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Subject: NZNSS Ltd: BOC & H2T Discontinuation Draft Determination

Dear Joe

Following publication BOC and H2T Change in Scope Draft Determination on 27 August, we are now in a position to provide some written representations on the matter.

NEP's priority is to continue delivering the project efficiently, at pace and in line with licence commitments. Commensurately, we are limiting our feedback to three main areas of the determination where we would encourage Ofgem to consider further representations. The first is around the rejection of NEP's recommendation to adjust the APDP system configuration and testing requirements in response to BOC & H2T deselection. The second concerns the Project Management Team (PMT) cost reductions, which translates into the FSD settlement. The third is a representation on the APDP adjustments on commissioning the gathering network in response to BOC discontinuation.

We thank you in advance for duly considering these representations.

Best Regards

[redacted]

1. [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

2. Representation Concerning the FSD: Project Management Team (PMT) Adjustments

NEP would like to make representations concerning the proposal to deduct £0.926m (Base Year) for the reduction in project management hours as a result of the removal of the BOC & H2T Spurlines. NEP also notes and thanks Ofgem for the sharing session on September 10 where the methodology for this deduction was explained. While the logic has been well explained and NEP does not contest the overall principle, NEP considers that this reduction is too large and asserts that there are 4 areas for recalculation that should be considered:

1. Consider the date when the scope removal is due to be enacted. This must be in line with the determination date, as the APDP currently still contains H2T and BOC activities. Latest communication from Ofgem is that determination is likely to be in October, subject to no further delays.
2. Consider a ramp down period. It is not a realistic expectations that NEP can stop activities immediately as management of change activities must be completed to document decisions made and update and finalise critical documents. It would therefore be reasonable to assume a 3 month ramp down period [redacted].
3. Consider the mechanisms by which organisations can accommodate reductions. [redacted].
4. Consider that different organisations have different rates. [redacted].

NEP would be open to discussing these points with Ofgem directly, if helpful.

3. Representation Concerning Proposed adjustments to the APDP due to loss of BoC

NEP welcomes Ofgem's preservation of Phase 2 Tranche A (Commissioning of the Gathering Pipeline) but considers that the drafting as currently proposed cannot be delivered as written. The purpose of this testing is to demonstrate that the gathering network is resilient to a new user entering the network; by definition, this cannot be proven without a new user being present. Further, pressurising the gathering network with CO2 from NZT before a new user is enters the network will result in a large inventory dead leg of pressurised CO2 that would unnecessarily introduce an integrity and process safety risk that must be managed.

Under current plans CO_2 from NZT will not be used to pressurise the gathering network. NZT is the only "Phase 1 User" and "Planned Initial User" as defined in Section 4.1. It is NEP's understanding that only Phase 1 activities are required to achieve COD. On that basis, NEP requests two amendments.

First, the definition of "Phase 2 User", which has been removed from the definitions section, should be reinstated and revised to mean simply a User that is not a Phase 1 User (i.e. not a Planned Initial User).

Second, it should be reinstated that the gathering network will be pressurised with CO_2 and tested at the point a Phase 2 User is connected. Consequentially, the testing activities at point (cc) should read: Phase 2 User controlled start/stop; Phase 2 User unplanned trip; Phase 1 User controlled start/stop; and Phase 1 User unplanned trip. Point (B) should likewise read "any such performance and operational testing as required to comply with the Connection Agreement(s) (as such term is defined in the CCS Network Code) for the *Phase 2 User*; and".

These amendments align the APDP with the physical reality of the commissioning sequence without altering the substance or intent of the testing regime, and NEP would be happy to discuss the precise drafting alongside the other representations raised above.