

**UNC Combined Workgroups 0498/0502 Minutes**  
**Amendment to Gas Quality NTS Entry Specification at BP**  
**Teesside System Entry Point**  
**Wednesday 29 April 2015**  
**Energy UK, Charles House, 5 - 11 Regent Street, London SW1Y 4LR**

**Attendees**

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alice Mitchell*	(AM)	Ofgem
Andrew Pearce	(AP)	BP Gas
David O'Donnell	(DO)	TGPP Ltd
David Reilly	(DRe)	Ofgem
Dennis Rachwal	(DRa)	National Grid NTS
Graham Jack	(GJ)	Centrica
Julie Cox	(JC)	Energy UK
Matthew Bacon	(MB)	DECC
Natasha Ranatunga	(NR)	EDF Energy

\*via teleconference

Copies of papers are available at: [www.gasgovernance.co.uk/0498/290415](http://www.gasgovernance.co.uk/0498/290415)

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

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

*The combined Workgroup Report is due to be presented at the UNC Modification Panel by 21 May 2015.*

**1.0 Introduction**

LJ welcomed all to the meeting.

**2.0 Review of Minutes and Actions**

**2.1 Minutes (31 March 2015)**

JCx and DRa suggested some minor amendments. It was agreed the minutes of the previous meeting would be revised and republished.

The minutes from the previous meeting were then approved.

**2.2 Actions**

**0306:** *Draft Workgroup Report v0.8 - Page 13 Technical Complexity* - All parties to arrange for their Technical colleagues to review this section and submit comments.

**Update:** No comments received. **Closed**

**0308:** *Reference draft WGR Relevant Objectives, Initial Representations* – TGPP (DO) to seek additional confirmation from BG Group plc that it would not be able to continue to develop the (Jackdaw) field without a firm service provision agreement being in place.

**Update:** Confirmed. **Closed**

**0309:** *Reference draft WGR Relevant Objectives, Potential European Standard on Gas Quality* – DECC (MB/SS) to consider whether a statement is required to clarify the UK position for inclusion in the Workgroup Report.

**Update:** MB confirmed that this was not required. **Closed**

**0310:** *Reference draft WGR Relevant Objectives, Impact on Consumers, Warranty Impacts* – Shipper participants to consider both the commercial and contractual issues (including potential trip leading to Electricity Capacity Mechanism impacts).

**Update:** No comments received. **Closed**

**0311:** *Reference draft WGR Relevant Objectives, Impact on Consumers, Warranty Impacts* – National Grid NTS (DRa) to provide a summary statement relating to the variability of gas at Entry Points etc., to be included within the Workgroup Report.

**Update:** DRa had provided a summary statement. **Closed**

**0312:** *Reference draft WGR Relevant Objectives, Impact on Consumers, Warranty Impacts – Downstream Consumers – impact on CO<sub>2</sub> Removal Systems* – TGPP (DO) to consider moving the section into an appendix as a case study.

**Update:** Completed. **Closed**

**0313:** *Reference draft WGR Relevant Objectives, Impact on Storage Operators* – All parties to consider whether the order of £225,000 p.a. statement would be better expressed as a % of Opex, and whether this is overstated based on annual and not the limited number of high CO<sub>2</sub> days in a year.

**Update:** Considered; A Miller had provided a Gas Storage Operators Group (GSOG) response. **Closed**

**0314:** *Reference draft WGR Relevant Objectives, Impact on Consumers, Carbon Cost Assessment – Option 1 – Removal of CO<sub>2</sub> above 2.9 mol% at the upstream platform or onshore at the terminals* - TGPP (DO) to consider moving the section into an appendix, plus consider other alternative heat options that might be viable.

**Update:** Completed. **Closed**

**0315:** *Reference draft WGR Relevant Objectives, Tabulation of Advantages/Disadvantages for CO<sub>2</sub> options table* - TGPP (DO) to review and amend the table where appropriate.

**Update:** DO to amend following today's discussions. **Carried forward**

**0316:** *Reference draft WGR Relevant Objectives, Wider Considerations – Risk of setting precedent* – Oil & Gas UK (MH) to provide a Policy explanation (statement) for Carbon Reduction versus sustainable UKCS.

