

Biomethane Workshop Report

CENTURION
Concept

AS



14th May 2020

together

**we are
the network**

Thank you

Thank you again to those of you who joined us for the first of our twice yearly biomethane developer investor workshops.

The NGN team got a great deal out of the session and we hope you did too.



We recognise that the agenda was action-packed, and that we asked a lot of you in terms of conversation, ideas and feedback. We were delighted with the level of engagement and energy around each of the topic areas, from the strategic direction we are taking, to specific operational issues and what your immediate issues are.

We are now working hard together as a team to make sure that we bring to life the ideas that we heard, and to also make certain that our future engagement plans are structured around your priority areas.

We would love to hear what you think of the next steps that we have proposed. If you were unable to make it on the day, and would like to share your views, it would be great to hear from you.

Best wishes

David Gill

Head of Customer Energy Solutions

Chris Hogg

Supply Strategy Lead



Purpose of the workshop

Up until now we have met with you all on a regular bilateral basis throughout the last two years. Since then, we have been working hard to develop our strategic approach and commitments, in line with the feedback that you provided.

We have refined our approach by using additional feedback from our engagement routes. However up until now we have not engaged with you all as a collective group. The purpose of this first workshop was to make sure that the strategic direction we are taking is still broadly in line with our stakeholder preferences, to hear challenge and feedback specifically on our proposed charter and the commitments and promises we want to make to our stakeholders and finally to understand any other issues which can help us develop a focused engagement plan for the next 12 months.

The workshop was split into four sessions:

- **Current challenges** – Updates on how the current Covid situation is impacting businesses and operations.
- **Our GD2 commitments** – What our commitments are to support green gas in the future.
- **Our Charter** – The commitments we are making to you in response to your feedback.
- **Open forum** – What are your emerging issues, and how can we reflect/prioritise

“Thank you very much to all concerned at NGN. This collaborative and engaging approach is very much welcomed and appreciated. Looking forward to future sessions”

Rick Dewhurst BA Renewables

12

delegates

8.6

overall satisfaction with the event (out of 10)

Acting on your feedback – our commitments

The feedback you gave us during this workshop is helping to shape the way we work both now and, in the future.

What we'll do now:

Prioritise our commitments based on your feedback, focussing on formalising the charter. We will look to get these in place over the summer of 2020 and start to identify ways we can address some of the other operational issues discussed including arranging an alarm management review which will incorporate CV and temperature discussions.

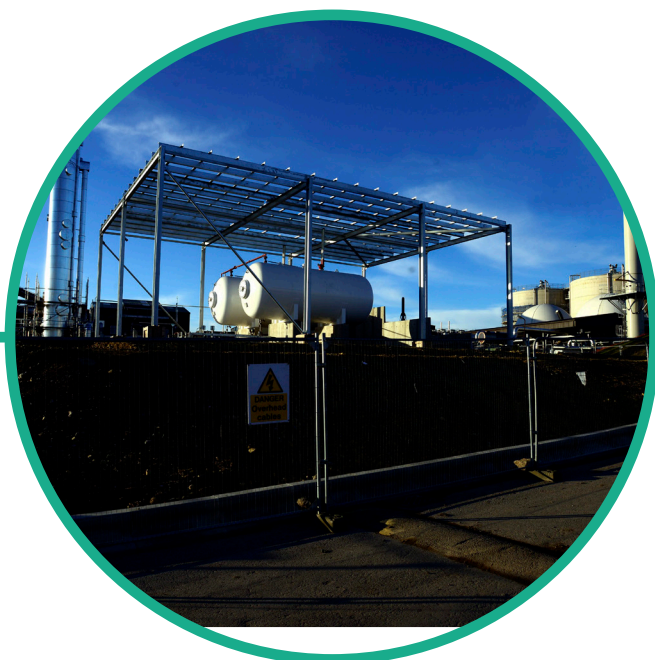
Our engagement plan for the next 12 months will be focussed on addressing the emerging issues that you identified, and how you prioritised these:

- **Bilaterals** – We understand that as well as in this new group setting, you will also want to talk to us on either the operation of your existing sites or perhaps a new development. We always welcome bilateral discussions as well so will continue to arrange one to one meetings and conversations as well. If you wish to speak to us, please get in touch with David Gill or Chris Hogg and we will ensure we are there when you need us.
- **December 2020** – We are planning our second workshop in December 2020 where we will not only share our strategic developments, more importantly, we want to listen to you on how your plans are being delivered and any emerging issues you are facing

- **May 2021** - Annual review and strategic plan for next 12 months. We will provide you with more regular updates about our business performance. We do issue a stakeholder newsletter towards the end of every month, so we will make sure that your contact details are up to date in our stakeholder database and add you on to the circulation list.

We have taken on board your view about the charter and our future plans and have:

- Committed to holding a second workshop on early December 2020
- Amended and published the Charter on our biomethane website
- Implemented strategic key account management alongside a day-to-day operational account manager to deliver a more strategic end-to-end overview.



What we'll do during 2020/21:

During the final year of RIIO 1 we will focus our efforts on making sure that you can operate your plants and inject biomethane into our grid as much as practically possible. We will work with you when we need to alter the pressure in our system to allow you to accommodate our changes. Specifically, we have:

- committed to review the target CV strategy, we aim to keep CVs as low as possible to minimise cost to the Producer and prevent capping on the network. (See notes below.)
- committed to formally clarify who the key account managers are, their roles and what the internal and external escalation process is.
- committed to ensure annual reviews are carried out. Firstly, through the Network Entry Agreement to have annual operational liaison meetings, and a strategic end to end review including customer service and future developments.

We will take action to address some specific areas of concern, for example:

- Work with all the GDNs through our biomethane technical working group to seek solutions to seek common ways of working
- Developing a way to address propanation concerns

Next steps:

We want to keep the conversation going. Aside from the engagement activities that we have planned, we welcome your ideas on any aspects of our business, and the work that we are doing together.

Feedback on this session. Have you had further thoughts on some issues raised during this session? Or a great idea of things we should be doing in response to your feedback? We'd love to know. Please contact us directly on stakeholder@northerngas.co.uk

Our commitments

We made a commitment to support you in the connections of, and ongoing running of, biomethane plants. As such we will be involved in early discussions and help you through the complex route to a successful connection.

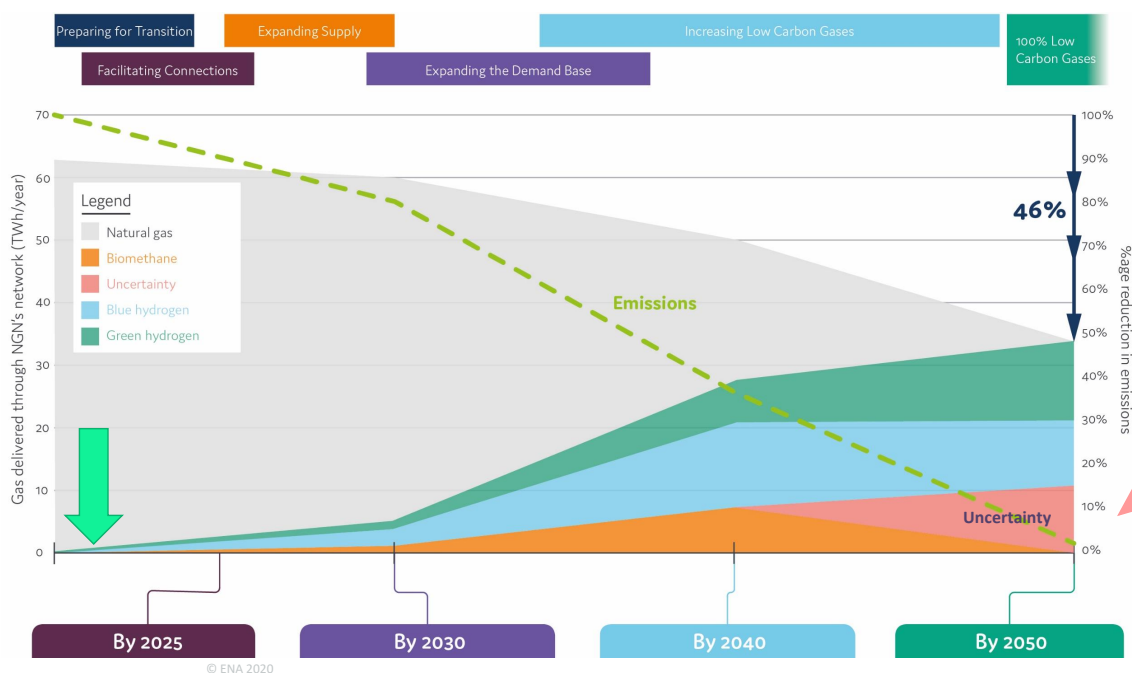
You raised a number of issues and we made the following commitments:

GD1 – 2013 to 2021	GD2 – 2021 to 2026
Concerns about access to and odorant ownership	NGN to carry a risk assessment and report back to the group
What is happening to Ofgem open hearings for GD2	NGN to update once notified by Ofgem
Concerns on multiple requests to change CV	NGN to review specific issue as part of the alarm management review and report to the group
Flow and restriction issues at 2bar	As this is a gas industry standard, we will raise it as a Technical Standard Enquiry with IGEM, and update the group.
Regular statement of accounts forecast for connections	NGN to review connections process to consider this feedback
The need for propanation and ISO 107203 validations	NGN to raise this with ENA working group
It would be useful to get periodic updates on NIC/NIA projects, from the network's perspective, so potential change can be planned for	NGN will make this a standing item on future sessions
You said as well as day-to-day operational support you also wanted someone with a more strategic end-to-end overview who would have an overarching view of customer satisfaction	David Gill would take on this role to support Chris and Ben and the operational team
Under section 3 in the charter they would like it made clearer that we commit to providing a 1-to-1 annual review of their experience as well as the workshops.	We have committed to ensure these reviews are carried out annually, providing an operational and strategic end-to-end review, including customer service and future developments

GD2 plans

Following the broad introduction into our strategic approach, we then talked through in detail the commitments that we are making for the GD2 period (2021 to 2026).

Our pathway to net zero by 2050



Stakeholders said: we used our hot topics workshops and online surveys to engage with our biomethane suppliers to understand to their specific needs.

We did: We correlated our insight with our detailed customer mapping research identifying two clear themes for action, around connections and the day to day operations.

GD1 – 2013 to 2021	GD2 – 2021 to 2026
connections	
Focus on capacity study lead times	Shortened by 10 days: 30-20 & 15-5 days
Process too complicated	Leading on common policies and improvements across GDNs inc UNC
Day-to-day operations	
Clear route	Surgeries, Key account management, escalation process
Better Operational efficiency	Actively manage system to maximise gas to grid
	Looking for new ways of maximizing gas to grid - Utonomy
More responsive	Regular site meetings and bi lateral discussions

