Gas Operational Forum June

Meeting Minutes

13 June 2019

nationalgrid

Meeting Summary

Meeting Date: 13/06/2019

Location: National Grid House, Warwick

Start Time: 10:00

National Grid and Xoserve Attendees

Company	Name and attendance Y/N		
National Grid	Karen Thompson (KT) **N**	Jon Davies (JD) **Y**	Martin Cahill (MC) **Y**
National Grid	Suki Ferris (SF) **Y**	George Charalampous (GC) **Y**	Lloyd Mitchell (LM) **Y**
National Grid	Tom Neal (TN) **Y**	Elaine Baker (EB) **Y**	Alex Haffner (AH) **Y**
National Grid	Abby Hayles (AH) **Y**		
Xoserve	Helen Field (HF) **Y**		

*Additional National Grid attendees present in audience during the presentations and breaks

Meeting Agenda

Agenda Item	Key Points	Action Ref
Operational Overview	• Profile of Demand this summer so far has been broadly similar to the corresponding period last year, but slightly higher • There has been an increase in export to Belgium • Demand has consistently been above seasonal normal • There has been a significant proportion of supply provided by LNG, with a reduction in Norway supplies • Requirement for SW compression has been required, with maintenance replanned to account for high flows from Dragon and South Hook	
Biomethane/ Biogas projects	• Propane needs to be added to biomethane if it is injected into an LDZ. A higher wobbe range would mean this is required in larger quanitites • UK gas demand is around 800-850 TWh, biomethane can realistically produce up to 20 TWh by 2030 • There are around 12 projects which capture CO2 from waste and liquefy it • Renewable heat incentive helps to finance projects • Bio CNG stations used for fuelling HGVs and injecting into grid • In summer there is sometimes not enough demand to allow injection of biomethane, so compression is required	
Hydrogen	• See individual slides for full details • Presentations from Sarah Kimpton (DNV GL) and Andy Lewis (Cadent) • Hydrogen has a much lower CV compared with natural gas • Requirement to clean up before it can be transported • DNV GL work includes feasbaility study for 20% H2 blend (HYSTART) and safety research (H21 and BEIS Hy4Heat • Cadent projects include Hydrogen blend in distribution networks (HyDeploy), as well as CCUS, production and Industrial conversion. Full	

	vision captured as HyNet. Other projects are assessing Biomethane in transport • National Grid projects include Feasability of Hydrogen in the NTS, using Grain infrastructure to supply SE (Cavendish), generation of Hydrogen at Fergus to supply Aberdeen (Aberdeen vision), and test loop for impact on pipes (H2 flow loop)	
Gas Markets Plan	• Due to time constraints, this agenda item was not covered at the Forum today, however slides are still available in the online pack	
Gas Prices	• Gas prices move in tandem with Oil + Coal prices, as well as EU ETS. They correlate negatively with UK Storage and FX rates • SAP prices low due to mild temperatures, strong LNG supply, high storage, and availability of supply sources • 'Beast from the East' affected gas storage across Europe • Coal prices have fallen due to lower Asia demand • Oil prices are volatile due to US sanctions and political unrest • UK and Asia LNG prices have recently converged, with decreasing demand from Asia, and higher forward UK prices after GDW	
Constraint Managemen t	• Constraint management questions covered in breakout session • Action Provide more detail on flow swaps + buybacks, and how/when they would be used • Action: provide more information about shipper behaviour during GDW (see question)	 **1** **2**
Winter Review	• Winter Review published on the 13th June: • https://www.nationalgridgas.com/insight-and-innovation/winter-review-and-consultation • Interactive document allows the reader to easily access links to other useful documents, and provides additional information • Whole energy system interactions were more prominent with high levels of renewable electricity generation • Despite mild weather, there were operational challenges to overcome in both electricity and gas • There was an unexpected drop in gas prices this winter	
Data Enhanceme nts	• Instantaneous demand data is now available as a temporary link (this can be accessed through the homepage of the data community site) https://datacommunity.nationalgridgas.com/ • Current minded position is to not provide Gas Quality data. We have heard concerns about confidentiality, and received very little feedback on positives of providing the data	
Brexit	**Key messages:** • The Prime Minister continues to believe that we need to leave the EU with a deal as soon as possible, and vitally, the EU has agreed that the extension can be terminated when the Withdrawal Agreement has been ratified. • This means if we're able to pass a deal in the first three weeks of May, we will not have to take part in European elections and will officially leave the EU on Saturday 1 June. • During the course of the extension, the UK will continue to hold full membership rights as well as its obligations.	

	• Further talks will take place between the Government and the Opposition to seek a way forward. **Customs:** • In the case of a ‘no deal’ EU exit, the UK will leave the Customs Union on exit day and all goods imports and exports will need to be declared to HMRC. In this context gas is treated as a good. • Gas pipeline operators are not obligated to be the declarant in customs. A commercial entity can be appointed to act as the declarant of the good. • LNG terminals receiving gas from the European Union must put the goods through the same customs procedures as any other LNG import from outside the EU currently has to. • 0% tariffs on gas imports to the UK. • There are no additional requirements with regards to VAT arrangements relating to natural gas. • BEIS and HMRC are in discussions with pipeline operators with a view to ensuring day 1 compliance. • For more details see HMRC docs on gov.uk, notably: Customs procedures if the UK leaves the EU without a deal. • Market participants are advised to check with the relevant regulatory authorities with regards to the customs requirements of individual EU Member States.
Forum Queries	• **Q: (Bio Gas) The presenter noted that water companies will soon stop using biogas to power CHP plants, instead injecting the gas into the NTS after the ROC's end. Does he have an idea on the volume of gas?** • **This is likely to be around 11 Twh of gas if all was injected into the NTS** • Q: (Hydrogen DNV GL) Regarding the Joule-Thomson effect- are any issues anticipated if the temperature rises rather than falls when the pressure drops? • A: The temperature rise is very small so it is very unlikely that there would be any issues from this (natural gas temperature drop from Joule-Thomson is of a much greater magnitude) • Q: Did the GDW on 1st March 2018 lead to changing behaviours on the day? • A: The GDW actually led to Shippers being very proactive and helpful to try and manage the situation. Action to provide more detail on this

Meeting Actions

Meeting Date: 13/06/2019

Location: National Grid House, Warwick

Start Time: 10:00

Summary of Actions

Action Reference	Action	Responsible	Expected Closure
1	Provide more detail on flow swaps + buybacks, and how/when they would be used	NG	June
2	provide more information about shipper behaviour during GDW	NG	June