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Making a positive difference  
for energy consumers

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c/o Brettenham House  
2-19 Lancaster Place  
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Date: 31 March 2020

Dear Charlotte and Nina

**Your letter: COVID-19 Contingency Planning for Biomethane Injection Plants**

Thank you for your letter dated 17 March 2020 regarding the contingency planning for biomethane injection plants in the event of disruption to propane supplies as a result of COVID-19.

Your letter notes that propane is added to biomethane to increase energy content and that network entry agreements between the Gas Distribution Networks (GDNs) and biomethane injection plants require that the energy level of biomethane equals the expected Flow Weighted Average Calorific Value (FWACV) of relevant charging areas.

Your letter says that a disruption to the supply of propane, which affected the ability of biomethane injection plants to comply with the terms of their network entry agreements, could lead to consequences such as the flaring of biomethane.

Your letter proposes amending network entry agreements in order to prevent disruption to propane supplies leading to such consequences.

The terms of network entry agreements are for GDNs and biomethane injection plants to agree in accordance with relevant legal and regulatory requirements. Ofgem has a specific role in relation to these agreements as addressed in Standard Special Condition D12 of the Gas Transporter Licence.

In the circumstances of COVID-19, we welcome dialogue intended to find commercial arrangements that could prevent consequences of propane disruption (such as flaring) that are set out in your letter.

We note that, on the basis of the information we have seen, if the proposals in your letter were implemented, the provisions of the Gas (Calculation of Thermal Energy) Regulations 1996 and related established industry energy reconciliation processes should operate to accommodate the impact of the changes by addressing increased calorific value shrinkage in the NTS.

As requested in your letter, we can confirm that, from the information we have seen, your proposals to change network entry agreements would not require Ofgem's making any changes to the existing directions that Ofgem has issued to the GDNs for each relevant biomethane site.

If you have any further queries, please contact Steve Brown directly using the contact details above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Bingham', with a stylized flourish at the end.

Peter Bingham  
Chief Engineer  
Systems & Networks