IGT | UNC

Modification	At what stage is this document in the process?
# IGT172: Optional service for physical gas entry into an IGT Pipeline and into the UNC Total System marrying to UNC Mod 0842	01 Modification 02 Workgroup Report 03 Draft Modification Report 04 Final Modification Report

Purpose of Modification: To introduce an optional service to enable a Pipeline Operator to accept delivery by Users of physical gas directly into a particular Pipeline, with commercial arrangements that would be near identical to the UNC's LDZ entry equivalent (i.e. a Gemini logical meter and charging through a 'bilateral agreement').

The Proposer recommends that this modification should be:

- assessed by a Workgroup before proceeding to Consultation
- be subject to an Authority Decision

This modification will be presented by the Proposer to the Panel on 27 October 2023. The Panel will consider the Proposer's recommendation and determine the appropriate route.

Impacted Parties and Codes

High Impact:

Pipeline Operators

Large Transporters

(the service provision is intended to be optional for Parties)

Medium Impact:

Pipeline Users

(the service provision is intended to be optional for Parties)

Low Impact:

None

IGT | UNC

Contents

Timetable

The Proposer recommends the following timetable:

Initial consideration by Workgroup	09 November 2023
Amended Modification considered by Workgroup	N/A
Workgroup Report presented to Panel	26 January 2024
Draft Modification Report issued for consultation	29 January 2024
Consultation Close-out for representations	19 February 2024
Variation Request presented to Panel	N/A
Final Modification Report available for Panel	22 March 2024
Modification Panel decision	22 March 2024

Any questions?

Contact:
Code Administrator

iGTUNC@Gemserv.com

02070901044

Proposer:
Nick King – Barrow Shipping

nick.king@cngservices.co.uk

telephone
0121 247 8160

1 Summary

What

The IGT-UNC has provisions for a Pipeline to receive gas either directly or indirectly from a Large Transporter system at an unmetered CSEP or US Connection Point respectively; but has no provisions for gas to flow directly into a Pipeline from a gas production facility or a non-UNC IGTAD party pipeline. Such gas would need to be subject to equivalents of the UNC concept of a System Entry Point, Section I 'Entry Requirements', and site specific 'Network Entry Provisions' for gas measurement and composition mechanism which ensure GS(M)R compliance and protect pipeline systems.

The existing IGT-UNC defined term 'Downstream System Exit Point' appears to be appropriate for a situation where gas can flow from a Pipeline into a Large Transporter system, but the UNC is silent on how gas flowing from a Pipeline into a Large Transporter System that is not measured at the interface would be treated.

Therefore, new provisions are required in both codes. SGN has initiated change by raising UNC modification proposal 0842 'Gas Entry onto the Total system via an Independent Gas Transporter' to provide the dovetail between codes, and solutions to the UNC challenges, including the Pipeline Operator's use of equivalents to a UNC Network Entry Agreement and Network Entry Provisions, policed by the Large Transporter, subject to the IGT-UNC being similarly modified to accommodate these changes, however an IGT-UNC marry modification is required to complete them.

As the IGT-UNC has no concept of direct entry of gas, it has no provisions for commercial arrangements equivalent to those that Large Transporters use for UNC 'LDZ entry', so these would also be required. However, as UNC mod 0154 established that the Large Transporter's arrangements use 'bilateral agreements' between the connected delivery system and the transporter outside UNC but subject to each Pipeline Operator's Licence Condition 4B governance, only minimal changes to IGT-UNC are required to enable the equivalent.

Why

A growing number of gas producers such as bio-methane producers want to inject new sources of gas onto a Gas Transporter system but only have the one option of having the Large Transporter own and operate the connection, although a Utility Infrastructure Provider (UIP) could perform the works. This Modification proposal would provide an additional alternative option of particular value in a scenario where a delivery facility operator is located some distance from the existing Large Transporter's network and a new pipeline is required to be laid so that the gas can enter the Total System. It also allows biomethane to be injected directly into existing Pipelines.

