

Health and Safety Executive comments on Gas Security of Supply Significant Code Review (Gas SCR) Draft Policy Decision/Draft Impact Assessment

1. Thank you for the opportunity to respond to the Draft Policy Decision and Draft Impact Assessment of the Gas Security of Supply Significant Code Review (Gas SCR).
2. HSE attended the opening seminar on 29 Nov 2011 and have reviewed correspondence sent since then in relation to the workshop held on 13 Dec. HSE have also had discussions with NGG concerning any impact on the role of the NEC within the environment envisaged under options outlined in the Draft policy decision document and also on aspects concerning GSMR Safety Monitors. I note that Option 4, subject to further development, is Ofgem's preferred way forward. HSE acknowledge and welcome the clarification from Ofgem that under current proposals NGG would retain (via the powers of the NEC) its current role, including the ability to direct flows.
3. Based on the above, HSE continue to support Ofgem's approach and would like to make the following comments on some issues arising in the documentation. HSE will continue to work with Ofgem throughout the SCR and be involved with the progression of proposed Interventions options. HSE will attend the closing seminar on 14 March.

Draft Policy Decision Document

4. Although the Introduction clarifies that the SCR seeks to minimise the likelihood of a Gas Deficit Emergency (GDE) caused by *insufficient supplies*, there is a point at which a GDE caused by a *breach of any of the GSMR Safety Monitors* may develop in parallel, in terms of market participation, with the stages of the considered GDE (in effect it tips into the considered GDE). It would, therefore, seem prudent to bring this type of emergency within the scope of the review. Further consultation by Ofgem with National Grid may be necessary.
5. Footnote 38 on page 29 states that 'In many cases, large gas daily users will be able to turn down their demand relatively quickly without the need to be physically disconnected from the gas network.....'. HSE would welcome a clear definition of the meaning of 'turn down' in the context of Interruption, Load shedding and Isolation.
6. The statement within 4.27 '...it is currently believednot require a change to the NEC's GSMR safety case beyond those already required as part of Exit Reform' appears tenable only until further consideration of interventions is completed. In particular once storage obligations are explored further [ref Section 5], which appears likely, development of approach must be mindful of alignment/possible conflict with GSMR safety Monitors; this may well impact on the NEC safety case wording.
7. Furthermore, Demand Side Response (DSR) impacts on the UKT/PGT part of NGG's GSMR safety case; NGG will determine the extent of any changes required. Knock on effects of the Gas SCR on other Gas Transporter GSMR safety cases beyond any changes required from Exit Reform are unclear. HSE continue to see Ofgem's engagement with the GDNs during the Review as essential particularly in light of any other safety case obligations on the GDNs in 2012.
8. In 4.28 and other places in the two documents reference is made to certain circumstances where there may be an impact on shippers' ability to co-operate with NGG's instructions in an emergency. GSMR cooperation requirements under regulation 6 (with gas conveyors and with NGG as NEC) mean this may constitute a criminal offence.

Draft Impact Assessment

9. Comments made above also apply to this document; no additional comments.

Yours sincerely

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