



Shaping the Gas Transmission System of the Future: Future needs of the network feedback

Introductions and Logistics

What you've told us

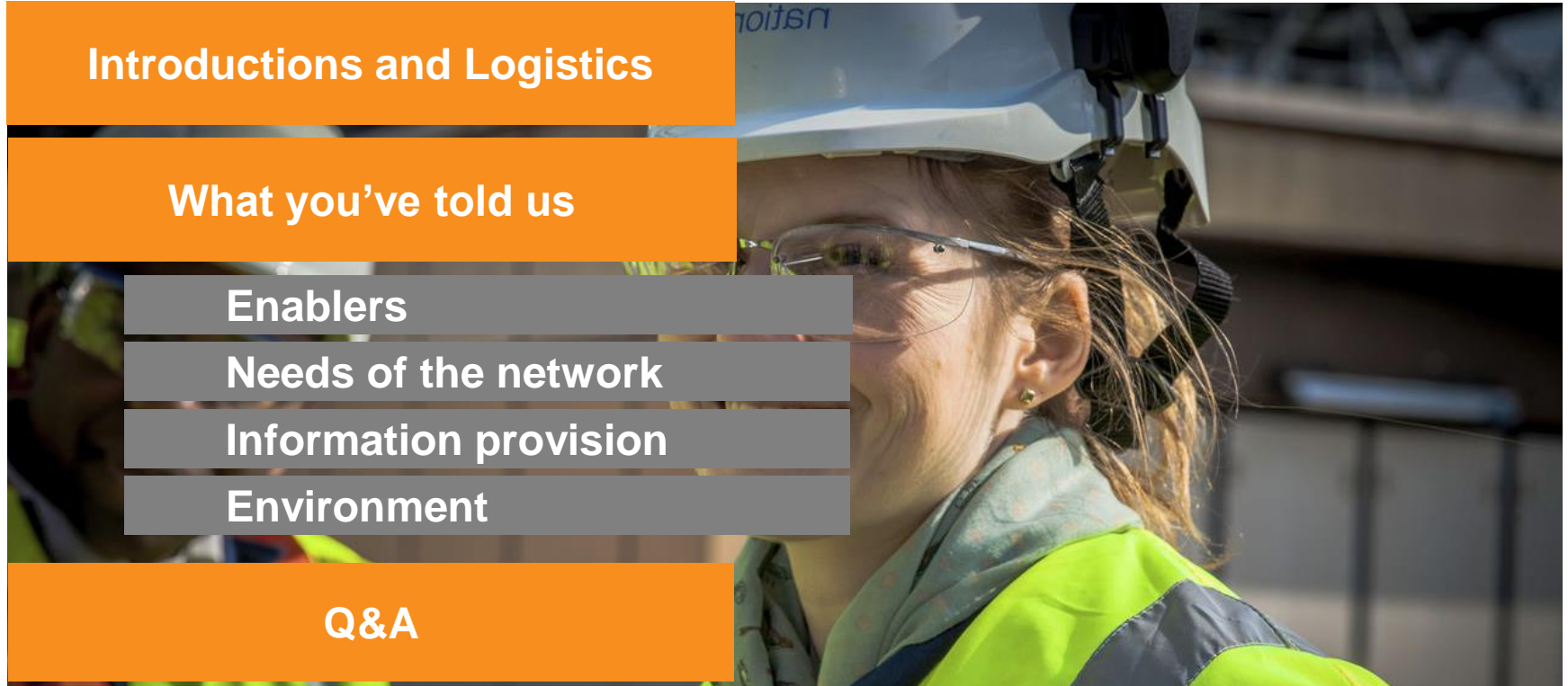
Enablers

Needs of the network

Information provision

Environment

Q&A



Introduction to the speakers



Bridget Hartley
Gas Transmission
RIIO T2 Manager



Jenny Pemberton
Stakeholder
Strategy Manager



Jenny Phillips
Gas System
Operator RIIO2
Manager

Logistics

Webinar should last for approximately an hour

All delegates will be placed on mute

Your questions are welcomed via the chat function

Please answer poll questions when prompted

A quick poll to get to know you...

