Gas Quality Blending Service Consultation Response Form

To provide written feedback, please complete this form and email it to box.gsoconsultations@nationalgrid.com, philip.hobbins@nationalgrid.com and rachel.hinsley1@nationalgrid.com no later than 13th November 2020. Alternatively, if you wish to provide feedback verbally, please use the contact details above to make arrangements for a meeting / conference call / video conference.

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Do you wish National Grid to keep any of the details of your response confidential?

Consultation Questions

Service Concept and Link to GS(M)R Review	Response
1. What are your thoughts on the service concept outlined in section 3?	Gassco is positive to assess a potential new blending service at entry NGG. Potential use of the service is dependent on the reliability of the blending source(s). This must be addressed to the users of the service. Normally gas is introduced into the pipelines several days before entering NGG. An effective communication between the DFO's and NGG is prerequisite for the service. As an alternative to a new service, NGG and the DFO's should cooperate operationally to blend off spec gas subject to available blending gas and when needed.
2. Do you foresee any positive or negative impacts of NGG offering such a service on your business? If so, please explain.	The service will impact all DFO's at an entry point, since communication of the actual gas quality arriving NGG is necessary. (i.e. added costs for other parties than NGG and the DFO using the blending service)

	The service may facilitate for increased field production (where gas quality is a limiting factor). Could be a service for handling short "peaks" (hours) with off. spec. gas, and thereby increased field production.
3. Do you consider there to be any risks that may arise from such a service?	If off spec gas is introduced to the offshore pipeline as part of the normal operation, sufficient blending gas for this off-spec must be available at any time. Flaring is not an option. The availability/reliability of the blending service must be addressed (use minimum two sources?).
4. Wobbe Index and Incomplete Combustion Factor are the parameters that stakeholders have so far indicated to us could be useful to have a relaxation on as a blending service. Do you see a need for this service to cover any other parameters and if so, which parameter(s) would you like to be considered and why?	CO2 and H2S may be of interest – within the technical specifications. Several fields on NCS with need for blending on these qualities.
5. Do you consider that the GS(M)R Review negates the need for a gas quality blending service or should the topic continue to be explored?	Ref. above, for other gas qualities such as H2S and CO2.
Applicable terminals	
6. Do you agree with our initial views on the categorisation of NTS entry points contained in section 4?	Yes
7. Teesside and Easington would require additional infrastructure and components to be able to offer a gas quality blending service, which would mean additional time and costs to implement. Would you support NGG further exploring this?	For Easington – WI, ICF, CO2, H2S are of interest.
8.	

9. Do you think that the service is more suited to UKCS terminals rather than interconnectors?	No, however we acknowledge the increased challenges in a upstream system with commingled gas.
Regulatory Treatment	
10. In your view, which regulatory mechanism should NGG pursue to obtain regulatory approval for this service?	No comment.
11. The DFO contract with NGG may need to be amended to offer the service, do you believe this should be changed via the NEA or a different contract put in place?	NEA
12. What are your views on the suitability of UNC TPD Section I3.5 'Special Delivery Arrangements' to serve as UNC basis for NGG to offer the service? Are there additional changes you believe will be required within UNC?	No comment.
Charging	
13. Who should NGG's customers be – UNC shippers or DFOs, or potentially both?	Main assumption should be the shipper - as owner of the gas delivered. However, for Easington/Vesterled – no link to actual source (field), and thereby difficult to identify the actual customers/shippers. Need to be further assessed.
14. If the DFO, this would create a commercial relationship that is currently purely operational. Do you envisage any problems with this?	Yes. DFO may facilitate the arrangement, however the shippers should remain as customers.
15. Do you agree that NGG should charge for this service?	Only additional actual costs for the service. Potential additional income should be distributed to shippers providing the blending gas. DFO may facilitate this.
16. What minimum and maximum service durations would be appropriate?	Minimum – daily quantity Maximum – annual quantity
17. Please share your thoughts on whether DFOs / shippers delivering on-specification gas at a terminal where a blending service is in place should receive a share of the revenue that NGG receives from the DFO delivering off-spec gas for providing the service	Yes shippers, ref above.
18. What is the maximum lead-time that would be acceptable to you	Depends on the business driver for the actual case. Normally less than 12-18 months.

between signing up for the service and it becoming available?	
19. How should we make the service available?	Offered as a capacity product
20. How do you anticipate the structure of the charging to work?	Charged based on booked capacity (if available – not interrupted)
21. Do you consider that the service would be useful to terminal operators if it is only offered with NGG reserving the right to interrupt at short notice?	No, the off spec gas is often introduced into the pipeline 2-5 days before entering NGG.
22. Do you believe that an NGG gas quality blending service would be likely to result in a benefit or detriment to security of GB gas supply? Please explain your answer.	Could be a benefit if more gas could be introduced, i.e when at least two blending sources is available and secures a very high reliability. Could be detrimental if blending dependencies shut-ins several feeders/pipeline at the same time.
23. If you wish to provide any other feedback on the issues raised in this consultation, please do so here.	A separate teams meeting may be useful.