

UNC Workgroup 0780S Minutes
Amendment to Gas Quality NTS Entry Specification at the St Fergus
SAGE System Entry Point
Monday 22 November 2021
via Microsoft Teams

Attendees

Eric Fowler (Chair)	(KE)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alex Neild	(AN)	Storengy
Andrew Blair	(ABI)	Interconnector
Andrew Pearce	(APe)	BP
Chris Wright	(CW)	Exxon Mobil
Jeff Chandler	(JCh)	SSE
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJ)	RWE
Max Lambert	(ML)	Ofgem
Nik Cole	(NC)	Shell
Phil Hobbins	(PH)	National Grid
Richard Fairholme	(RF)	Uniper
Richard Selmen	(RS)	Ancala Midstream
Steven Britton	(SB)	Cornwall Insight

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0780/221121>

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

1. Introduction and Status Review

Eric Fowler (EF) welcomed all parties to the meeting.

1.1. Approval of minutes (04 November 2021)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

EF noted that a draft Modification Report had been published to aid with concluding the report.

1.3. Review of Outstanding Actions

None Outstanding.

2. Completion of Workgroup Report

EF provided a summary of the changes to the Modification which had been made to add further clarity and presented the Draft Workgroup Report to consider what needed to be captured.

Nik Cole (NK) pointed out that the Modification will result in other operators having to pay for their plant/equipment to meet the gas quality specifications, noting this Modification changes the playing field by decommissioning equipment that removes CO₂ by one party and passing this onto another party. Julie Cox (JCx) noted that the allocation of costs for CO₂ emissions, would also be passed on to other parties.

NK noted that the main benefit of this Modification would be the cost savings from not running plant. EF noted this had been captured within page 8 of the report within the Terminal Efficiency and Longevity section.

The Workgroup considered the merits of decommissioning plant, the obligations on operators and that it may be necessary to reconsider the requirements of running plant in the future.

Phil Hobbins (PH) wished to note that the comments within the draft Workgroup Report around the efficient use for the pipeline related to the economics for the SAGE Terminal rather than the overall system. PH requested this is broadened to explain how this Modification helps with the efficient use of the National Transmission System (NTS).

EK enquired, in terms of higher CO₂ going through the NTS, about the 'Scope 2 Losses' (losses of CO₂ in Transmission between the producer and consumer) and how this would be more economic, if there was more CO₂ in the gas stream. PH explained that having a higher level of CO₂ may not necessarily mean that the measurement will be the same for emission purposes.

JCx explained that not all points on the system undertake measurements and that the CO₂ going into the pipeline will come out somewhere else, regardless of it not being measured.

Richard Selman (RS) explained that SAGE have looked at likely events and the trend of emissions, he explained that the treatment change will allow SAGE to make other energy efficiencies, by reconfiguring other plant.

It was noted that the average trend of CO₂ emissions is a downward trend but this does not preclude the possibility of spikes.

JCx challenged the view of pro-longing the life of the terminal and that the Modification does not currently explain how.

NK challenged the level playing field in terms of competition if Shippers lose the ability to accept certain customers.

Richard Fairholme (RF) enquired about the risk of a 'knock-on effect' with other terminals.

The Workgroup considered if previous CO₂ Modifications, such as Modification 0607 - Amendment to Gas Quality NTS Entry Specification at the St Fergus NSMP System Entry Point, included CO₂ analysis for better transparency, and if it would be useful to compare analysis with other terminals.

PH suggested the Workgroup should look at whether the Modification would lead to a maximisation of supply that would otherwise be locked out, and if access to a greater supply diversity would secure effective competition to Shippers.

Chris Wright (CW) asked about the cascading of costs, and if there would be lower operating costs if this needed to be captured, although these may be marginal, and customers may not see a difference.

Following further consideration of the draft Workgroup Report EF confirmed he would capture the discussion points raised as today's meeting and provide an updated report for the Workgroup to sign off.

3. Next Steps

EF to produce and publish the final Workgroup Report for Workgroup approval at the 02 December 2021 Transmission Workgroup meeting.

4. Any Other Business

None.

5. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

No further meetings were planned. The Workgroup will have the opportunity to review the Workgroup Report within the Transmission Workgroup Meeting on 02 December 2021.