

## Overview of contents of generic NEA with GDNs for biomethane projects<sup>1</sup>

### Principles

- Will contain broadly similar “boilerplate” terms and conditions
- Will accommodate GDN-owned, or largely DFO-owned entry facilities, but different GDNs may have different policies on extent to which DFO ownership of entry facilities is permitted (particularly in relation to ownership and operation of odorant plant)
- In relation to largely DFO-owned entry facilities, the DFO will warrant that it will comply with the generic Functional Specification for entry facilities that has been agreed by GDNs / EMIB [and which in the future may be adopted and managed by IGEM]
- Will contain Local Operating Procedures that specify particular requirements in relation to communications between the GDN and the DFO, liaison on maintenance programmes, emergency procedures, etc, that apply to the entry point.
- Will include a Maximum Permitted (hourly) Flow Rate (MPFR) which will apply at any time, but may also include a (higher) MPFR that applies in respect of discrete periods (e.g. winter months).
- The liabilities to apply in relation to the inability of the GDN to accept biomethane into its network will be those set out in the Unified Network Code ([Transportation Principal Document, Section I, 3.11.6](http://www.gasgovernance.co.uk/sites/default/files/TPD%20Section%20I%20-%20Entry%20Requirements.pdf)).  
<http://www.gasgovernance.co.uk/sites/default/files/TPD%20Section%20I%20-%20Entry%20Requirements.pdf>
- GDNs are seeking agreement with Ofgem on the funding of any future reinforcement by a GDN which is required (where feasible) to continue to permit gas injection following future changes in diversified demand.

### Contents

1. **Definitions and Interpretation**
2. **Scope and Application**
3. **Implementation of Local Operating Procedures**

Outline of regime (LOPS themselves located in Schedule 1)

The Local Operating Procedures (LOP) specifies in some detail the operating guidelines enabling gas to be safely exported into the DN.

The LOP shall act as the primary instruction for the Network Entry Agreement (NEA) to ensure that gas entering the network meets the Gas Safety (Management) Regulation 1996 (GS(M)R) requirements for content and characteristics of gas.

---

<sup>1</sup> Does not apply in respect of IGT injection points

It specifies how information shall be passed between DN and the DFO. In addition to this it identifies the persons that will be responsible for taking decisions.

**4. Duration**

Continues until terminated by agreement between parties or on agreed period of notice by DFO

**5. Confidentiality and Use of Information**

Details of agreement confidential unless disclosure required by law  
Details can be released to other third party under certain circumstances

**6. Warranty**

DFO and GDN warrant to act in reasonable and prudent manner

**7. Limitation of Liability**

Appropriate limitation of liability to restrict exposure of both parties

**8. Ownership**

The Delivery Facility and Entry Facility are as described in Schedule 2

**9. Network Entry Provisions**

As set out in Schedule 2. Includes gas quality requirements

**10. Accession and Retirement**

In the event that the DFO proposes to transfer the operation of the Delivery Facility, the DFO shall procure that the transferee accedes to this Agreement. Accession agreement in Schedule 5.

**11. Assignment**

Subject to some special cases no assignment without consent of other party such agreement not being unreasonably withheld or delayed.

**12. Compatibility of the Delivery Facility and the Entry Facility**

Duty on parties not to modify their assets so that it forces modification of other party's assets unless the first party pays for the works

**13. Notices**

Notices to be served to stated persons at stated addresses to be listed

**14. Amendment**

Amendments can only be agreed by authorised representatives  
Party can seek to amend agreement in certain circumstances, e.g. following a change in Regulations.

**15. Entirety of Agreement**

**16. Survival**

**17. Severability**

**18. Third Party Rights**

Exclusion of third party rights

**19. Governing Law and disputes**

Governed by and construed in accordance with English and Welsh law, jurisdiction of English and Welsh courts (Scottish law and jurisdiction will apply for sites in Scotland)

Disputes; attempt to resolve between parties initially, followed by mediation if no resolution. Courts as a last resort

**20. Renewable Heat incentive**

Parties agree that the benefits due to biomethane producer under the RHI are due to the DFO

## **Schedules**

**1. Local Operating Procedures**

**2. Network Entry Provisions**

To include definition of ownership of the components of the Delivery Facility and the Entry Facility, and the particular gas quality requirements. Will also require the complete injection facility to conform to the generic industry Functional Specification.

**3. Measurement Provisions**

Will require conformance with the generic Functional Specification and will specify the particular measurement requirements and frequencies

**4. Disclosure Restrictions**

**5. Accession Agreement**