**Update:** DO to discuss with M Hall. **Carried forward**

**0317:** *Reference draft WGR Relevant Objectives, Appendix 6 - Conclusions - TGPP (DO)* to review and amend as appropriate.

**Update:** DO to reviewed and amend as appropriate. **Carried forward**

**0318:** *Reference draft WGR Recommendations - All parties to consider what additional questions for Panel should be added for inclusion in the subsequent consultation process.*

**Update:** Considered. **Closed**

### 3.0 Completion of the Workgroup Report

The draft Workgroup Report (v0.10, dated 28 April 2015) was reviewed on screen. LJ explained that it had been restructured and the additions made following receipt of various contributions.

During a detailed review of the document the new inclusions were discussed and what further information might be required; a number of observations and suggestions were made as the review progressed.

It was noted that the political and market landscape had changed since the inception of the modifications and there were concerns that the initial premise of 'first gas' in 2019 may no longer be appropriate. It was agreed that 2019 was no longer a valid date as there was now no prospect of Jackdaw delivering gas this early; changing the date then affects the analysis as currently provided (capital investments, NPV calculations and forecasts, Carbon Cost Assessments, etc). DO would therefore need to rerun the modelling and analysis based on a starting year of 2021, and aim to provide the replacement information for inclusion with the draft Workgroup Report (WGR) in the short space of time between now and 08 May 2015. At the same time he would revise the dates in the draft WGR, where appropriate. Noting the time constraints, it was suggested this replacement information should be provided by 08 May 2015 to the Joint Office; the WGR would be republished for review, with the Workgroup then aiming to finalise and approve the report at a teleconference on 15 May 2015 (in anticipation of the UNC Modification Panel accepting its late submission at short notice).

#### 3.1 Review of Relevant Objectives

LJ drew attention to the initial statements. Disparate views were expressed, and following further discussions the statements were refined.

#### 3.2 Implementation

This was considered in greater detail, and while reflecting on appropriate dates, the discussions gave rise to the realization and concerns that most of the Workgroup's previous discussions and all the quantitative modelling and analysis provided so far had been centred on delivery of Jackdaw gas, and that perhaps fuller consideration should be applied to how decisions on an implementation date(s) might affect gas delivered from existing fields.

This was discussed. At the moment there appeared to be circa 40 days (an aggregate volume of 20mcm) in the year restriction because of high CO<sub>2</sub> - if implemented immediately this would give a direct benefit in reducing these restrictions.

LJ suggested that the Proposers should reconsider their modifications and decide whether they should relate just to new gas or should apply to all gas coming into the system. The questions might be, should the limits for all be relaxed now, or should the limit be relaxed

for Jackdaw (or other new development) now.

DO explained why the focus had been on the Jackdaw model during Workgroup discussions. GJ asked, if Jackdaw was not in the frame would these modifications have been raised to address the current 44 days curtailments; curtailments had been happening and no modifications had been raised, but the imminent development of Jackdaw made it more feasible to address the gas quality issue.

DO was already committed to re-running the modelling and analysis, and suggested that further modelling and analysis could be done to address the gap in the information relating to the effects on existing fields and curtailment prior to the Jackdaw date (2021) that might help to inform the implementation dates and provide a view on pre-Jackdaw (2021) impacts.

### 3.3 Consideration of Legal Text for NEAs

The Workgroup believed the legal text to be commensurate with the NEA requirements.

### 3.4 Recommendations (including additional questions for UNC Modification Panel consideration)

No further questions were raised/agreed for inclusion.

## 4.0 Next Steps

LJ reminded that the Workgroup's report is due for consideration at the UNC Modification Panel meeting on 21 May 2015 (submission date is 08 May 2015).

The Workgroup Report (as amended to reflect today's discussions and in recognising that DO must provide further updated analysis) will be published following this meeting, and submitted to the May UNC Modification Panel for its consideration, with the recommendation that it be returned to Workgroup for further assessment and an extended reporting date.

The Proposers will consider whether or not to amend their modifications in view of the outcome of today's discussions.