- *Which Stakeholder Group would you identify yourself with?*
 - a. Customer, i.e. your organisation pays National Grid directly
 - b. Terminal operators
 - c. Consumer interest organisation
 - d. Regulator or government (central or local)
 - e. Energy network owner or operator
 - f. University, think tank or academic
 - g. Supply chain
 - h. Environmental interest organisation
 - i. Other energy industry
 - j. Other non-energy industry

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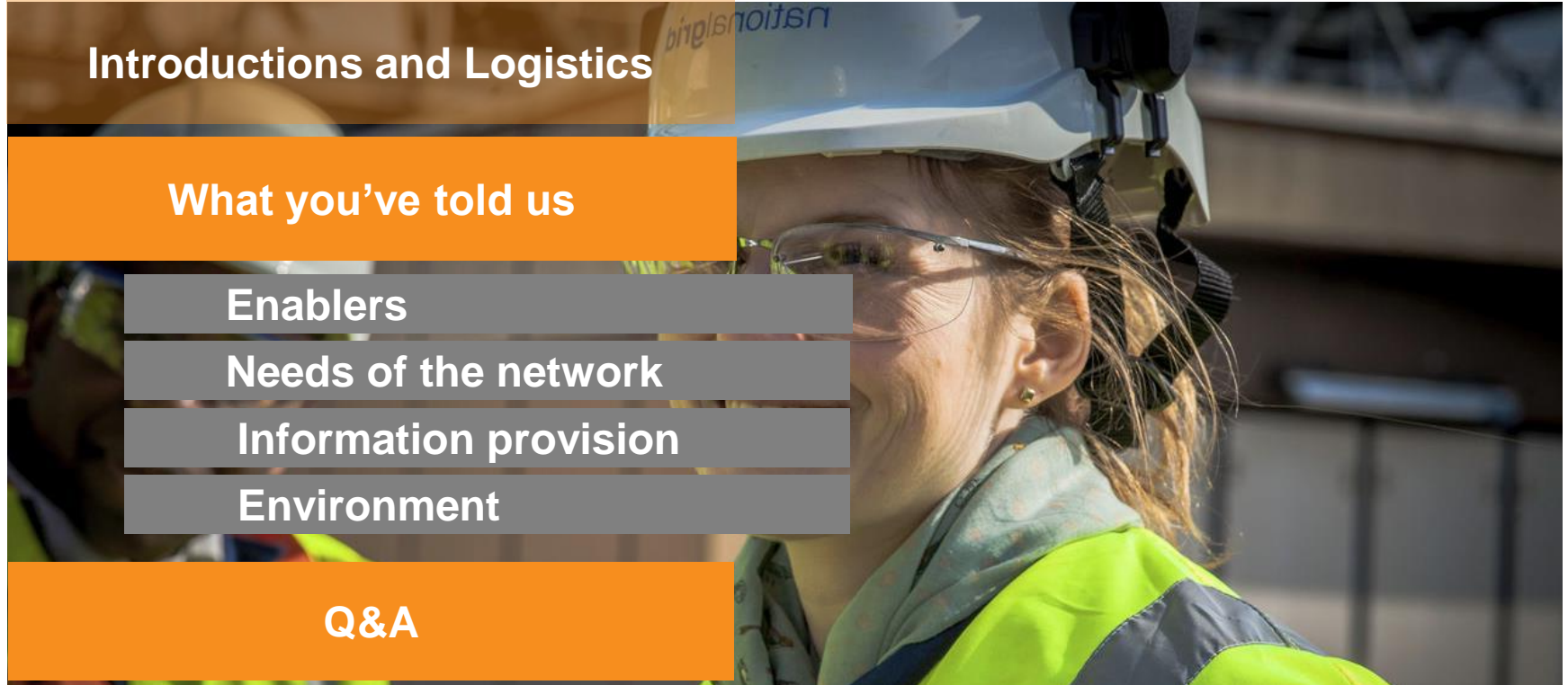
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A summary of the last couple of months...



