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# UNC Workgroup 0607S Minutes Amendment to the Gas Quality NTS Entry Specification at the ST Fergus NSMP System Entry Point

Tuesday 27 June 2017

at Energy UK, 5-11 Regent Street, London SW1Y 4LR

## Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Colin Lloydol	(CL)	BP
David O'Donnell	(DOD)	NSMP
David Reilly	(DR)	Ofgem
Graham Jack	(GJ)	Centrica
Julie Cox	(JC)	Energy UK
Lucy Manning	(LM)	Gazprom
Phil Hobbins	(PH)	National Grid
Terry Burke	(TB)	Statoil

(All colleagues joined in person)

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0607/270617> The Workgroup Report is due to be presented at the UNC Modification Panel by 21 September 2017.

## 1.0 Introduction and Status Review

RH welcomed all to the meeting, advising the Workgroup that the emphasis should be on updating the draft Workgroup Report and finalising Action updates. RH confirmed that this Workgroup reports to Panel in September and that there are only 2 workgroups left: July and August.

### 1.1 Apologies

Andrew Pearce  
Jeff Chandler  
Murray Kirkpatrick

### 1.2 Approval of Minutes (22 May 2017)

The minutes of the previous meeting were approved.

## 2.0 Amended Modification (further background to the proposed change)

RH advised the Workgroup that we do not have an amended modification at this stage; MK clarified that he is waiting to see what amendments are made to the draft Workgroup Report and then an amended modification will be submitted.

## 3.0 Review of Outstanding Actions

**0303:** Elaboration on the 'Wider Considerations' part of the Workgroup Report and what would be included in this section. AB to provide some text for the Workgroup Report.

**27/06/16 Update:** Carried forward as AB was not present. RH to request an update. **Carried forward**

**0501:** Once it is established if there are further amendments to be submitted, RH to publish the Amended Modification.

**27/06/16 Update:** Awaiting clarification from MK. Further amendments are expected. This action is dependent on Actions 0504 and 0505. **Carried Forward.**

**0502:** JO to confirm timeline for Amended Mod

**27/06/16 Update:** September panel will take place on 21 September 2017. RH confirmed that a modification can be amended at any time until it is submitted to Panel (submission would be 5 days before) . RH reminded CL that MK would need to be at Panel on 21 September (or dial in). **Closed**

**0503:** DOD to provide some summary sentences from NSMP to SB suggestion.

**27/06/16 Update:** DOD submitted text for the draft workgroup report relating to Simon Bibby's comments. **Closed**

**0504:** Mod proposal to incorporate changes to total inerts specification, subject to NSMP's agreement – MK

**27/06/16 Update:** Changes to the draft workgroup report have been suggested in line with the total inerts specification; an amended modification is expected soon (see action 0501).

**Carried Forward**

**0505:** JCh to provide wording around impact on Peterhead CCGT power station.

**27/06/16 Update:** RH advised the Workgroup that JCh had submitted suggested text for the draft workgroup Report, RH showed this update to the group. Having read through the update DOD suggested this does not answer his query relating to whether Peterhead was still operational. TB stated that technically Peterhead is still operational, even though it is not generating at the moment. Although DOD thinks it is useful for SSE to provide a view of what they plan to do as far as Peterhead Power Station being operational is concerned, DOD also advised that his original question "Is Peterhead Power Station operational" still stands. When asked, DOD stated that he thinks this is material as Peterhead Power Station is closest to the St Fergus terminals, therefore it depends on what the SSE view is of the future for Peterhead Power Station adding that if Peterhead Power Station was not there we would not be having this debate.

DR asked how the supply to Peterhead Power Station is laid out, and asked what the Network Exit Agreement (NEA) said. PH confirmed that Peterhead power station has a direct feed and the NEA is an agreement between National Grid NTS and SSE and clarified that although the NEA does not have a gas quality specification of its own, the agreement will be Gas Safety (Management) Regulations (GS(M)R) compliant. DR agreed with JC that any potential UNC change could have an impact on customers. DR explained that during workgroup discussions for modifications 0498 and 0502, there were similar questions about increased CO<sub>2</sub> affecting burners and consequential trips, though a quantitative link was not possible. JC clarified that this is relating to National Grid NTS not making data on CO<sub>2</sub> content of gas (and other gas quality information) available which is a matter being discussed in other fora. GJ stated that it is difficult trying to understand what the risk is when there is no data with which trips can be correlated. DOD agreed with GJ that ideally the workgroup would be trying to quantify what the future risk actually looks like.

RH asked the workgroup if they could conclude that it "if Peterhead is generating, it may have a potential impact"? All agreed with this statement. RH will use the wording in the draft workgroup report.

