

Mod 0808 Reverse Compression workgroup discussion points

The list below contains data items that SGN feels need to be included in the Network Connection Agreement / Ancillary Agreement these considerations may need to be included in the modification solution to aid the legal text production.

1. Communications between 3rd party & GDN – planned exit and entry flows from and onto the network. How would this work in terms of communication channels?
2. Site management – agreement would need to cover non-operational windows when GDN required site to be turned down / off for network maintenance activities.
3. Gas quality – agreement would need to cover any mandatory requirements in relation gas quality monitoring and rules around operation of the asset. Possible G8 risk workshop.
4. Site operation – agreement would detail how the site is operated, i.e. would it be manually triggered by the biomethane site or automatically by a control system which monitors the biomethane site flow rate?
5. The GDN may require the installation of a ROV to control gas flow off/on to the network.
6. Asset responsibility – delineated lines of ownership and operational responsibility.
7. Exit and entry rates (Scm/h)
8. End of life decommissioning responsibilities + impact of conversion of network to hydrogen.

Questions for the proposer:

1. Under the Modification Proposal gas will leave the network, will the 3rd party asset operator become an GT licence holder? If not there are legal questions relating to title and risk to the gas passing from the Transporter to a third party.
2. Under current arrangements title and risk to gas is with the transporter at the point the gas enters the network and passes to a gas supplier at the point the gas exits the network. How will these arrangements be dealt with under MOD 808 - see UNC MOD 363 as this previously dealt with a similar issue. The Gas Act outlines how gas should leave the network please see the Gas Act Paragraph 5 that covers the Prohibition on Unlicensed activities <https://www.legislation.gov.uk/ukpga/1986/44/section/5>
Our interpretation is that the operator of the reverse compression facility would need to become an iGT to take the gas from the network, otherwise there are legal questions relating to the risk of gas passing from the Transporter to the third party. To navigate this point the proposer will also need to potentially raise an iGT mod to add gas Entry to the iGT UNC if they decide to pursue the iGT route for taking gas from the network.
3. Lack of metering at exit and entry points could lead to loss of gas scenario (albeit acknowledge we wouldn't expect gas fired compressors to be used....) – there may a loss of gas issue and this would need to be evaluated and possibly included in the unidentified gas figure?

- 4. What would happen to the assets if the network is converted to Hydrogen?

We feel that the proposer needs to consider the above as does the workgroup.

Connections Agreement – pre ancillary agreement:

- 1. Third party to provide provision asset location - Capacity / locational study to determine feasibility of specified asset location – GDN Network Planning analysis review.
- 2. Network analysis review to determine whether exit rate is acceptable and entry rate is acceptable.
- 3. Network view longevity of asset location in terms of continued economic and efficient management of the network to sustain 3rd party asset.

We would like the proposer and the workgroup to consider the above.