In January we played back what we heard from you during our **Listen Phase**

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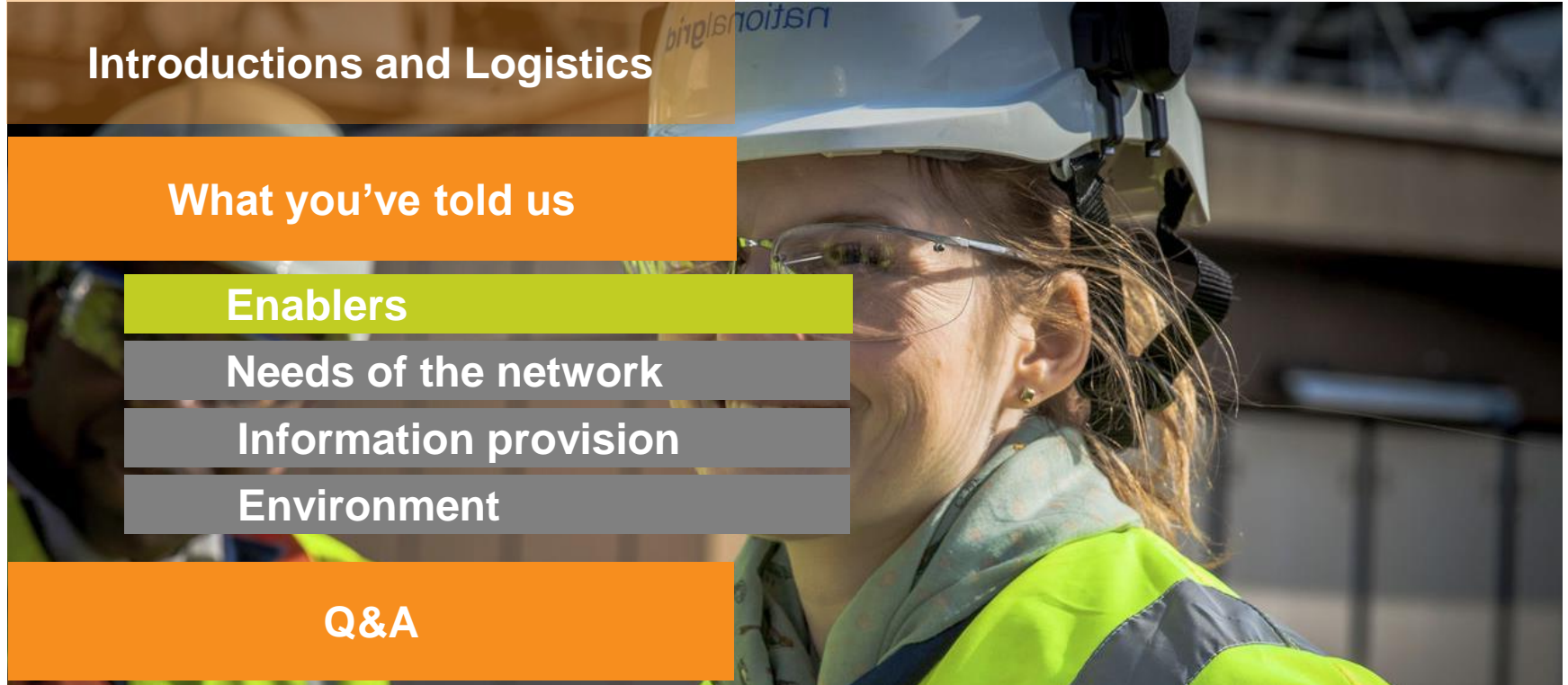
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Our Performance

- We asked: Should our outcomes/performance measures be aligned to our stakeholder priorities?

Yes – 58%



In some cases – 42%



National Grid should do more justifying and explaining of its performance

Transparency should be the umbrella

National Grid can provide a customer feedback score per priority

National Grid should be measured against transparency and process

Next Steps

- Further review your comments/suggestions to develop our thinking
- More detailed engagement during Autumn and beyond to agree the right measures

Scenarios – Our approach to planning

- We asked: Do you support our approach to using Future Energy Scenarios?

Yes – 71%



Unsure – 29%



It's important NG uses FES as the rest of the industry does

Yes FES should be tested and linked to output

Don't really use scenarios

I use something very similar in my business planning

Next Steps

- Continue to articulate how we are using scenarios within our business plan
- Ensure consistency in approach with other networks

Gas Industry Change Plan (GICP)

- We asked: Do you agree with the concept of the change plan?

