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Anti-hoarding arrangements at the Isle of Grain LNG importation facility

The Chemical Industries Association welcomes Ofgem's move to ask for feedback from any potential third party users of the importation facility in regards to the current anti-hoarding arrangements in place.

Although not potential third party users, our members have expressed concerns with the current arrangements in place. It is essential that there are adequate provisions in place to ensure all gas import facilities (not just LNG) can be used to the full capacity, by the operators or others, as the UK becomes increasingly dependant on imports.

In regards to the Isle of Grain facility it is important to establish a clear precedent since other LNG importation facilities such as South Hook and Dragon in South Wales, will shortly be commissioned and greatly increasing the role of LNG in the UK market.

We note that delivery of LNG so far this winter has been far below the maximum available capacity.

It appears that;

- (i) Effective arrangements are not in place at the Isle of Grain despite this being a key provision in the granting of Third Party Access Exemption to the facility.
- (ii) The arrangements in place appear to favor limited parties who have signed up as potential users of any spare capacity, the lack of information to other market participants therefore acts as a distinct disadvantage.
- (iii) The current notice of 10 days for free berthing slots does not provide potential shippers enough time to divert / arrange replacement shipments. We believe vastly greater notice is required.

If you have any queries following the comments above please feel free to get in contact.

Gareth Davies

Climate Change & Energy Executive (CIA)



CIA members are committed to Responsible Care