There is therefore an opportunity to extend the market for such connections by introducing an optional service whereby Pipeline Operators could directly connect new sources of gas, which also aligns to the requirements of government subsidy schemes for renewable gases, e.g. The Green Gas Support Scheme, which requires gas to be entered into a licensed Gas Transporter's network. There is an environmental benefit of renewable gas such as biomethane in displacing gas from traditional sources.

When coupled with the proposed changes on UNC Mod 0842, this modification will facilitate the expansion of GB produced gas entering the Total System.

How

The proposed solution is to introduce an optional service for new gas entry directly into a Pipeline and indirectly into a Large Transporter System. The service could operate in a stand-alone 'entry only' single

pipeline, or in an 'entry and offtake' system in which the existing IGT-UNC delivery to premises service would operate without change and would only apply where the Pipeline Operator chooses to participate, has a Connection Charging Methodology Statement under Licence Condition 4B that has provisions for the service, and has entered into 'operator to operator' contracts for the relevant Pipeline.

The main contractual change would be addition to the IGT-UNC of a new 'Part Q ENTRY PROVISIONS', based heavily on UNC TPD Section I 'Entry Provisions' as it applies to 'LDZ System Entry Points' with minor associated additions and changes to other sections where they are needed to enable it. This would address the 'operator to operator' engineering and safety aspects.

The commercial arrangements would be near identical to the LDZ entry equivalent (Gemini logical meter and charging through 'bilateral agreement' as per UNC Mod 154), rather than through transportation charging within the IGT-UNC, although this could be proposed to be added through a subsequent modification should any party desire it as an alternative.

Charging would be established by each participating Pipeline Operator, outside code, through their Licence Condition 4B Connection Charging Statement Methodologies, which are subject to Ofgem governance, and the specifics for each new entry point be held in a 'bilateral agreement' between the Pipeline Operator and the connecting entry facility operator as was introduced in 2007 for LDZ entry by UNC Mod 0154 'Enduring Provisions for LDZ System Entry Points'. These LDZ entry arrangements, built upon the output of two earlier Ofgem consultations and a contemporaneous distribution pricing consultation, facilitated the first injection of biomethane into a Large Transporter system at Didcot in SGN's pilot in 2010, followed by the first commercial 'gas to grid' entry of biomethane at the Poundbury Anaerobic Digestion (AD) facility in 2012, and since then, over a hundred subsequent connections (as at the end of March 2022, 126 DN entry points were registered on Gemini).

Whilst the solution requires additions to the IGT-UNC and changes to the UNC as described, the proposer believes that these are not significant as the building blocks are already in use in the two codes.

Furthermore, the UNC modification that would introduce changes to complete the cross-code chain is already in flight, having been raised by SGN (UNC Mod 0842). If implemented, this provides the mechanism for establishing 'IGT LDZ System Entry Point'. Specifically, UNC Mod 0842 summary proposes that the UNC will be amended to recognise that gas can flow into the Total System via an IGT Pipeline and onward through a DNO network. To make this work, two new agreements will be required and will be developed as follows:

- At the interface point between the 'delivery facility connected to the Pipeline and the Pipeline:
    - a new 'operator to operator' agreement based on a UNC LDZ Network Entry Agreement will govern physical flow, energy measurement and gas characteristics which will be contained in 'provisions equivalent to Network Entry Provisions' and Local Operating Procedures. The parties to this agreement will be the Pipeline Operator, the Large Transporter and the operator of the delivery facility connected to the Pipeline.
- At the interface point between the Pipeline and the Large Transporter System:
    - a new variety of UNC NEA will govern physical flow, energy measurement and gas characteristics into the Total System by treating the 'provisions equivalent to Network Entry Provisions' in the new 'operator to operator' agreement mentioned above as UNC Network Entry Provisions. The parties to this agreement will be the Pipeline Operator and the Large Transporter.