All parties will continue to maintain active involvement and contribute to the review and drafting process, and it was agreed to arrange further Workgroup meetings to address the replacement analysis to be provided by DO, and consider any amendments to the modifications.

At the next Workgroup meeting it will be the intention to continue to formally structure and shape the Workgroup's report, with the primary focus being on the replacement analysis and the further outputs from any outstanding actions, and how these will inform the Workgroup's views and be translated into meaningful content.

## 5.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Workgroup meetings will take place as follows:

Time/Date	Location	Programme
09:00, Friday 15 May 2015 <b>PROVISIONAL - to be</b>	Teleconference	Review of replacement and additional analysis Completion of Workgroup Report

<i>confirmed</i>		and Workgroup sign off <i>(Contributions to be sent to Joint Office by 08 May 2015)</i>
10:00, Monday 08 June 2015	Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR (Room LG08 - maximum capacity 22 persons)	Review of replacement and additional analysis Completion of Workgroup Report and Workgroup sign off
10:00, Monday 29 June 2015	Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR (Room LG08 - maximum capacity 22 persons)	Completion of Workgroup Report and Workgroup sign off

**Action Table – Combined Workgroup 0498/0502 (29 April 2015)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0306	09/03/15	3.0	<i>Draft Workgroup Report v0.8 - Page 13, Technical Complexity</i> - All parties to arrange for their Technical colleagues to review this section and submit comments.	All parties	<b>Closed</b>
0308	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Initial Representations</i> – TGPP (DO) to seek additional confirmation from BG Group plc that it would not be able to continue to develop the (Jackdaw) field without a firm service provision agreement being in place.	TGPP (DO)	<b>Closed</b>
0309	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Potential European Standard on Gas Quality</i> – DECC (MB/SS) to consider whether a statement is required to clarify the UK position for inclusion in the Workgroup Report.	DECC (MB/SS)	<b>Closed</b>
0310	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Impact on Consumers, Warranty Impacts</i> – Shipper participants to consider both the commercial and contractual issues (including potential trip leading to Electricity Capacity Mechanism impacts).	Shippers	<b>Closed</b>
0311	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Impact on Consumers, Warranty Impacts</i> – National Grid NTS (DR) to provide a summary statement relating to the variability of gas at Entry Points etc., to be included within the Workgroup Report.	National Grid NTS (DR)	<b>Closed</b>

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>0312</b>	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Impact on Consumers, Warranty Impacts – Downstream Consumers – impact on CO2 Removal Systems – TGPP (DO) to consider moving the section into an appendix as a case study.</i>	TGPP (DO)	<b>Closed</b>
<b>0313</b>	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Impact on Storage Operators – All parties to consider whether the order of £225,000 p.a. statement would be better expressed as a % of Opex, and whether this is overstated based on annual and not the limited number of high CO2 days in a year.</i>	All	<b>Closed</b>
<b>0314</b>	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Impact on Consumers, Carbon Cost Assessment – Option 1 – Removal of CO2 above 2.9 mol% at the upstream platform or onshore at the terminals - TGPP (DO) to consider moving the section into an appendix, plus consider other alternative heat options that might be viable.</i>	TGPP (DO)	<b>Closed</b>
<b>0315</b>	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Tabulation of Advantages/Disadvantages for CO2 options table - TGPP (DO) to review and amend the table where appropriate.</i>	TGPP (DO)	<b>Carried forward</b>
<b>0316</b>	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Wider Considerations – Risk of setting precedent – Oil &amp; Gas UK (MH) to provide a Policy explanation (statement) for Carbon Reduction v's sustainable UKCS.</i>	Oil & Gas UK (MH)	<b>Carried forward</b>
<b>0317</b>	31/03/15	3.1	<i>Reference draft WGR Relevant Objectives, Appendix 6 - Conclusions - TGPP (DO) to review and amend as appropriate.</i>	TGPP (DO)	<b>Carried forward</b>
<b>0318</b>	31/03/15	3.3	<i>Reference draft WGR Recommendations - All parties to consider what additional questions for Panel should be added for inclusion in the subsequent consultation process.</i>	All	<b>Closed</b>