Yes – 100%



A useful tool that catches all the relevant topics

General agreement on timeframe – flexibility is key

It would be useful if it was on a public portal for review and suggestions for items included

It would be nice to get a guide of where the biggest impact lies

Next Steps

- We will develop a core discussion forum, as well hosting the GICP online and allowing an opportunity to feed in offline
- We will develop a financial element to the plan and will engage with consumer groups directly to understand their appetite for continued involvement.

A quick poll

- *Do you feel your voice has been reflected in what we've just talked about?*
 1. *Yes*
 2. *Partly*
 3. *No*
 4. *Not applicable*
 - *If partly or no, please give a reason for your answer....*

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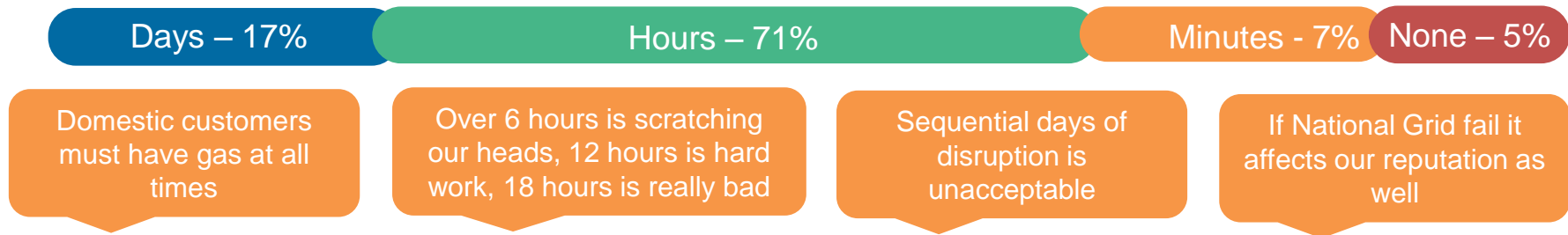


I want to move gas on and off the NTS

- We asked: What impact does disruption to gas flows have?



- We asked: What level of disruption could you accept?



I want to move gas on and off the NTS

- We asked: What service improvements would benefit you?

Blending services

Information
Provision

Relaxing gas
quality limits

Pressure services

Next Steps

- We are exploring what can be delivered during the remainder of RIIO1 as well as looking at options for the longer term
- We have encouraged people to get involved in the IGEM led review of the Gas Quality Specification
- We will continue to explore this topic to understand the breadth of stakeholder views

Asset Health

- We asked: Are the default options the correct options?

Yes – 51%



Unsure – 30%



No – 19%



- We asked: Is 25 years the right period of time to test our investment plans to demonstrate benefit to consumers?

Too short – 20%



About right – 37%



Too long – 43%



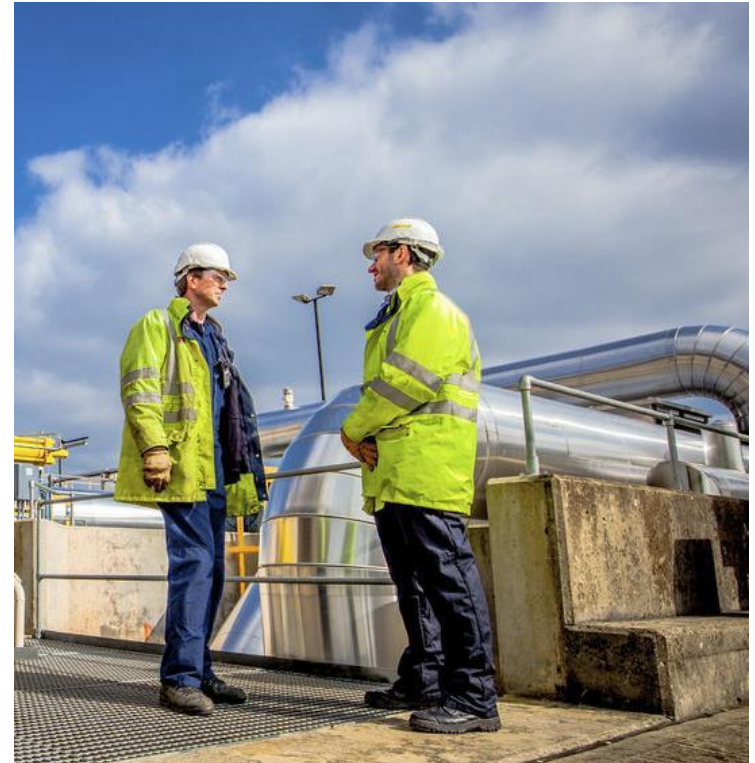
We should not be reducing our safety standards

