National Grid Gas Quality Consultation Response Template

To provide written feedback, please complete this form and by email it to <u>.box.gas.market.devel@nationalgrid.com</u> and <u>philip.hobbins@nationalgrid.com</u> no later than Friday 17th November 2017. Alternatively, if you wish to provide feedback verbally, please use the contact details above to make arrangements for a meeting / conference call / video conference.

Name: Charles Ruffell

Company: RWE Supply & Trading GmbH

Do you wish National Grid to keep the details of your response confidential? No

Questions for Consultation

Existing NTS Entry Connections

1. Do you expect the number of requests by existing NTS entry parties to amend gas quality limits in their Network Entry Agreements (NEAs) that are within GS(M)R but outside GTYS limits to increase in the coming years? Please provide your rationale.

We have no detailed view on this or any specific information. However, recent requests to amend gas quality limits suggests that more might be forthcoming.

2. Do you believe that National Grid's current method of assessment for individual NEA parameter changes is appropriate? If not, how could our approach be improved?

Yes, it is a transparent process that allows affected parties to participate. The supporting data and associated analysis often cause the assessment process to be protracted.

3. Which of the NEA change options detailed in section 7.0 for individual limit parameters do you prefer and why? Are there other options that should be considered?

Our preference would be to retain the status quo as it has worked well. We do, however, see some merit in incorporating a window where National Grid identifies that it may face some constraints in accommodating changes to the same parameter at all locations.

New NTS Entry Connections

- 4. Do you believe that the process of agreeing gas quality limit parameters for new NTS entry connections requires reform? If so, what changes do you suggest?
- No, we believe that the current process should be retained.

5. Do you consider that the demand for new NTS entry connections to deviate from GTYS gas quality limits will grow in the future? If so, please provide your rationale.

We have no specific information but believe that as more marginal fields are developed and brought on line there are bound to be changes in the future.

Generic Questions

6. Where National Grid's ability to agree to higher gas quality limits is limited, e.g. a higher limit could be agreed at one NTS entry point but not more widely due to an impact at NTS exit point(s), how should National Grid manage and allocate the available flexibility?

Retaining a first come first served approach would, we believe, help National Grid to ration flexibility in a non-discriminatory manner. Where there are multiple, simultaneous requests potentially National Grid would need to consider contractual solutions.

7. Do you support further consideration of National Grid providing gas quality services to process and/or blend at NTS entry points in the RIIO-2 period or do you believe that the responsibility to deliver compliant gas should continue to rest with upstream parties? Are there specific projects / locations where this type of service could be valuable?

We believe that responsibility should continue to rest with the upstream supplier and do not support the idea of National Grid providing a commercial blending service. There are a number of points on the NTS where there is comingling and others where suppliers have invested to ensure delivery of compliant gas.

8. If your business is adversely affected by variations in gas quality, how could National Grid help you to manage those issues? (Note: at this stage we are not proposing to publish real-time gas quality data measured at entry points to the NTS).

CCGT operators are vulnerable to changes in CV (as well as the related Wobbe values). However, our experience is that CV variations are generally adequately managed by the control systems in place. Issues at specific locations could be notified via the information release project that is currently being trialled.

9. Is there a case to treat smaller connections that Project CLoCC seeks to facilitate differently to larger coastal terminals in respect of gas quality arrangements?

Project CLoCC connections should be treated in the same way as they have the potential to create local variations in gas quality that might affect installations that are close to the connection.

10. The GTYS limit for oxygen is 200 times more stringent than that required by GS(M)R (10ppm compared to 2000ppm). Do you anticipate any adverse consequences if the GTYS limit were to be increased?

It would depend on the extent of any increase and the whether it was to be applied generically or at specific locations. We would expect movement towards the higher end of the limit to be more problematical.