

# Gas Quality Blending Service Consultation Response Form



To provide written feedback, please complete this form and email it to [box.gsoconsultations@nationalgrid.com](mailto:box.gsoconsultations@nationalgrid.com), [philip.hobbins@nationalgrid.com](mailto:philip.hobbins@nationalgrid.com) and [rachel.hinsley1@nationalgrid.com](mailto:rachel.hinsley1@nationalgrid.com) no later than 13<sup>th</sup> 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.

Name: Angela Fletcher  
Company: Ancala Midstream Acquisitions Limited  
Contact Details: [angela.fletcher@ancalamidstream.com](mailto:angela.fletcher@ancalamidstream.com)

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?	Ancala Midstream Acquisitions Limited (" <b>AMAL</b> ") support National Grid Gas (" <b>NGG</b> ") providing the gas quality blending service outlined in section 3. Provision of this service would enable UK consumers (domestic and industrial) (" <b>UK Consumers</b> ") to have greater security of supply and access to increased volumes of gas by supporting indigenous UKCS sources and connected sources from Norway and the Netherlands.
2. Do you foresee any positive or negative impacts of NGG offering such a service on your business? If so, please explain.	<p>AMAL do not perceive any negative impacts from the provision of such a service which would be effectively managed by NGG through operational procedures with DFOs under the auspices to the national transmission system COMAH case.</p> <p>AMAL consider that provision of the service by NGG will have substantive benefits to UK Consumers through enhanced diversity and security of gas supply. Blending services will enhance the</p>

	resilience of the UK gas market to changes in market conditions and support long term gas security.
3. Do you consider there to be any risks that may arise from such a service?	EU gas specifications are typically broader in their range than the UK specification set out in the Gas Safety Management Regulations 1996 (“ <b>GSMR</b> ”). Within safety boundaries agreed with the Health and Safety Executive, AMAL do not consider that provision of the services will result in risks which cannot be effectively managed.
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?	AMAL agree that WI and ICF are parameters that would benefit from a blending service, particularly since ICF is a legacy component of the specification which will be removed when the GSMR Review is implemented. Blending in relation to CO <sub>2</sub> may also provide DFOs with operational flexibility subject to the overall inerts limits acceptable within the national transmission system.
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?	AMAL see a continuing role for a blending service to support security of gas supply and the energy transition. Diversity of supply from UK indigenous gas, imports and LNG may require the availability of blending to strengthen the UK gas supply market. Provision of blending services by NGG supports resilience of the UK gas system.
<b>Applicable terminals</b>	
6. Do you agree with our initial views on the categorisation of NTS entry points contained in section 4?	AMAL agree with NGG’s categorisation.
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?	AMAL defer to the DFOs at Teesside and Easington in relation to this question.
8. Do you think that the service is more suited to UKCS terminals rather than interconnectors?	A blending services should be suited to interconnectors, terminals and LNG facilities. Gas imported from continental Europe is more likely to comply with European gas specifications. Typically European gas specifications have a broader range than GSMR. AS NGG is aware the EU is currently progressing gas quality harmonisation. Based on available data it is anticipated that the EU gas quality standard will be more broad-based than GSMR. On that basis blending for interconnectors should be an enabler to security of access to the UK gas market.
<b>Regulatory Treatment</b>	
9. In your view, which regulatory mechanism should NGG pursue to	Based on the limited number of locations where blending can be provided, it appears that the provision of blending services may be

obtain regulatory approval for this service?	de minimis. Based on the summary provided it appears that if the service does not fall within the de minimis category it should be and excluded or consented service.
10. 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?	An amendment to the NEA would be the most efficient mechanism.
11. 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?	AMAL has not reviewed the UNC to assess the need to additional changes required to implement a blending service. The option of using "Special Delivery Arrangements" may be appropriate and could expedite implementation.
<b>Charging</b>	
12. Who should NGG's customers be – UNC shippers or DFOs, or potentially both?	In AMAL's view DFOs should be the primary customer. AMAL would like to understand the opinions of UNC shippers.
13. If the DFO, this would create a commercial relationship that is currently purely operational. Do you envisage any problems with this?	AMAL does not envisage problems with that approach. The DFO provides services to upstream gas producers and is aware of the effect of commingling upstream gas inputs and the operational parameters its terminal.
14. Do you agree that NGG should charge for this service?	AMAL acknowledge that NGG will require to undertake additional compositional modelling, monitoring, metering assurance and operational communications which should be appropriately compensated.
15. What minimum and maximum service durations would be appropriate?	The service duration should be a matter of agreement between DFO and NGG having regard to the blending capability at each relevant NGG terminal.
16. 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	AMAL do not support shippers or DFOs who provide on-specification gas receiving a share of revenue. Upstream shippers require offtake to evacuate gas and receiving blending services within existing offtake systems. DFOs provide gas transportation and processing services based on the quality of gas in their catchment areas. Provision of blending services may provide operational flexibility for those DFOs to evacuate a more diverse quality of gas. This benefits upstream shippers, DFOs and UK Consumers.
17. What is the maximum lead-time that would be acceptable to you between signing up for the service and it becoming available?	AMAL recognise the efforts being made by NGG to establish blending modelling and operational protocols. This should expedite provision of the service. A maximum lead-time of 3-4 months between agreeing the provision of a service and implementation is reasonable.
18. How should we make the service available?	NGG is progressing workgroups to prepare for implementation of the GSMR Review. These workgroups could be deployed to

	consider implementation of the service including an expedited UNC process.
19. How do you anticipate the structure of the charging to work?	NGG will develop a scope of additional activities and services required to enable blending. AMAL anticipate a daily fee structure will be developed for the days that blending is available, invoices monthly in arrears.
20. 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?	<p>The right to interrupt at short notice would need to be considered at each NGG blending terminal recognising the blending capability.</p> <p>Operational procedures could be established by NGG and DFOs to implement interruption plans at different notice intervals.</p>
21. 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.	<p>Provision of blending services will deliver benefits to UK gas supply. Blending services will enable a more diverse range of gas quality to landed in the UK thereby providing enhances security of supply for UK consumers. Blending optimises existing infrastructure by enabling imports of gas from Norway and continental Europe. Blending also supports indigenous UK gas supply in all sectors of the UKCS.</p> <p>Blending services will reduce emissions and ballasting costs at Delivery Facilities benefiting UK Consumers.</p>
22. If you wish to provide any other feedback on the issues raised in this consultation, please do so here.	AMAL appreciate the efforts and proactivity of NGG in pursuing its assessment of blending services. AMAL urge NGG to expedite its activities to allow for implementation and will continue to support this important expansion of NGG's services.