You are interested in what it would cost to increase reliability by 10%

You would like us to consider asset replacements that would future proof our network (hydrogen or biogas)

Asset Health – Next steps:

- Cost three default options (none with a reducing safety standard)
- Cost enhanced reliability option
- Investigate equipment that is future proofed for different gases
- Assess the impact of a shorter timescale for cost benefit analyses



Responsible removal of redundant assets

- We asked: As a principle should current or future consumers pay for demolition of assets that are no longer required for operational use?

Deliver all in T2:
Increased costs for
current consumers

11%



Prioritise projects based on risk and
maintain remaining: Cost is shared
between current and future

consumers **84%**



Defer all works and
manage risk: Majority
of cost is picked up
by future consumers

5%



Learn
from the
offshore
industry

Consider future
optionality and
alternative uses

Tailor your
approach based
on the asset
type

National Grid have
leading risk methods
which are pretty clear and
there is transparency

Responsible removal of redundant assets – Next steps



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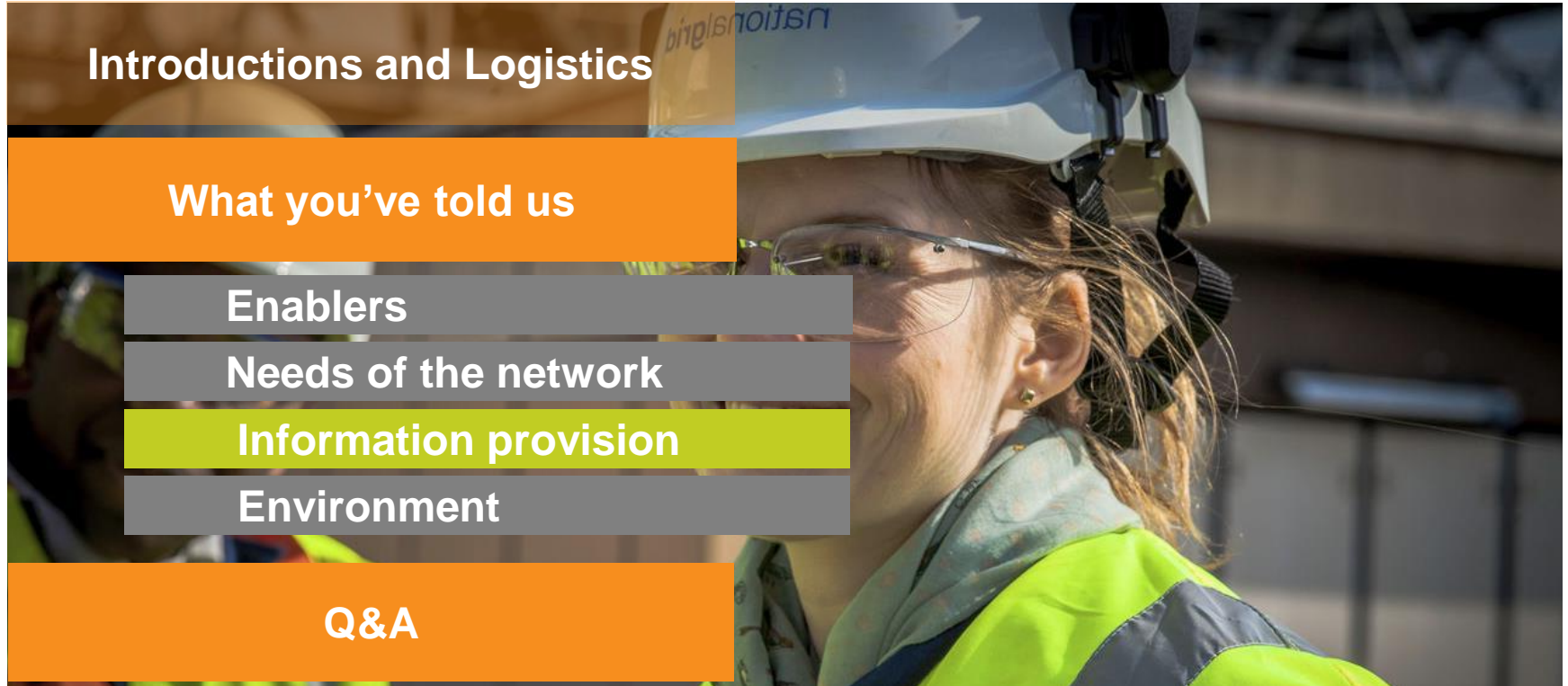
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Information Provision