This arrangement between the Pipeline Operator, Large Transporter and the operator of the delivery facility connected to the Pipeline will establish a UNC LDZ System Entry Point at the Pipeline Operator

/Large Transporter interface and an upstream Pipeline entry point which will be owned, operated and controlled by the Pipeline Operator. A UNC LDZ System Entry Point will be established on the National Gas Gemini system accordingly. The gas will flow directly into a Pipeline from the operator of the delivery facility connected to the Pipeline and indirectly into a Large Transporter System.

This IGT-UNC modification proposal includes changes that would dovetail the UNC Mod 0842 arrangements.

2 Governance

Justification for Authority Governance Procedures

This Modification is a marry to UNC Mod 0842, which dovetails with the Modification, with the overarching objective that they work together to allow new sources of gas to be entered directly into a Pipeline and on to a Large Transporter System, thus allowing new sources of gas onto the Total System through a new, additional route. The modification is particularly aimed at allowing increased volumes of carbon negative biomethane to be injected into the systems.

This Modification is a marry to UNC Mod 0842, which is proposed to be assessed by Authority decision, so this modification should follow the same governance, ideally with the two being considered together.

Requested Next Steps

This modification should:

- be assessed by a Workgroup before proceeding to Consultation

This modification is required to marry with UNC Mod 0842 which is in the process of being assessed by a workgroup. The two mods are intended to dovetail and each requires the other.

3 Why Change?

A growing number of gas producers such as bio-methane producers want to inject new sources of gas onto a Gas Transporter system but only have the one option of having the Large Transporter own and operate the connection pipeline, although a Utility Infrastructure Provider (UIP) could perform the works. This Modification proposal would provide an additional alternative option of particular value in a scenario where a delivery facility operator is located some distance from the existing Large Transporter's network and a new pipeline is required to be laid so that the gas can enter the Total System. It also allows biomethane to be injected directly into existing IGT networks.

There is therefore an opportunity to extend the market for such connections by introducing an optional service whereby Pipeline Operators could directly connect new sources of gas, which also aligns to the requirements of government subsidy schemes for renewable gases, e.g. The Green Gas Support Scheme, which requires gas to be entered into a licensed Gas Transporter's network. There is an environmental benefit of renewable gas such as biomethane in displacing gas from traditional sources.

When coupled with the proposed changes on UNC Mod 0842 - Gas Entry onto the Total system via an Independent Gas Transporter, this modification will facilitate the expansion of UK produced gas entering the Total System.

If one or both of the proposed changes to the two codes is/are not made, the prospective developers will continue to have only the one connection option, with no commercial alternative and limited potential for

alternative product and/or service, and in some cases, the development will not take place, resulting in less green gas displacing gas from traditional sources.

4 Code Specific Matters

Technical Skillsets

None specifically, although an understanding of how LDZ gas entry works in UNC and provisions in both codes concerning operator to operator agreements would be helpful across the UNC and IGT UNC.

Reference Documents

Industry Codes

IGT-UNC

UNC TPD Section A definitions relating to System Entry Points

UNC TPD Section I in its entirety, but with focus on 3.11 and exclusion of NTS provisions

LDZ Network Entry Agreements (NEA)

UNC modifications referred to in the proposal

UNC 0154 – 'Enduring Provisions for LDZ System Entry Points' https://www.gasgovernance.co.uk/0154

UNC 0842 – 'Gas Entry onto the Total system via an Independent Gas Transporter' https://www.gasgovernance.co.uk/0842

UNC 0440 – 'Project Nexus – iGT Single Service Provision' https://www.gasgovernance.co.uk/0440

'Nexis' UNC mod 440 associated IGT-UNC modification

IGT039: 'Use of a Single Gas Transporter Agency for the common services and systems and processes required by the IGT UNC' https://www.igt-unc.co.uk/wp-content/uploads/2018/01/iGT039_D.pdf

Ofgem documents (relevant to UNC mod 0154)