RH plans to update the statement on the operational status of Peterhead and include in the draft Workgroup Report and CL suggested adding "if the plant is operating". From discussions, the workgroup concluded that Peterhead Power Station operates occasionally and that there would only be this issue when Peterhead Power Station is operational and generating, although the risk itself is difficult to quantify.

JC reiterated that if gas quality information was received in time, operations people can potentially make adjustments to plant if they know that higher CO<sub>2</sub> is coming.

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RH concluded that the draft workgroup report will be amended in line with the statement submitted by email from JCh and she would clarify with JCh that he was satisfied with the wording. **Carried forward**

**0506:** DOD and PH to report back to the next meeting on time-limiting the proposed CO<sub>2</sub> limit increase within the NEA.

**27/06/16 Update:** DOD explained that he had been working closely with National Grid NTS and NSMP to agree a change to the NEA and preparing what the Legal Text may look like (note the Legal Text amendment for the Workgroup Report reflects the principles within the NEA rather than any UNC legal text because the UNC requires no change in this instance).

DOD and National Grid NTS have essentially agreed that a relaxation in the CO<sub>2</sub> requirements would be for a firm period and thereafter there would be an extension to this on a “use-it-or-lose-it basis”, confirming that 05:00 on 1 October 2024 is the end of the Firm period. If there is a requirement to extend beyond this point, there would need to be a demonstration of continued need.

JC asked how any extension beyond October 2024 would be communicated to Industry, suggesting that a simple modification for the extension may be required. DOD agreed to discuss this offline with BP and National Grid.

Subject to approval of the modification, when the CO<sub>2</sub> content goes back down from 5.5% to 4%, PH confirmed to the Workgroup that through the UNC section I process, National Grid NTS are obliged to notify Shippers that the change has taken place.

GJ suggested that it is his understanding that the obligation in UNC Section I is to notify when there is an increase in CO<sub>2</sub> levels and not a decrease.

**New Action 0601:** DOD (NSMP) to work with National Grid NTS and BP to see how the industry notification process would work post-October 2024. Additional wording around the mechanism for the Legal Text will also be included as part of this action.

RH asked the group if they wished to see the Legal Text provided now before Workgroup Report review; the workgroup confirmed this was the preferred option.

When asked, DOD confirmed that he can broaden the wording on the text that describes the mechanism for extending past October 2024 and informing the industry and add more text that defines the mechanism required.

DOD confirmed when GJ asked about the impact on the compressors at St Fergus, referring to the asset integrity work National Grid carried out. PH confirmed that the compressors should be fine as long as the total inerts do not exceed 7%. **Closed**

**0507:** Next meeting: All to send in comments regarding any disagreement with Panel’s decision to select Self Governance for this Modification.

**27/06/16 Update:** TB provided a statement from Statoil regarding the Self Governance statement which RH showed onscreen. Referring to the statement TB outlined the points being challenged.

RH commented that she has tried to represent views from both sides in the draft Workgroup Report.

CL clarified that there are no commercial blending services in the UK, each terminal has its own entry spec; there is no possibility of having a commercial blending service in the UK.

Referring to the statement provided, DOD asked TB to clarify part (b) “competition between

the shipper counterparties of the producers concerned". PH confirmed National Grid are not providing a blending service. There would be a blending effect but that would not be a blending service.

DOD clarified that the Statoil statement refers to gas entering NTS (upstream) but the modification is about a change to UNC (downstream). The blending is effectively provided within the FUKA pipeline, and is in effect provided to all the shippers who use the FUKA facility provided by NSMP.

RH advised that she will capture all views in the draft Workgroup Report. The document that goes to Panel will refer to the group not being able to agree on whether this modification should be Self-Governance or Authority Direction.

DR offered his understanding and confirmed that the default is Self-Governance until the modification panel decides it shouldn't be.

RH asked TB to confirm that Shell was one of the other parties who were expressing concerns about the self governance statement.

National Grid NTS had concerns around the self governance statement which related to the consequences of non-implementation. This will be discussed further at the next workgroup meeting.

Any further comments would be welcomed by the chair in good time to be discussed at the next workgroup meeting. **Closed**

**0508:** RH to check what happens next if there is a query on the Self Governance statement.  
**27/06/16 Update:** As above, RH advised that she will capture all views in the Workgroup Report. The document that goes to Panel will refer to the group not being able to agree on whether this modification should be Self-Governance or Authority Direction. Panel will then take care of any necessary changes to the process required if they decide to change it to Authority Direction. **Closed**

**0509:** MK to look at the drafting of the Justification for Self-Governance.  
**27/06/16 Update:** MK has amended the wording in the draft workgroup report. **Closed**

#### 4.0 Development of Workgroup Report v0.11

During an onscreen review of the draft Workgroup Report v0.11 which included most of the updates provided, RH advised the group that wherever possible the draft Workgroup Report reflected why an amendment has been made, to assist the workgroup in tracking which changes have been made and where this has come from.