- We asked: What information do you use and how do you use it?

We have a number of systems and processes running in our business that depend on your data. Any disruption affects us directly

There are a number of additional areas we would value greater levels of data in, namely pressure, quality and demand

Data quality is significantly important to us as we have key business decisions being made off the back of it

We are unsure where all data items are, and when we find them what they really mean

Next Steps

- There are a number of additional data points we need to develop and prioritise the timing of their delivery accordingly, some of which will be in RIIO T1 timescales
- We need to ensure the data is easily understandable and locatable for all users, existing and new
- We need to ensure that our information provision service should minimise system down-time and maximise data quality
- We need to build a better understanding of how information provision can enable whole system thinking

Future Capacity and Balancing System and Services

- We asked: In an “unconstrained” world, what are your functional and non functional requirements for a future capacity and balancing system and associated support?

Do the basics well

Greater automation of the system and real-time processes

Improved information exchange methods and system security

Increased reporting functionality and granularity

- We asked: Which capacity and balancing services do you find useful, require improvement, do you not use?

Better granularity and explanation of invoices

Improved service desk standards

Quicker Energy Balancing Reconciliations

Stability, consistency and speed of Nominations Matching at IPs

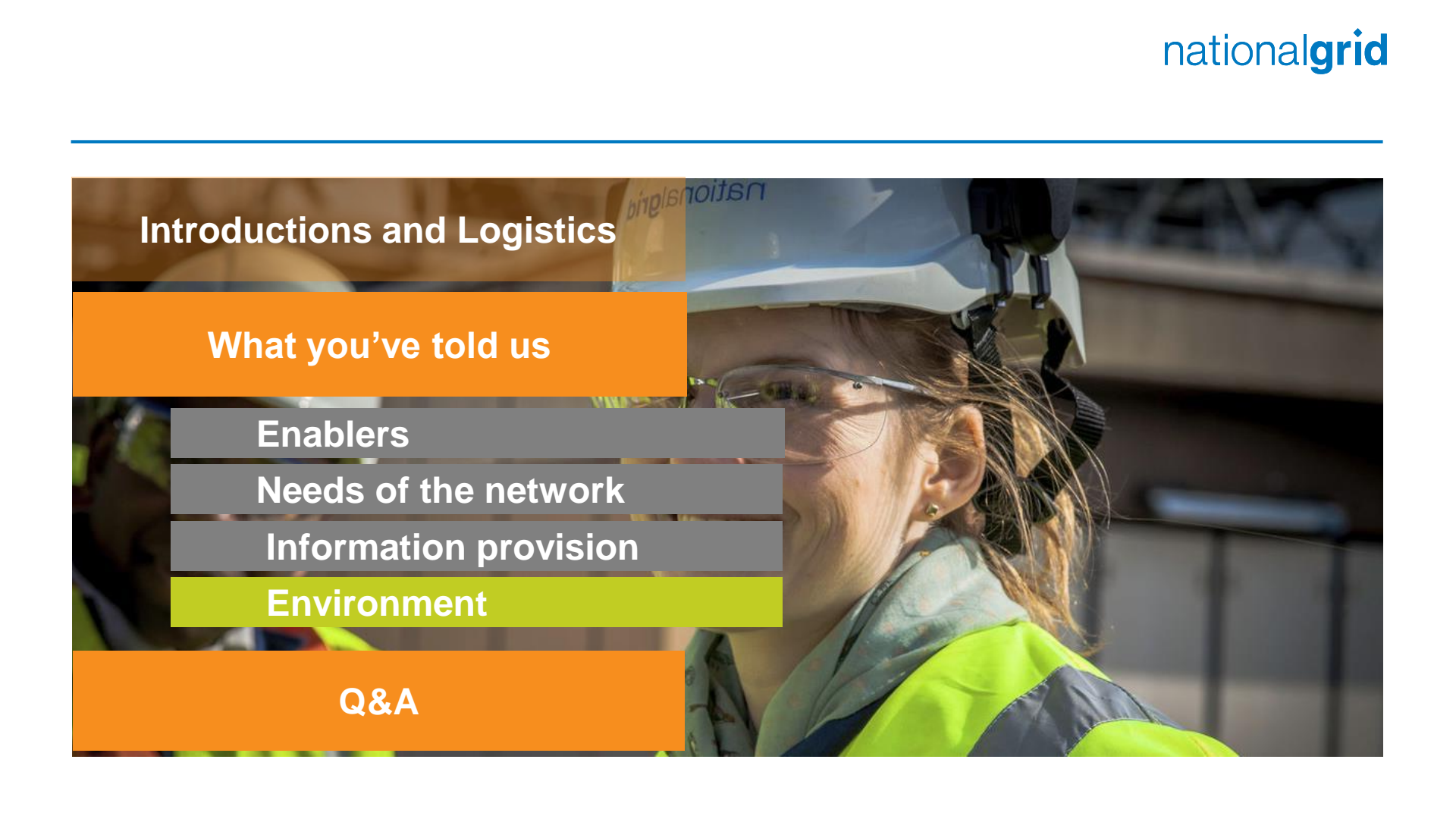
Increased Gemini Capacity Functionality

Next Steps

- We are continuing to explore your views via one to one meetings and other engagement activities.

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Our impact on the environment

- We asked: Should we be focusing on all our emissions e.g. vented and fugitive?



We should have one consistent carbon price

Investment decisions need to be more visible to the general public

