NATIONAL GRID GAS TRANSMISSION VENTING VERIFICATION STATEMENT



Purpose of the Statement

Natural gas is vented during start-up, shutdown and maintenance of compressor stations across the National Transmission System (NTS) which is owned and operated by National Grid. WSP was commissioned to conduct an independent third party verification review of National Grid's natural gas venting calculation and reporting for the 2017/18 period with the intention of providing 'limited assurance' that it is complete, accurate, consistent, transparent and free of material discrepancies. This verification statement serves the requirement for National Grid to submit a statement from an independent examiner as set out in Ofgem Special Licence Condition 8H (Greenhouse Gas Emissions Calculation Methodology).

Scope of verification work

The scope of the assurance review includes all natural gas venting from NTS compressor stations under National Grid's operational control. The scope of this verification review is shown below.

| PARAMETER | APPROACH |
|---|---|
| GHG reporting protocols against which the assurance was conducted | The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) - World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). |
| GHG verification protocols followed for the review | ISO 14064-3: Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions. |
| 2013 Independent Examination | Independent Assurance of National Grid's GHG Venting from Compressors Calculation Methodology – July 2013. Audit of calculation methodology used as reference document. |
| Licence Conditions | National Grid Gas Plc (NTS) – Gas Transporter Licence – Special Condition 8H: Greenhouse Gas Emissions Calculation Methodology. April 2015 (V10.2). |
| Level of assurance | Limited Assurance |
| Organisational boundary | Operational Control |
| Geographic boundary | Great Britain |
| Inventory period | 1 st April 2017 to 31 st March 2018 |
| Operational boundary | Compressor natural gas venting only |

Limitations

National Grid's management are responsible for preparing both the natural gas venting figures for each month from compressor stations under their control and the annual reporting in line with the Licence and the Ofgem Venting Incentive. WSP's responsibility is to express our conclusions on the agreed verification work. The reliability of the reported information and data is subject to inherent uncertainties given the available methods for determining, calculating or estimating the venting emissions. It is important to understand our conclusions in this context.

Verification Process

Our verification process included the following activities:

- → Face-to-face interviews with managers in the National Grid team to review the processes in place for calculating and reporting on National Grid's natural gas venting;
- → Review of data collection process and calculation methodology;
- \rightarrow Sample checking of the monthly venting reports generated during 2017/18;
- → Checking the annual 2017/18 Venting Incentive submission; and,
- → Reporting our assurance findings to National Grid management as they arose to provide them with the opportunity to correct them prior to finalising of our work.

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Conclusions

National Grid has addressed all requests for clarification and has completed all necessary corrective actions during and following the verification activities above. Based on the review processes and covering the scope stated above, WSP has not found any evidence that National Grid's venting submission:

- → is not calculated in accordance with the Greenhouse Gas Emissions Calculation Methodology;
- → is not materially correct;
- → is not a fair representation of the venting data; and
- → has not been prepared in accordance with the Ofgem licence conditions.

The total amount of natural gas vented in 2017/18 was 3,928 (three thousand nine hundred and twenty eight) metric tonnes.

Professional Conduct

WSP confirms its independence to provide GHG verification services to National Grid. WSP has conducted this review in its capacity as an independent third party in accordance with the ISO14065 International Standard, Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition. ISO 14065 specifies the principles and requirements required of WSP to verify this GHG assertion. WSP has not contributed to the compilation of National Grid's venting report and members of the verification team are not working with National Grid beyond what is required for verification of the company's GHG emissions.

The WSP verification team has extensive experience in the provision of GHG assertions and reviewing the supporting GHG information. WSP's experience conducting and reviewing GHG inventories is highlighted by over one hundred reviews during the past decade notably as a technical service provider to the EPA Climate Leaders program and as a CDP Consulting Partner.

Signed for and on behalf of WSP UK Ltd,

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