim Solution

- Treat as a flow within the Total System (i.e. no volumes delivered to, nor offtaken from the Total System)
- Seek **UNC Derogation** (GT B7) to achieve objective (e.g. temporarily remove requirement for delivery of gas to NTS to be subject to TPD Section I)
 - Time limited
 - subject to industry consultation and Ofgem approval
- **Derogation Use Case**

“relates to a project which is consistent with:

 - (a) a change in national government policy (including policy of the national devolved parliaments);*
 - (b) a change in local government policy;*
 - (c) the trialling of new technologies or the making of technological advances;*
 - (d) facilitating the uptake of low carbon technologies;*
 - (e) any requirement contained in a local area energy plan or equivalent arrangement the purpose of which is to facilitate net zero and the achievement of a 100% reduction of greenhouse gas emissions (compared to 1990 levels) in the UK by 2050.”*

Enduring Solution

- Raise UNC Request
 - Consider options for the treatment of Reverse Compression (between DN and the NTS via iGTs) on an enduring basis
 - Draw conclusions on the preferred option
- If required, raise subsequent UNC Modification Proposal to implement enduring solution

Thank you

