



# St Fergus Compressor Emissions: Charging considerations

NTSCMF Discussions

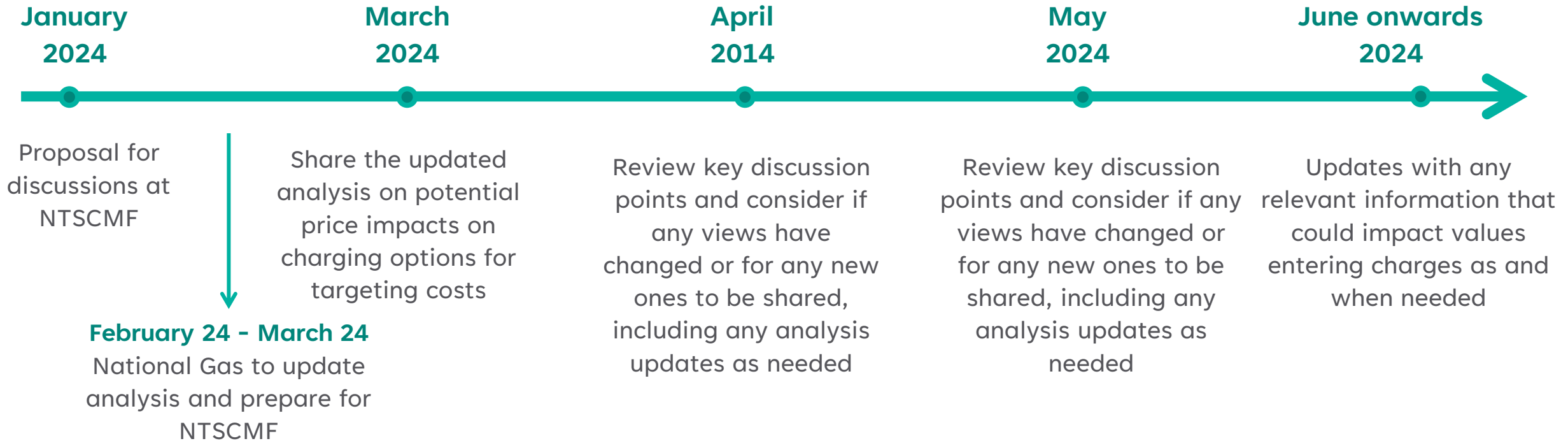
January 2024



# St Fergus Compressor Emissions – Charging

- There is an Uncertainty Mechanism for investment at St Fergus. This includes the emissions related investment linked to compliance for running the compressors at St Fergus. Linked to RIIO-2, there has been discussions on potential for targeting of costs to specific charges / locations.
- Back in 2022 we shared some analysis on potential impacts to charges and also facilitated some discussion through NTSCMF. This covered a range of scenarios.
- Since then, separate to charging discussions, (in 2022 into early 2023) National Gas consulted and reported on its options for investment at St Fergus. Ofgem, in 2023, consulted on and decided on their preferred option for investment at St Fergus.
  - National Gas Consultation: <https://www.nationalgas.com/st-fergus-consultation>
  - Ofgem Consultation: <https://www.ofgem.gov.uk/publications/st-fergus-compressor-emissions-final-preferred-option>
- There was no consensus that something should change with regards to charging options. Further discussions were requested when more detail is known on the investment option. With the conclusion of the optioneering consultations (linked above), the coming months present a timely opportunity to revisit the subject of potential targeted charging for Stakeholder reflections.

# Draft Timeline



The above dates are indicative only. The period April onwards may vary depending on the level of discussion.

# Discussion Points

This package of work will form a standing NTSCMF workgroup agenda item in the coming months. Stakeholder input will be welcome at all stages in advance of and throughout this topic.

High level plan for workgroup discussions:

February 2024:

- Update on timetable confirming deliverables for March
- Brief reminder of what's been presented to date (and relevant published materials)
- Share thoughts on scenarios we plan to model

March 2024:

- Review the key points from the last set of analysis and position Stakeholders had at that time
- Update analysis previously shared and focus on information contained in most recent Ofgem / National Gas updates or consultations. To include a range of scenarios to provide illustrative impacts.
- To include timelines for impacts with and without UNC changes.

April 2024 onwards:

- Opportunity to revisit points to see if Stakeholders views have changed, any new views or positions to share
- Update on any analysis as required, including timelines for impacts with and without any UNC changes.

Thank you