##### Summary

An Amended Modification will be submitted at some point which will include all amendments made over the last few meetings.

Comments were also made that clarification and an update ought to be reflected in the modification.

##### Governance

JC commented that the justification appears to talk about maintaining rather than changes. The sentences need to be relevant to Self-governance.

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## Requested Next Steps

Whilst discussing the differing conclusions about whether this modification should be subject to Self-Governance or Authority Direction, it became clear that additional comments are required from National Grid; Statoil and BP to further explain the Self Governance pros and cons.

PH made further comments regarding the potential effect of non-implementation and referred to comments he had sent in. The draft workgroup report will be updated to reflect these.

TB to review this section in relation to the statement provided for this meeting from Statoil and will send in additional comments.

**New Action 0602:** TB to provide additional comments regarding the pros and cons for Self-Governance.

**New Action 0603:** CL to provide additional comments regarding pros and cons for Self-Governance.

## Why Change

When asked by JC, DOD clarified that fortuitous blending occurs right at the start of the NTS. CL drew a diagram to assist the Workgroup in gaining a clearer understanding. This diagram triggered some discussion as the Workgroup members felt this is not what was understood from previous discussions.

It was agreed that the diagram titled **Figure 1: Connections and gas flows into NTS entry point at St Fergus**, in the section titled **Current operational procedures & flows at the site**, needs to be more specific.

**New Action 0604:** BP/NSMP to clarify the wording around the use of NTS terminal and NTS pipeline and potentially modify Figure 1: **Connections and gas flows into NTS entry point at St Fergus**.

PH suggested a wording change: "This fortuitous blending occurs within the National Grid NTS terminal which reduces the combined CO<sub>2</sub> content of the export gas before the gas enters the NTS pipelines".

DR confirmed to the workgroup that modifications 0498 and 0502 were both Authority Direction and that if modification 0607S was to change from Self Governance to Authority Direction it would take longer to implement.

DOD explained the difference between this Modification and Modifications 0498 and 0502 is that Modifications 0498 and 0502 were about new gas with a higher CO<sub>2</sub> content coming on to the NTS. This modification 0607S is more about the possibility of an increase in CO<sub>2</sub> content in a gas stream which is already being supplied on to the NTS.

**New Action 0605:** DOD to provide some suitable wording to further explain the final sentence in the Carbon Cost Assessment where conclusions from previous modifications 0498 and 0502 are also valid for the proposed St Fergus modification. (Currently page 19/25).

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**5. Diary Planning**

Further details of planned meetings are available at: <http://www.gasgovernance.co.uk/Diary>

<b>Time/Date</b>	<b>Venue</b>	<b>Workgroup Programme</b>
10:00, Tuesday 27 July 2017	ELEXON, 350 Euston Road, London NW1 3AW	Finalising Workgroup Report
August 2017 date to be confirmed	TBC	

## Action Table (as at 27 June 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0105	27/01/17	4.0	BP and National Grid NTS to consider if any adaptations can be made (from both an NEA change perspective and a change to operational procedures) to the operating arrangements between the terminals and the NTS, to manage out of specification gas resulting from an unplanned outage. <b>See Action 0302</b>	BP (MK) and National Grid NTS (PH)	<b>Closed</b>
0106	27/01/17	5.0	BP (MK) to clarify if other gas quality parameters are affected (CV, Wobbe and Dewpoint).	BP (MK)	<b>Closed</b>
0108	27/01/17	5.0	<i>National Grid NTS to consider if an assessment of its operational risks is required</i> - PH and DB to provide a statement for inclusion in the Workgroup Report (if required).	National Grid NTS (PH) and (DB)	<b>Closed</b>
0201	28/02/17	2.0	To look to further explain the rationale behind selection of the 5.5% CO <sub>2</sub> level.	BP (MK)	<b>Closed</b>
0202	28/02/17	10.0	To look to provide another 'worst case' scenario based on the Shell low flow period in June 2016 (using actual CO <sub>2</sub> data and NEA upper limits) and update the analysis to include the weighted average CO <sub>2</sub> positions and the max/min daily CO <sub>2</sub> levels.	National Grid NTS (PH)	<b>Closed</b>
0301	22/03/17	5.0	Joint Office to contact various consumers/groups for views on the impacts on them from this proposal. <b>See Action 0402; 0403 and 0404</b>	Joint Office (RH)	<b>Closed</b>
0302	22/03/17	5.0	To provide a statement from Storage for the WGR for next meeting	Uniper (RF)	<b>Closed</b>
0303	22/03/17	5.0	Elaboration on the 'Wider Considerations' part of the Workgroup Report and what would be included in this section. To provide some text for the Workgroup Report.	Shell (AB)	<b>Carried Forward</b>
0304	22/03/17	6.0	To seek a more detailed understanding of how the plant operates at the right Wobbe level and the effect on the CO <sub>2</sub> level – basically this is more about operating the plant to meet the 5.5%. <b>Ref Action 0104</b>	NSMP (DOD)	<b>Closed</b>
0305	22/03/17	6.0	To investigate as to what would the impact be on a "super TFA" request. <b>Ref Action: 0105</b>	National Grid NTS (PH)	<b>Closed</b>