Be ambitious in terms of reducing the impact on the environment

National Grid should be incentivised with positive incentives, as penalties are creating the wrong culture

- We asked: How should we consider carbon in our decision making?

100% said: Apply a consistent cost of carbon – Govt. central case carbon evaluation (mid - case)

Next Steps

- Understand options to deliver the right balance of environmental value and associated costs
- Work with other regulated businesses to create consistency
- Input your feedback in to the Ofgem consultation

Environmental impact on the gas network

- We asked: Should we be proactive or reactive in managing these impacts?

Proactive – 75%



Reactive – 25%



Prioritise work based on highest risk e.g. pipelines under rivers

Public perception of taking a proactive approach may be better than of a reactive approach

As a customer you want to be confident that National Grid is doing the right thing, this would be best delivered with a proactive approach

Next Steps

- Environmental risks are captured as part of the new NOMs methodology
- Continue to monitor changing environmental conditions and asset impacts

Environmental Stewardship

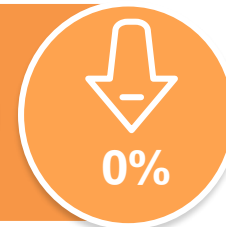
■ We asked: Should we...

Do less to support local communities through our environmental framework

Do more to support local communities through our environmental framework



Continue as is



Important to engage communities

We should have a consistent approach and therefore more than just four sites

We need to be better at communicating this

Would an incentive around this help?

Next Steps

- Understand potential National Grid options and the associated costs against them

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Q&A

Bridget Hartley

Gas Transmission RIIO
T2 Manager

**Jennifer
Pemberton**

Stakeholder Strategy
Manager

Jenny Phillips

Gas System Operator
RIIO2 Manager

Next steps

- Further analysis of your insights
- Continued engagement

Continued engagement



- Asset health
- Gas on and off the NTS
- Information provision
- Tactical reinforcement

New conversations



- Whole energy system
- Customer service
- Innovation





Thank You