'Gas Transmission – new NTS entry points, reserve prices in auctions and unit cost allowances (UCAs), Consultation Document – May 2005' https://www.ofgem.gov.uk/publications/gas-transmission-new-nts-entry-points-reserve-prices-auctions-and-unit-cost-allowances-ucas

'New entry arrangements for connecting to the gas distribution network, Consultation Document – July 2006' https://www.ofgem.gov.uk/sites/default/files/docs/2006/07/14588-11606.pdf

'Entry arrangements for connecting to the gas distribution network | Ofgem (3 Jan 2007)' https://www.ofgem.gov.uk/publications/107-entry-arrangements-connecting-gas-distribution-network

UNC Pricing Paper (relevant to UNC mod 0154)

PDDN03 – LDZ System Charges – Charging for LDZ System Entry Points (December 2007) https://www.gasgovernance.co.uk/pddn03

5 Solution

Proposed Business Rules

General

1. The existing defined terms ‘CSEP’ / 'Unmetered CSEP' and the physical flow and gas transportation principles associated with them should remain unchanged, so Pipeline Operators who choose not to provide the proposed service will not have to change their operations or administration.

2. The proposed entry service can only be set up where the Pipeline Operator chooses to provide the service and the Pipeline Operator and the relevant Large Transporter put in place the two required ‘operator to operator’ agreements described in these business rules.

3. The proposed entry service has to be set up in advance for each Pipeline individually as site specific contracts are needed for each participating Pipeline Operator and delivery facility operator.

4. Where a Pipeline Operator elects to have a gas entry facility connected to any individual Pipeline, the arrangements described in these business rules shall apply to such Pipeline, but not otherwise.

5. A physical interface between a Pipeline and a Large Transporter System can comprise a CSEP, IGT LDZ System Entry Point or both, just as UNC TPD J allows the equivalent:

   “1.4.6 A Connected Offtake System may also be a Connected Delivery Facility where gas can flow in either direction between such system and the Total System (for example in the case of a Storage Facility or a NTS Commingling Facility), in which case the provisions of the Network Entry Agreement and the Network Exit Provisions may be contained in a single document.”

Commercial Business Rules

6. The proposed commercial provisions for transportation of gas from the ‘Pipeline to Large Transporter System’ physical interface into the UNC Total System are described in UNC Modification 0842, and are based on LDZ entry.

7. The proposed commercial provisions for transportation of gas from the proposed new physical entry point on the Pipeline, through the Pipeline, to the ‘Pipeline to Large Transporter System’ physical interface, are described in this IGT-UNC modification proposal.

8. This modification seeks to marry UNC Modification 0842 by:

   a. completing the dovetailed principle of transfer of title and risk at the ‘Pipeline to Large Transporter System’ physical interface. Transfer will be from Pipeline Operator to Pipeline User, then from Pipeline User to UNC Shipper User, and finally from UNC Shipper User to UNC DNO / Large Transporter.

   b. treating the volumes and CV measured at the proposed new physical entry point on the Pipeline as though they were measured at the ‘Pipeline to Large Transporter System’ physical interface, mirroring the arrangement in UNC IGTAD/TPD/IGT-UNC whereby a meter reading from a Pipeline consumer Supply Meter Point is treated as though it was measured at the CSEP, as established by UNC Mod 440 and IGT-UNC Mod 039.

   c. providing mechanisms for the measurements at the proposed new physical entry point on the Pipeline to be input to Gemini for use in UNC Shipper User transactions on the Total System.

d. putting in place arrangements for two new 'operator to operator' agreements for each end of the Pipeline, whereby the Large Transporter can use 'equivalents of UNC TPD Section I Network Entry Provisions' at the new physical entry point on the Pipeline, as though they were UNC Network Entry Provisions at the 'Pipeline to Large Transporter System' physical interface.

All the above are described further in these Business Rules.