Our biomethane pathway to Net Zero by 2050

	Initiative	Description
Better	Overcoming capacity constraints	We're invested in delivering a range of innovation projects looking at alternative ways of overcoming constraints on biomethane injection. E.g. Potential of remote pressure profiling, modelling flexible reductions in grid pressure over summer and winter months will be able to provide enough capacity in the network for biomethane plants to inject without restrictions under normal operating conditions
	Further stakeholder engagement	Commitment to ongoing engagement with biomethane producers (including two workshops per annum) to ensure we're focusing our efforts on areas that will deliver greatest benefit for our customers (specific price control deliverable)
Faster	Reductions in the time taken to deliver initial capacity studies	reducing time from 15 working days to 5 working days (specific price control deliverable)
	Reduction in time taken to deliver detailed capacity studies	Reducing time from 30 working days to 20 working days (specific price control deliverable)
	Improved response times to operational faults on gas producer sites	Respond within four hours to rectify faults quicker to get the gas flowing to the network again (specific price control deliverable)
Cheaper	Opportunity to standardise across industry	Working collaboratively with other GDNs to exploit opportunities to take a standardised approach across the industry (e.g. siloxane levels and process for measurements, connection standard methodology framework and grid entry unit design)
	Biomethane injection hub	We will investigate the feasibility of establishing a biomethane hub on our network, so that biomethane producers can transport their biomethane to a central hub for injection. Expect this will assist with mitigating capacity constraints and also avoiding connection costs for new biomethane plants.



We asked for your feedback on these commitments to improve the service we offer

- Did our plans go far enough?
- Improving responses time to 4-hour wherever possible
- What interest is there from developers in looking a feasibility of an Injection hub
- Working together to look at ways of overcoming capacity issues
- To hold two conferences / workshops per year as well as regular bilateral meetings.

Areas we are working on:

- Maximising Capacity for sites
- Reviewing the NGN biomethane ownership model
- Holding Critical Spares

Charter

We introduced a proposed charter in the session, outlining a series of commitments and promises we will make to our biomethane customers.

At NGN we recognise that the decarbonisation of our gas grid or 'greening our gas grid' is essential for us to reach future renewable energy targets, particularly for heating and transport.

At Northern Gas Networks, to date there are 17 biomethane sites injecting directly into our gas grid.

We see our role is to support our developers by ensuring that biomethane plants can connect to the gas grid as quickly as possible and to operate efficiently as possible.

Here at NGN we will:

1. Work with all Gas Distribution Networks (GDNs) to introduce a standard way of connecting plants across all areas of Great Britain, so that biomethane developers have only one process to follow wherever they are
2. Share resources and learning between GDNs as much as possible, to ensure that plants are connected and operate as efficiently as possible while maintaining necessary standards of safety
3. We will use our convening power with other GDNs to support biomethane developers with clear policy and support for gas quality review, (Propanation and CV)
4. Be fully transparent with biomethane developers about the speed and resources available to deliver connections and maintain sites.

Here at NGN we commit to:

1. Being there when you need us:
 - a. Attend an interruption within 4 hours
 - b. Restore gas flow in next day (24/7)
 - c. Discuss your schemes with us before a formal application and incurring associated costs (including assessment and design fees)
 - d. Extension of seasonal setting changes to incorporate increased injection over the shoulder months
 - e. Consider alarm limits to aid injection at times of low demand/high pressure
 - f. Review the cost of capacity studies and the NGN charge for connections
 - g. Deliver initial and detailed capacity studies from 15/30 working days to 5/20 respectively
2. Delivering on our promises
 - a. Key account management
 - b. Escalation process to senior manager
 - c. Agree any resolution within 1 working day
3. Proactively listen to our customers
 - a. Carry out two biomethane feedback workshops per year
 - b. Improve our website access for customer feedback

The Charter was well received in the session.

Following discussions, we made the following commitments:

- to review the target CV strategy, we aim to keep CVs as low as possible to minimise cost to the Producer and prevent capping on the network.
- to formally clarify who the key account managers are, their roles and what the internal and external escalation process is.
- to ensure annual reviews are carried out. Firstly, through the Network Entry Agreement to have annual operational liaison meetings, and a strategic end to end review including customer service and future developments.

Tell us what you think

Thank you for reading this report. We welcome any further feedback, thoughts or ideas you have. Please drop us a line on at stakeholder@northerngas.co.uk

together.northerngasnetworks.co.uk