0306	22/03/17	6.0	MK/DOD to provide a statement to put the new scenario in to context and/or explain why it is an extreme scenario that is unlikely to occur. <b>See Action 0406</b>	BP Gas (MK) NSMP (DOD)	<b>Closed</b>
0307	22.03.17	6.0	To look at the low flow period (8 days in June 2016) to clarify the background to the event and how relevant it is to this analysis/development of further scenarios.	Shell (SB)	<b>Closed</b>
0401	25.04.17	9.0	RH to publish the Draft Workgroup Report. Workgroup members to review and suggest changes.	Joint Office (RH) All	<b>Closed</b>
0402	25.04.17	9.0	To review 'Impact on Customers' in the Draft Workgroup Report	Murray Kirkpatrick (MK) Phil Hobbins (PH)	<b>Closed</b>
0403	25.04.17	10.0	Joint Office (RH) will make contact with CIA. <b>Ref Action 0301</b>	Joint Office (RH)	<b>Closed</b>
0404	25.04.17	10.0	To make contact with DNs in the context of historic HSE class exemption relating to oxygen flow for bio-methane. <b>Ref Action 0301</b>	Joint Office (RH)	<b>Closed</b>
0405	25.04.17	10.0	To assess impact on CNG Offtake. <b>Ref Action 0301</b>	National Grid NTS (PH)	<b>Closed</b>
0406	25.04.17	10.0	To investigate that if there is a CO <sub>2</sub> content above 4% when the gas enters the NTS, can Shippers be alerted? <b>Ref Action 0306</b>	NSMP (DOD) National Grid NTS (PH)	<b>Closed</b>
0501	22/05/1	2.0	Once it is established if there are further amendments to be submitted, RH to publish the Amended Modification.	Joint Office (RH)	<b>Carried forward</b>
0502	22/05/1	2.0	Confirm timeline for Amended Modification.	Joint Office (RH)	<b>Closed</b>
0503	22/05/1	3.0	DOD to provide some summary sentences from NSMP to SB suggestion	NSMP (DOD)	Closed
0504	22/05/1	3.0	Change Mod proposal to incorporate changes discussed.	BP Gas (MK)	<b>Carried forward</b>
0505	22/05/1	4.0	To provide wording for Workgroup Report around impact on customers	SSE (JCh)	<b>Carried forward</b>



0506	22/05/17	4.0	To report back to the next meeting on time-limiting the proposed CO2 limit increase within the NEA.	NSMP (DOD) National Grid NTS (PH)	Closed
0507	22/05/17	4.0	All to send in comments regarding the change from Self Governance to Ofgem Decision.	All	Closed
0508	22/05/17	4.0	RH to check what happens next if there is a query on the Self Governance statement	Joint Office (RH)	Closed
0509	22/05/17	4.0	To look at the drafting of the Justification for Self-Governance	BP Gas (MK)	Closed
0601	27/06/17	3.0 (Action 0505)	DOD (NSMP) to work with National Grid and BP to see how the process would work post Oct 2024. Additional wording for the Legal Text will also be included as part of this action.	NSMP (DOD)	<b>Pending</b>
0602	27/06/17	4.0	TB to provide additional comments regarding the potential effect of non-implementation.	Statoil (TB)	<b>Pending</b>
0603	27/06/17	4.0	CL to provide additional comments regarding the potential effect of non-implementation.	BP (CL)	<b>Pending</b>
0604	27/06/17	4.0	BP/NSMP to clarify the wording around the use of NTS terminal and NTS pipeline.	BP/NSMP (MK/DOD)	<b>Pending</b>
0605	27/06/17	4.0	DOD to provide some suitable wording to further explain the final sentence in the Carbon Cost Assessment where comparing with the Teesside report and the least impact in terms of overall CO2 emissions is to allow the gas with high CO2 to flow into the NTS, is also valid for the proposed St Fergus modification. (Currently page 19/25).	NSMP (DOD)	<b>Pending</b>