9. The commercial provisions for transportation of gas described in BR 6 are described in UNC Modification 0842 and are based on the principles set out in UNC Modification 0154, which built upon the output of two Ofgem consultations and a contemporaneous distribution pricing consultation to establish the present LDZ entry arrangements (see references).

10. The commercial provisions for transportation of gas described in BR 7 are based on the principles set out in UNC Modification 0154, i.e. that charging would be established by each participating Pipeline Operator, outside code, through their Licence Condition 4B Connection Charging Methodology Statements which are subject to Ofgem governance and then made available to the public on each Pipeline Operator's website, with the specifics for each new entry point being held in a 'bilateral agreement' between the Pipeline Operator and the connecting entry facility operator.

'Pipeline Delivery Facility'

11. A new IGT-UNC defined term **'Pipeline Delivery Facility'** shall mean a single facility or system comprising pipe(s), plant and/or other installations, connected to the Pipeline system at a Pipeline Entry Point (defined in BR 20 below) for the purpose of introducing gas into the Pipeline.

12. The facility could be a facility for processing biomethane, natural gas, and/or bio-synthetic natural gas from renewable gas sources, or a pipeline system operated by another gas transporter that is not a party to the UNC IGTAD.

13. A new IGT-UNC defined term **'Pipeline Delivery Facility Operator'** shall mean the operator of a Pipeline Delivery Facility.

Changes to IGT-UNC Parts

14. With the exception of matters relating to BR 15 below, changes to existing IGT-UNC provisions should be minimised to avoid the risk of unintended consequences.

15. IGT-UNC already has provisions relating to 'operator to operator' physical interfaces at both Pipeline entry and Pipeline exit. The main sections containing such provisions are Part H 'SYSTEM MAINTENANCE AND PLANNING and Part I 'EMERGENCIES'. The proposed new 'Pipeline Entry Point' will require some provisions that are identical and a few that are new or differ slightly. To avoid duplication through the creation of new content, these Parts could be extended in scope and content to include Pipeline Entry Point alongside Connection Point and Downstream System Exit Point.

IGT-UNC new Part Q 'ENTRY REQUIREMENTS' and consequential changes to other IGT-UNC Parts

16. It is important that the risk of unintended consequences should be as low as possible, and the documentation as easy to use as possible, so recognising that many Pipeline Operators will choose not to provide the service, the provisions for the proposed optional entry service should

ideally be contained in a new IGT-UNC **Part Q 'ENTRY PROVISIONS'** chapter, to be based heavily on the tried and tested UNC equivalent 'TPD Section I 'Entry Provisions' as it applies to 'LDZ System Entry Points', with minor associated additions and changes to other sections where they are needed to enable it. As with UNC, this would set generic requirements and address the 'operator to operator' engineering and safety aspects.

17. To avoid clashes between existing provisions in IGT-UNC Part J – 'DELIVERY AND OFFTAKE OF GAS' with the proposed new Part Q, and to enable it, the following provisions need to be married up. Areas on which to reflect are:

    a. 'Delivery of gas into Pipeline' which applies to 'Connection Point' clashes with the proposed 'Pipeline Entry Point' (as defined in BR 20 below). This term is used in many places throughout IGT-UNC so if it is not desirable to change it, a 'Pipeline Entry Point' duplicate of this section may be required.

    b. Part P may be the most appropriate place to point to provisions relating to delivery of gas to the Pipeline at a Pipeline Entry Point (as defined in BR 20 below) being contained in the proposed new Part Q.

    c. Provisions relating to transfer of title and risk are already contained in IGT UNC Part J 2.2 'Offtake of gas from Pipeline' so this may be the most appropriate place to put the provision(s) that will cover the same to address the principle set out in UNC Mod 0842 BR 8.

        "UNC Mod 0842 BR8. Title and risk to the gas will pass from IGT to Shipper(s) and simultaneously from the Shipper(s) to DN Operator at the IGT LDZ SEP."

    d. All references to the defined term 'Connection Point' in all Parts require a check to decide whether the proposed new term 'Pipeline Entry Point' should be added alongside it.

