

Industrial Emissions Directive & The NTS Compressor Fleet



IED Background

- The Industrial Emissions Directive (IED) brought together 7 existing emissions related Directives into one. Two of these had an impact on National Grid Gas Transmission, the Large Combustion Plant (LCP) Directive and the Integrated Pollution Prevention & Control (IPPC).

IED (LCP)

- Under the IED (LCP) we are obliged to reduce NOx and CO emissions below a certain level. 17 compressor units were identified as being non-compliant with the IED (LCP).

Site (number of units)	Driver
St Fergus (3)	St Fergus supplies – 1 sub-terminal
Kirriemuir (1)	St Fergus supplies
Moffat (2)	
Carnforth / Nether Kellet (2)	
Warrington (2)	Northern triangle and North-West Supplies
Hatton (3)	
Wisbech (2)	East Cost / Easington Area Supplies
Aylesbury (2)	Theddlethorpe supplies and South-East demand
	Southern and South West Demand

IED (IPPC)

- Under the IED (IPPC) we are obliged to reduce the emissions of our compressor fleet. It means that work is also required on other compressor units (Phase 1 – St Fergus / Kirriemuir; Phase 2 – Hatton; Phase 3 – Peterborough and Huntingdon; Phase 4 – To be determined (3 stations expected)).

Scope

RIIO-T1 Final Proposals:

Project Scheme	Output	Start date	Delivery date	Cost (£m)
IPPCD Phase 3 & IED Phase 1	Peterborough	2013	2020	142.7
	Huntingdon			
	Aylesbury			
Emissions abatement optioneering	Development of emissions abatement integrated plan ⁵²	2013	2015 ⁵³	9.0
IPPCD Phase 4 and IED Phase 2	Integrated plan to set outputs	2015	-	269.3 ⁵⁴ Subject to re-opener

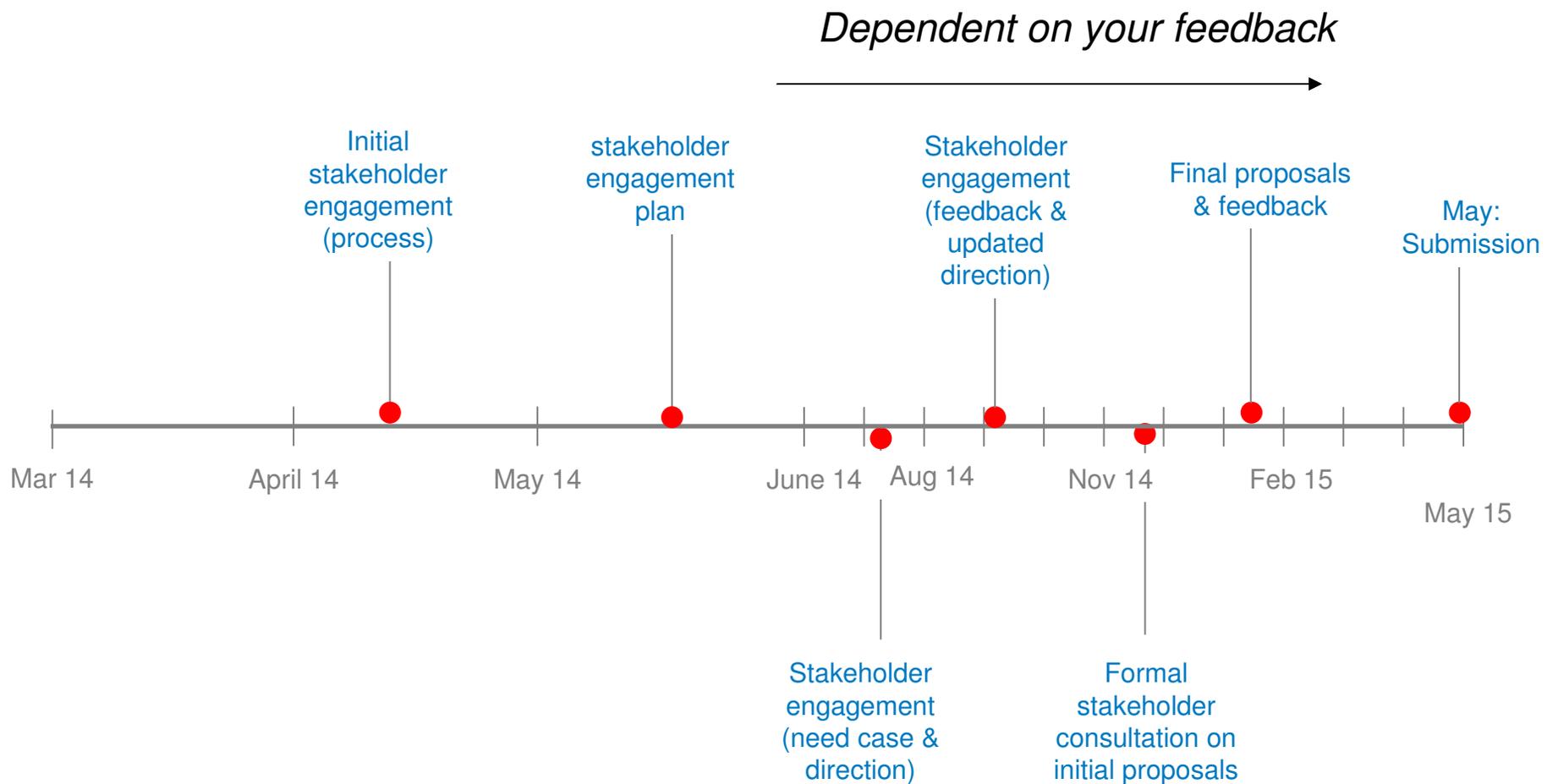
- We are continuing to investigate the implications of IED/IPPC in light of the changing supply and demand picture
- Continuing to meet our capacity release obligations (“baselines”) might involve full compressor capability replacement
- Based upon Future Energy Scenarios and customer signals (and potentially revised ‘baselines’) there are;
 - Credible options to remove some compressors
 - Options to replace existing compressors with different capability
- We will look to incorporate any related network flexibility triggers into our engagement

Discussion

- We would like to seek your views on our stakeholder engagement approach given the magnitude of the potential costs associated with IED and the range of potential options we have identified.
 - What is your level of interest?
 - What can we learn from previous engagement?
 - Who needs to be involved, are there any specific stakeholder groups we should look to engage?
 - Which media and forums should we use, what frequency?
 - To what extent would you like us to differentiate our engagement, recognising that not all stakeholders have the same interest?
 - What do you want to get from the engagement?
 - What topics should we look to bundle in our engagement?
 - What are the potential blockers to the engagement?
- We would also like to seek your views on how we measure the outputs of our compressor strategy.

Next steps

- Gain your feedback and then publish our stakeholder engagement plan in May 2014



Summary

- We welcome your thoughts today on how you would like us to engage on this topic
- We will be attending various events over the coming month to get your thoughts on future IED/IPPC stakeholder engagement. We also intend to write out to stakeholders to request their views. We would also be happy to meet on a bilateral basis.
- If you would like to provide any initial feedback on the form and content of future IED/IPPC engagement please contact Richard Hounslea via any of the following methods;
 - e-mail: richard.hounslea@nationalgrid.com and/or ntsinvestment@nationalgrid.com
 - Post: Richard Hounslea
National Grid
Transmission Network Service
National Grid House
Warwick
CV34 6DA
 - Tel: +44 (0) 1926 655 518