



0882s - Transparency of non-standard Gas Quality parameters at new entry connections to the NTS

Transmission Workgroup - July 2024



Recap: Background

- The Gas Market Plan (GMaP) identified inconsistencies in the transparency of information obligated to be shared between new connections compared to existing connections.
- Currently there is no obligation in UNC to share information on any party wishing to connect to the NTS who is requesting **"non-standard"** gas quality parameters, which are outside of the National Gas published Specification, currently in the Gas Ten Year Statement.
- Under UNC, TPD, Section I, there is a requirement for NGT to consult with industry if operators wish to make a change to existing Network Entry Provisions, which contain the Gas Entry Conditions (gas quality limits).
- Under UNC, TPD, Section V, contains the NTS connection process. The solution should be limited to have minimal impact on the process and timeline, whilst increasing transparency of information to industry.

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Enhancing the NTS connections process, to remove framework inconsistencies, which could include allowing the industry to engage on gas quality requests for new NTS entry points which fall outside the Gas Ten Year Statement parameters.

There are gas quality framework inconsistencies that need to be addressed. A new entry point that wishes to connect to the network isn't obligated to make gas quality information public. Yet if an existing party wishes to change a gas quality parameter, there are formal UNC rules to manage this request. This recommendation has provided an example of how these inconsistencies could be managed and highlighted open questions that still need resolving. It sets a direction of travel with further industry engagement required.

There are framework inconsistencies that need to be resolved and there is a lack of transparency for the industry. Yet there is also a need to be cognisant of the potential amount of additional processing and bureaucracy required to deliver the transparency in a way that doesn't disincentivise or delay low carbon sites connecting to the NTS.

<https://www.nationalgas.com/future-of-gas/gas-quality>

Recap: Driver now

- There are a number of **potential biomethane connections applications/ enquiries**
- We have received requested for a higher oxygen limit of 1.0mol%
- As GB Transmission System Operator, we want to support and enable the transition to **Net Zero** and enable these connections
- We believe that our planned approach to the oxygen limit creates a greater need to address the gap between existing connected parties and new connections in terms of Network Entry Provisions and gas quality limits

Current Maximum Oxygen Content for NTS is limited by GS(M)R to 0.2mol%

Oxygen specification for delivery to NTS is published as 0.001mol% (10ppm), unless assessed otherwise.

Points to address from Pre-Mod discussion

Oxygen GS(M)R Exemption and Case by Case risk assessment process

Concern was raised regarding a general NTS-wide exemption rather than a case-by-case approach as there were some sites which could be impacted depending on location

Existing connections and new (biomethane) connections conflict

What is the solution to a situation where there is a conflict between existing connections and new connections following approval of the exemption.

These are not covered in this modification proposal, but are being addressed through the Oxygen Exemption workstream, details on the following slides

Oxygen and GS(M)R Exemption process (slide 1 of 2)

This is a separate workstream and sits outside of this modification proposal

- The GS(M)R review formalised the Gas Distribution Networks' 'class exemption' granted by the HSE which allows for projects to connect with an oxygen limit of up to 1 mol% on networks where the pressure is up to 38 barg
- We are in the initial stages of preparing an evidence case to submit to HSE to permit us to offer up to 1 mol% oxygen limit on the NTS and on any DN network above 38 barg
- This will be a two phased approach;

1. Site Specific GS(M) R Exemption

2. Network Wide GS(M)R Exemption

This will be requested as a class exemption

An NIA funded study addressing the impacts of an elevated level of oxygen will be undertaken

Oxygen and HSE Exemption process (slide 2 of 2)

This is a separate workstream and sits outside of this modification proposal

- If these exemptions are granted, we envisage that the 1 mol% oxygen would be applied on a **case-by-case basis**, for which the entry connection would have to request
 - Given the relatively low expected volumes delivered by biomethane sites, it is expected that the elevated oxygen content would readily blend away
 - However, we envisage undertaking a risk assessment and network analysis to determine whether elevated oxygen content could reach an offtake that is sensitive to oxygen
 - Our current understanding is that this includes **storage sites, Interconnectors** and potentially may include **power stations** and **industrial** offtakes that use gas as a chemical feedstock
 - We plan to engage with any directly connected customers in the locale* of the proposed biomethane site as part of this internal process
- How we manage this internal process will have to be fully documented as part of our Evidence Case for the GS(M)R exemption

0822s - Solution Objectives

- This Modification will seek to **address the transparency "gap"** between existing and new connections in relation to non-standard gas quality. **This should focus on Transparency of information to industry.**
- It is suggested that Modification development considers key factors to determine a balanced solution:
 - What information is required by industry to be informed and why?
 - What can be shared considering confidentiality?
 - What is the impact on the connection timeline in TPD V?
 - Timing - At what point in the Connection process is this relevant/applicable/achievable?
 - Methods of communication.
- NGT is conscious that the connection timeline and cost for connecting parties should not be adversely impacted in achieving the objective of transparency and is seeking to limit additional process as much as possible with an **efficient and proportionate solution.**

Questions from Panel for workgroup

- Q1. Could any solution developed as part of this Modification be used in other scenarios
- Q2. Consider information required by all who might need the information - including potentially those geographically local to the point or those connected to the network locally and non- UNC parties
- Q3. Consider materiality threshold for Authority Direction
- Q4. Consider what people may do as a result of the information published

Summary and Next Steps

☐ 2 separate streams of work:

- 1. **Mod 0822s** – to address the **Transparency** “gap” between new connections and existing connections gas quality requests for non-standard parameters.
- 2. **HSE Exemption Process** – including the process for managing case-by-case risk assessments.
 - ✓ Happy to provide updates at key milestones

☐ Plan for the following workgroups:

Workgroup	Proposed plan
August	Discuss information required and why it is needed, by whom and timings
September	Present options and agree on preferred solution/s
October	Draft Legal Text
November	Legal Text/ FMR

- **Request for information on the useful information required and why by industry.**