Pipeline Entry Provisions' to be based on 'Network Entry Provisions'

18. A new IGT-UNC defined term **'Pipeline Entry Provisions'**, to be contained in the new Part Q, shall mean the provisions applying to the Pipeline Operator and the Pipeline Users in relation to it that shall be based on those in the UNC relating to the equivalent term 'Network Entry Provisions' (see BR 19 below which relates to UNC Mod 0842 BR 4).

Pipeline User's acknowledgement of UNC interaction

19. A Pipeline User wishing to deliver gas to the Pipeline will be required to acknowledge that they are aware of the following principles set out in UNC Mod 0842 BRs 1 to 10:

    "0842 BR 1. "An IGT System Entry Point (IGT SEP) is a point at which gas can flow into an IGT pipeline. This gas will be deemed to simultaneously flow into the Total System at a single LDZ System Entry Point (LDZ SEP)."

    "0842 BR 2. A new term "IGT LDZ SEP" will be defined in the UNC as a LDZ SEP which then corresponds to an IGT SEP."

    "0842 BR 3. A Shipper cannot deliver gas to the Total System at an IGT LDZ SEP unless there is in place an agreement [IGT-UNC term - Pipeline Entry Agreement (described in BR 23)] *between the DN Operator, the IGT and the gas production operator of the facility connected to the IGT System in relation to the (corresponding) IGT SEP."*

    "0842 BR 4. This agreement [IGT-UNC term - Pipeline Entry Agreement (described in BR 23)] *will contain provisions equivalent to Network Entry Provisions and Local Operating*

Procedures – i.e. rules specifying requirements for the delivery of gas to the Total System at the IGT LDZ SEP and the IGT SEP."

"0842 BR 5. For the purpose of interpreting rules in TPD Section I regarding Network Entry Provisions and Local Operating Procedures references to System Entry Point mean the IGT SEP, and similar where required, e.g. the point of delivery being the point of delivery to the IGT System."

"0842 BR 6. The Transporter will allow delivery of gas at the IGT LDZ SEP provided that there is in place an LDZ Network Entry Agreement (between the DNO and the IGT) which treats the provisions in the agreement (referred to in BR 3 and 4) as Network Entry Provisions and Local Operating Procedures."

"0842 BR 7. Where gas flows at an IGT LDZ SEP the gas is treated as taken out of the IGT System and put into the LDZ by Shippers (being the same Shippers delivering gas at the IGT SEP)."

"0842 BR 8. Title and risk to the gas will pass from IGT to Shipper(s) and simultaneously from the Shipper(s) to DN Operator at the IGT LDZ SEP."

"0842 BR 9. The Network Entry Agreement and the new 'operator to operator' agreement will require the IGT to provide or to ensure the provision to the DN Operator of the quantities of gas and determined CV at the IGT SEP"

"0842 BR 10. The quantities referenced in BR 9 are to be treated as the Shipper's UDQI at the IGT LDZ SEP and are the same quantities at the IGT SEP."

Business rules to marry this modification to UNC 0842

20. A new IGT-UNC defined term **'Pipeline Entry Point'** shall be introduced and shall correspond to the proposed new UNC term 'IGT SEP' as referred to in UNC Mod 0842 BR 1 first sentence.

21. Gas flowing from a Pipeline Entry Point (IGT SEP) into an IGT Pipeline shall be deemed to simultaneously flow into the Total System at a single Downstream System Exit Point (LDZ SEP) as referred to in UNC Mod 0842 BR 1 second sentence.

22. The existing IGT-UNC defined term **'Downstream System Exit Point'** shall correspond to the proposed new UNC term 'IGT LDZ SEP' as referred to in UNC Mod 0842 BR 2.

