

Representation - Draft Modification Report UNC 0814 (Urgent)

Temporary Access to the Enhanced Pressure Service and Increase to the Maximum NTS Exit Point Offtake Rate of the BBL interconnector

Responses invited by: 5pm on 01 August 2022

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	CEMIL ALTIN
Organisation:	EDF TRADING LIMITED
Date of Representation:	1 AUGUST 2022
Support or oppose implementation?	Oppose
Relevant Objective:	<p>d) Negative</p> <p>In addition, we think the proposed modification is</p> <p><i>A. Negative</i></p> <p><i>C. Negative</i></p> <p><i>D. Negative</i></p> <p><i>G. Negative</i></p>
Relevant Charging Methodology Objective:	Not Applicable* <i>delete as appropriate</i>

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

The Gas Safety (Management) Regulations (GSMR) require that gas transported in the NYS should not contain solid or liquid material that may interfere with the integrity or operation of the pipelines. The GMSR imposed a legal obligation on NGG to operate in accordance with the GSMR.

In recent months the operation of the UK Interconnector and consequently the commercial activities of relevant shippers have suffered several times from the delivery of solids and liquid in gas delivered from the NTS to the Bacton Exit Interconnection Point. The receipt of the off specification gas damaged IUK equipment and led to a curtailment of export flows – to the detriment of the commercial activities of relevant shippers and ultimately the efficiency and effectiveness of the interconnected GB-EU gas market.

EDF Trading Limited is opposed to this urgent modification as it will not facilitate greater efficiency of export-import flows but rather increase the probability that non-GSMR gas will be delivered to the Bacton IP thereby significantly increasing the risk of further curtailments of capacity on IUK. This will ultimately be detrimental to GB consumers as it could mean that winter imports of gas could face curtailment if additional off specification gas is delivered to IUK resulting in damage which curtails capacity. Therefore, the modification is negative against objective (d) and objective (g) by increasing disruption risk rather than facilitating cross border flows and market efficiency.

EDFT also believes that NGGG is negatively impacting objective c by proposing the modification without addressing the underlying issues it faces and without any impact assessment of its proposals.

This modification would undermine NGG's obligation to maintain an efficiency and economic system and is therefore negative against objective (a). It is clear that gas being transported in the NTS is contaminated and requires remedial filtering. This is the urgent action that NGG should be undertaking – not proposing a modification that will allow it to continue in dereliction of its statutory obligations.

It is also the case that NGG is potentially acting in a discriminatory manner by looking to provide clean gas to one interconnector at the expense of additional off-spec gas to the other interconnector.

EDFT is also not aware of any technical assessments that have been carried out by NGG to support this modification.

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

NGG must urgently address material ingress from the NTS at the Bacton IP by investment in filters. Any modification proposal needs to be fully assessed to understand impacts given NGG itself has indicated that the problems with hazardous material ingress from the NTS at the Bacton Exit IP are directly linked to the unprecedented high flows at Bacton.

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

Increased risk of delivery of non-specification gas could result in significant costs to both Interconnector and GB shippers through their inability to use all their contracted capacity – which would also represent a significant loss of commercial opportunity and for the market as a whole an undermining of the efficiency of the interconnected GB-EU gas market.

It can also increase costs to consumers if:

- Export flows are disrupted, increasing the likelihood of higher European demand later this year competing for demand with GB; and
- Sudden reductions in GB export capabilities leads to a disorderly and inefficient market as Shippers need to rebalance their portfolios, at cost, in both the GB and Continental markets;
- If further damage caused by material ingress results in GB import curtailments or unplanned interconnector shutdowns this winter.

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

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.*

There is no impact assessment to support the modification.

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

Insert Text Here