

## 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>	Audrey Nugent
<b>Organisation:</b>	Chemical Industries Association
<b>Date of Representation:</b>	28 <sup>th</sup> July 2015
<b>Support or oppose implementation?</b>	0498 - Oppose 0502 - Oppose
<b>Relevant Objective:</b>	a) Positive/Negative/None* <i>delete as appropriate</i> d) Positive/Negative/None* <i>delete as appropriate</i>

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

CIA is opposing this Mod on the grounds that it will have an undue impact on our companies. The increased level of CO<sub>2</sub> may have a significant cost impact. However, members are concerned about the impact this will have if the increased concentration of CO<sub>2</sub> delivered goes beyond the 30 days cited in the Mod. This is because:

- Companies may have a maximum CO<sub>2</sub> spec stated in their operations which may be exceeded as a result of this Mod. This would need to be properly considered beforehand if the Mod were to go ahead
- Companies have pipeline capacity limitations and if the CO<sub>2</sub> level is increased then the volume of natural gas is increased and could cause natural gas delivery constraint
- Increased levels of CO<sub>2</sub> in feedstock mean more CO<sub>2</sub> emissions which will impact on environmental targets.

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

Insert Text Here

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

The increase in CO<sub>2</sub> levels will lead to increased emissions which will impact on environmental targets causing increased environmental compliance costs. This includes increased emission allowance requirements under the EU Emissions Trading Scheme.

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

Insert Text Here

**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).*

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

CIA support secure and competitive supplies of energy and therefore support the further exploitation of gas in the North Sea. However, we want to ensure this is introduced such that due consideration is given to the impact this will have on companies who depend on gas for their operations.

Companies need to be guaranteed that the integrity of their operations is not compromised by the increased CO<sub>2</sub> content of the gas.

*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.*

Insert Text Here

**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.*

Insert Text Here

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

Insert Text Here