

## Representation - Draft Modification Report 0498 and 0502

### 0498 - Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point

### 0502 - Amendment to Gas Quality NTS Entry Specification at the px Teesside System Entry Point

Responses invited by: **24 July 2015**

<b>Representative:</b>	David O'Donnell
<b>Organisation:</b>	Teesside Gas Processing Plant Limited
<b>Date of Representation:</b>	24 July 2015
<b>Support or oppose implementation?</b>	0498 - Support 0502 - Support
<b>Relevant Objective:</b>	a) Positive d) Positive

**Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)**

The relaxation of CO<sub>2</sub> gas specification at the Teesside entry point will facilitate the development of new oil and gas fields in the Central North Sea region of the United Kingdom Continental Shelf. Indigenous supplies are the lowest cost source of gas for the UK. The modification will assist in the reduction of offshore development cost and stimulate further investment in the region thereby contributing to the desired aims and goals of the UK Government for Maximum Economic Recovery (MER) of oil and gas reserves in the UK. From the report produced by the Working Group the impact of such a change on downstream users appears to be limited while the mitigation mechanisms are costly and generate more CO<sub>2</sub> than is already in the natural gas.

**Implementation:** *What lead-time do you wish to see prior to implementation and why?*

The modification should be implemented as per the report.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

The impact on terminal and field owners has been outlined in the report.

**Legal Text:** *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

**Modification Panel Members have requested that the following questions are addressed:**

*Q1: Respondents are requested to quantify any additional costs they would incur as a result of a CO<sub>2</sub> excursion to 4.0 mol% at the Teesside terminal (flow maps are included to help respondents; see figures A2.1 to A2.4 in Appendix 2).*

The estimated costs to terminals/field owners are detailed in the report.

*Q2: Respondents are requested to quantify any wider benefits/dis-benefits for the UK economy that might be derived from these proposals.*

The modification will stimulate the further development of oil and gas reserves in the Central North Sea. Benefits will include:

- Extending the life of the onshore processing facilities thereby preserving jobs on Teesside in the long term.
- Further long term tax contributions from the development of new fields.
- Contributing to the desired aims and goals of the UK Government for MER of oil and gas reserves in the UK.
- Investment into the UK from domestic and overseas oil and gas production companies.

*Q3: Respondents are requested to quantify the security of electricity supply risk to CCGTs. It would be useful to know how many CCGTs could be affected, when they might be impacted and what flexibility there is elsewhere in the system to accommodate.*

This is not our area of operation so we cannot comment directly. However, if this is an area of significant concern for generators we question why this impact has not already been quantified and shared with the Working Group for inclusion in the report.

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

No further comment

**Please provide below any additional analysis or information to support your representation**

No further comment