

**UNC Request Workgroup 0780S Minutes  
Amendment to Gas Quality NTS Entry Specification at the St Fergus  
SAGE System Entry Point**

**Tuesday 07 September 2021**

**via Microsoft Teams**

**Attendees**

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cui (Secretary)	(HCu)	Joint Office
Adam Bates	(AB)	South Hook
Alex Nield	(AN)	Storengy
Amber Talbot	(AT)	Storengy
Andrew Blair	(ABI)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(AS)	National Grid
Ashley Adams	(AA)	National Grid
Ben Hanley	(BH)	NGN
Bethan Winter	(BW)	Wales & West Utilities
Carlos Aguirre	(CA)	Pavilion
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DH)	National Grid
David Mitchell	(DM)	SGN
Davide Rubini	(DR)	Vitol
Hannah Reddy	(HR)	Corella
Henk Kreuze	(HK)	Vermillion
Ian Laing	(IL)	Wood Plc
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Joseph Leyon	(JL)	SGN
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJ)	RWE
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Nik Cole	(NC)	Shell
Pavanjit Dhesi	(PD)	Interconnector
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Rachel Hinsley	(RHi)	National Grid
Richard Fairholme	(RF)	Uniper
Richard Hewitt	(RH)	Hewitt Home and Energy Solutions
Samual Dunn	(SM)	Interconnector
Samuele Repetto	(SR)	EDF Trading
Sarah Cooper	(SC)	Interconnector
Shiv Singh	(SS)	Cadent

Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0780/070921>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 December 2021.

## 1.0 Outline of Modification

Ian Laing (IL) introduced the Modification and explained on behalf of Eric Marston that the proposed Modification would allow the retirement of underutilised equipment, including energy intensive CO<sub>2</sub> treatment trains.

This proposed Modification is an enabling Modification which seeks to enable an increase in the carbon dioxide limit within the Network Entry Agreement (NEA) at the SAGE North Sea Limited (SNSL) sub-terminal at St. Fergus between National Grid Gas plc and SNSL.

It is proposed to increase the limit from 4mol% to 6mol% subject to a cap on aggregate CO<sub>2</sub> and N<sub>2</sub> at 7mol% until the end of Gas Year 2026/2027 with any continued relaxation in specification beyond that date subject to an objective test of continued requirement.

IL explained the energy intensive processes involved in the CO<sub>2</sub> removal using Amine scrubbers. IL explained the proposal to increase NEA CO<sub>2</sub> content from 4 mol% to 6 mol% will enable retirement of that energy intensive equipment. The proposal will reduce terminal emissions by 28% and extend the economic life of the SAGE catchment, promoting effective competition and gas supply through the development of remaining gas reserves and resources on both the UKCS and Norwegian Continental Shelf.

IL confirmed that consideration has been given to the longer-term flow profiles and which blends that could cause the 4% level to be exceeded. The impact for SAGE CO<sub>2</sub> content entering had also been looked at, along with opportunities for further blending from neighbouring terminals. IL provided an illustration of the CO<sub>2</sub> mol percentages and the highest percentage CO<sub>2</sub>.

EF pointed out that a detailed analysis of CO<sub>2</sub> penetration into the NTS had also been provided and published with the meeting papers but that there would be insufficient time in the meeting to review it now. Workgroup participants were invited to review that material prior to the next meeting.

Julie Cox (JC) wished to note that fundamentally allowing more CO<sub>2</sub> into the system did not feel right and wanted to understand what happens to the captured CO<sub>2</sub>. IL clarified that that CO<sub>2</sub> removed from the gas stream is not captured but is released, this is included in the operator's emissions allowance. IL clarified that the emissions saving come from not using heat intensive plant. JC asked if there was an alternative solution such as using renewal energy to run the plant or capturing the CO<sub>2</sub> for other use purposes. IL replied that there is little commercial value for the extracted CO<sub>2</sub> as the volumes are small and intermittent. If the energy intensive steam plant can be retired then other systems in the terminal might be transferred to renewable electric power.

Nik Cole (NC) enquired if the bid for Acorn (Pale Blue Dot) had been looked into for CCS capturing storage, and if SAGE would be considering this. IL confirmed SAGE are in contact with the Acorn Project.

NC explained that at the moment Shell would not be in a position to support this Modification in its current form and are considering the legal implications and the potential commercial disadvantages.

IL recognised there are a number of interactions that need to be considered. NC asked if the Modification could consider safeguarding the allowance. IL explained that there is a decline in CO<sub>2</sub> coming into the system but a review process could consider the use by SAGE of the extra margin.

The Workgroup requested SAGE introduce Safeguards to the Modification to review CO<sub>2</sub> NEA level on an annual basis based on actual use and projected use. The aim is to release unused allowance for other NTS users if required. Thus maintaining fair and equal access for all users to the NTS.

**New Action 0701:** SAGE (EM) to provide a Carbon benefit Analysis.

**New Action 0702:** SAGE (EM) to consider ~~reviewing the actual usage and continued requirement (on a frequency to be decided)~~ to introduce Safeguards to the Modification to review CO<sub>2</sub> NEA level on an annual basis based on actual use and projected use.

Rachel Hinsley (RH) asked for provided analysis to be submitted to herself as this would be helpful to consider in advance of the next workgroup.

Phil Hobbins (PH) wished to note that a number of debates had been held within Workgroup/ Modification 0607 - Amendment to Gas Quality NTS Entry Specification at the St Fergus NSMP System Entry Point (<https://www.gasgovernance.co.uk/0607>) with regards to discriminatory treatment. The setting of a period for review and testing for continued requirements, he suggested this may need to be expanded on, within the Modification.

PL wished to note if another entry facility requests a relaxation, and if National Grid are not able to meet request, they will find a way of allocating the available flexibility in a non-discriminatory manner.

IL agreed to review the topics discussed today and to add further clarity to the Modification for discussion next month.

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

Panel's request for the Workgroup to consider the Self-Governance justification, was not discussed.

### 2.2. Initial Representations

None received.

### 2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at <http://www.gasgovernance.co.uk/0780>

## 2. Next Steps

EF confirmed that the Workgroup would continue discussions next month.

## 3. Any Other Business

None.

## 4. Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time / Date	Venue	Workgroup Programme
10:00 Thursday 07 October 2021	Microsoft Teams	<ul style="list-style-type: none"> <li>• Modification Assessment</li> <li>• Review of Impacts and Costs</li> <li>• Consideration of Wider Industry Impacts</li> <li>• Development of Workgroup Report</li> </ul>

**Action Table (as at 07 September 2021)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	07/09/21	1.0	SAGE (EM) to provide a Carbon benefit Analysis	SAGE (EM)	<b>Pending</b> (due October)
0902	07/09/21	1.0	SAGE (EM) to consider <a href="#">to introduce Safeguards to the Modification to review CO<sub>2</sub> NEA level on an annual basis based on actual use and projected use</a> . <del>reviewing the actual usage and continued requirement (on a frequency to be decided).</del>	SAGE (EM)	<b>Pending</b> (due October)