23. A new IGT-UNC defined term **'Pipeline Entry Agreement'**, to be contained in the new Part Q, shall be defined in such and the provisions applying to the Pipeline Operator and the Pipeline Users in relation to it shall be based on those in the UNC relating to the equivalent term 'Network Entry Agreement'.

24. The Pipeline Entry Agreement shall be the IGT-UNC term for the *"agreement between the DN Operator, the IGT and the gas production operator of the facility connected to the IGT System in relation to the (corresponding) IGT SEP"* referred to in UNC Mod 0842 BR 3.

25. The Pipeline Entry Provisions and Local Operating Procedures contained in the Pipeline Entry Agreement will be the provisions equivalent to Network Entry Provisions and Local Operating Procedures – i.e. rules specifying requirements for the delivery of gas to the Total System at the IGT LDZ SEP and the IGT SEP as required by UNC Mod 0842 BR 4.

26. The new Part Q shall include all relevant provisions of UNC TPD Section I on which it is based, but shall have content relevant to NTS entry omitted and where TPD Section I 3.11, introduced by UNC Mod 154, overwrites and replaces generic provisions in Section I 1 – 3.10, such changes shall be introduced in place of those in the Section.

27. All provisions within UNC TPD Section I 2.3 'Network Entry Provisions', 2.4 'Gas Entry Conditions', 2.5 'Measurement Conditions' and 2.6 'Local Operating Procedures' shall be included, with change only where essential, as these sections contain templates for the generic content that is to be included in the Pipeline Entry Agreement's Pipeline Entry Provisions that are required by UNC Mod 0842 BR 4.

Business Rules for Pipeline Operator to Pipeline User interaction, shadowing those introduced to LDZ entry by UNC Mod 0154

28. A Pipeline Entry Point is created where a Pipeline Operator permits connection of a Pipeline Delivery Facility to its pipeline system for the purpose of introducing gas into the pipeline system and a Pipeline Entry Agreement has been signed and agreed. *[Based on UNC Mod 0154 BR 1]*

29. A Pipeline User cannot deliver gas to a Pipeline at a "Pipeline Entry Point" unless there is in place a Pipeline Entry Agreement in relation to the (corresponding) Pipeline Entry Point, and a Pipeline Operator will only allow the introduction of gas into the system in accordance with the terms and conditions set out in such agreement. This corresponds to the principles set out in UNC Mods 0842 BR 3 and 0154 BR 3.

30. The Pipeline Entry Agreement will set out the operating parameters in accordance with which the Pipeline Delivery Facility Operator will operate gas flows at a Pipeline Entry Point and specify the condition of the gas that it may tender for delivery by a Pipeline User into the system. Such provisions shall include Pipeline Entry Provisions and Local Operating Procedures. *[Based on UNC Mod 0154 BR 4]*

31. A Pipeline User wishing to deliver gas to the Pipeline will be required to acknowledge that they are aware of the conditions contained in the Pipeline Entry Agreement and acknowledge that, where conditions relevant to the introduction of gas into the system set out in the Pipeline Entry Agreement are breached, or non-standard operating conditions exist, deliveries of gas may be curtailed and/or suspended. *[Based on UNC Mod 0154 BR 6]*

32. **"non-standard operating conditions"** exist when a Pipeline Operator and/or Large Transporter is experiencing one or more of the following occurrences on a relevant part of its system: an emergency, a transportation constraint is evident or one or more Large Transporter system exit points have experienced a gas supply failure. *[Based on UNC Mod 0154 BR 7]*

33. The Pipeline User accepts that where a breach of the Pipeline Entry Agreement occurs and flows need to be restricted, this will be carried out via direct contact between a Pipeline Operator and/or Large Transporter and the Pipeline Delivery Facility Operator. *[Based on UNC Mod 0154 BR 8]*

34. A Pipeline Operator would not be liable to the Pipeline User where a nominated delivery is not accepted in accordance with its rights under the Pipeline Entry Agreement. Additionally, where a Pipeline Operator or the relevant Large Transporter is experiencing non-standard operating conditions, or force majeure applies, it would not be liable to the Pipeline User for refusing to accept the gas. For the avoidance of doubt, the Large Transporter has equivalent provisions in UNC.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

There is no identified impact on Significant Code Reviews or other significant industry change projects.

