



FAO Steve Brown
Ofgem
9 Millbank
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SW1P 3GE

12 April 2017

Dear Steve,

Open letter: Consultation on relaxing the accuracy requirements of Calorific Value Determining Devices

SGN welcomes the opportunity to respond to this consultation. SGN manages the network that distributes gas to 5.9 million homes and businesses across Scotland and the south of England.

Our long term strategy is to reduce the carbon content of the gas in our network and we have innovated in the areas of biomethane and gas quality to show just how important the gas network's role is in the future of heating. There are now 30 projects injecting biomethane into our network and we have directly invested many millions of pounds into around half of these projects where we have employed our expertise in gas clean-up and management.

We believe that decarbonising the UK's gas network is a vital part of the UK's transition to a low carbon energy system and therefore support the intention to make changes around the Calorific Value (CV) regime that could reduce costs and remove barriers for low flow entry sites such as biomethane connections. We are therefore generally supportive of the proposal from Northern Gas Networks to relax accuracy requirements of CV Determining Devices from 0.14MJ/m³ to 0.2MJ/m³ (approx. 0.5%).

The use of new devices such as the Gas PT2 has the potential to provide some cost benefits in terms of the measurement of CV at low flow sites. However, we believe it is important to note this proposal relates solely to CV determination, and not for compliance with the Gas Safety (Management) Regulations. We also believe it is important that recent reduction in chromatograph costs are taken into account when assessing the potential level of benefits. This means the chromatograph, with its enhanced capabilities to monitor gases for the purposes of compliance with Gas Safety (Management) Regulations (GS(M)R) may only be marginally more expensive than the Gas PT2.

SGN remain supportive of the need to ensure the CV regime does not disproportionately burden low flow sites such as biomethane connections. Noting there is no intention for a cap on flow rates for which the Gas PT2 is considered appropriate, our view is there is a need for clarity on how the necessary levels of accuracy will be maintained at larger entry facilities. To ensure efficient implementation we believe further discussion is needed between GDNs and Ofgem around testing, approval, the implications for future unconventional sources of gas, and on the FWACV billing regime.

We hope you have found these comments useful. If you have any questions on the points raised please don't hesitate to contact me at james.higgins@sgn.co.uk.

Yours sincerely,

James Higgins
Policy Manager

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