Consumer Impacts

What is the current consumer experience?

The number of gas producers and sources of gas is limited today by their only being one option for connection to the Total System – the LDZ entry service.

What would the new consumer experience be?

This modification will result in increased injection to the grid of bio-methane which is a sustainable gas source. Furthermore, increasing the number of gas producers and sources of gas through there being an alternative to the LDZ entry service should theoretically lower consumer prices by increasing competition (higher supply and unchanged demand puts downward pressure on prices), but it is acknowledged that the limited scale means any impact would be minimal.

Impact of the change on Consumer Benefit Areas

Area	Identified Impact
Improved safety and reliability No Change as the new sources of gas would not materially improve the security of supply.	None
Lower bills than would otherwise be the case. No change as the additional sources of gas would not be material in volume.	None
Reduced environmental damage A growing number of bio-methane producers want to inject green gas onto the Total System, this modification would allow this to take place and will ultimately expand this market which will have a positive impact on Greenhouse Gas Emissions by allowing Pipeline Operators to provide this facility.	Positive
Improved quality of service No change identified.	None
Benefits for society as a whole By facilitating the building of additional Bio-Methane plants there will be additional jobs and general economic activity for UK Plc.	Positive

Cross-Code Impacts

Detailed legal analysis in relation to the drafting of legal text for UNC Modification 0842, which is in the final stages of work group development, identified that mirrored arrangements are required in the IGT-UNC; This modification proposal aims to provide these.

UNC	☒
REC	☐
Other	☐
None	☐

Environmental Impacts

Biomethane has to be produced with a flat profile as it is made from a 24/7 biological process. The producers cannot flare any biogas other than for safety reasons and so they need the gas grid to have capacity for 100% of the time. There are good sources of feedstock that may not be near the existing gas grid but are suitable for AD but need a connection pipeline, typically at LTS pressure which is high capex. This modification would allow such projects to use an IGT Pipeline and will ultimately expand this market which will have a positive impact on Greenhouse Gas Emissions by allowing Pipeline Operators to provide this facility.

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
(A) Efficient and economic operation of the pipe-line system	Positive
(B) Co-ordinated, efficient and economic operation of (i) the combined pipe-line system; and/or (ii) the pipe-line system of one or more other relevant gas transporters	Positive
(C) Efficient discharge of the licensee's obligations	None
(D) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation agreements with other relevant gas transporters) and relevant shippers	None
(E) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards… are satisfied as respects the availability of gas to their domestic customers	None
(F) Promotion of efficiency in the implementation and administration of the Code	None
(G) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators	None

(A): - The proposed new IGT-UNC Pipeline entry service will enable more connections of negative carbon footprint biomethane, and the increased competition in routes for such green 'gas to grid', together with increased diversity in supply, will enhance the economical and efficient operation of the pipeline.

(B): - By enabling a new IGT-UNC Pipeline entry service that is based on and dovetails with the established UNC equivalent, this Mod provides consistency throughout both the UNC and the IGT UNC.

8 Implementation

As this Modification proposal will marry to UNC Mod 0842, implementation should be at the same time, ideally as soon as possible after an Authority Decision.

There is at least one Pipeline Operator / prospective Pipeline Operator keen to provide this service, with several potential Pipeline Delivery Facility Operators (mainly biomethane) with projects which would be economic if they could inject into existing IGT Pipelines similarly waiting.

This Mod should therefore be implemented as soon as possible (supported by optional participation) and the arrangements outside code to support introduced similarly.

9 Legal Text

Text Commentary

To be provided in due course.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Normal governance procedures should apply
- Refer this proposal to a Workgroup for assessment.