

Robin Dunne
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

BBL Company V.O.F.
P.O. Box 225
9700 AE Groningen
The Netherlands
Concourslaan 17
T +31 (0)50 521 35 41
F +31 (0)50 521 35 45
E management@bblcompany.com
Trade register Groningen 02085020
www.bblcompany.com

Date Telephone
30 March 2020 +31631037394

Our reference
BBL VOF 20.027

Subject

Ofgem Consultation on the South Hook LNG Terminal Company LTD's application for exemption from regulated third party access for additional capacity

Dear Robin,

BBL Company (BBLC) welcomes the opportunity of responding to your Consultation document published on the 14th February 2019 on the South Hook LNG Terminal Company LTD's application for exemption from regulated third party access for additional capacity.

BBLC operates the BBL Interconnector pipeline between The Netherlands and Great Britain which is now a bi-directional pipeline following the completion of engineering works in September 2019. As a result gas can now also physically flow between the GB NBP gas market and the TTF market in The Netherlands.

BBLC understands that the South Hook LNG Terminal Company Ltd ("SHT") has submitted an application for the Incremental Capacity of ~5.3 bcm/yr, to be exempted from regulated Third Party Access for at least 25 years. BBLC accepts that such an exemption could well be necessary to enable SHT shareholders to take a Final Investment decision on the project and acknowledges that such a condition is a reason for granting an exemption.

BBLC acknowledges the benefits that the incremental capacity would bring to the GB market including increased security of supply. As a result BBLC does not have any overriding objection to an exemption being granted for the new capacity. In view of this BBLC does not wish to make any comments on the analysis that Ofgem has undertaken on the application or the questions that Ofgem included in the consultation document. However, BBLC would like to emphasise that BBLC is in direct competition with suppliers of energy flexibility, including the South Hook LNG Terminal.

Several players within this market, such as UKCS and Norwegian “beach” gas producers, LNG terminals, LNG shipping, other gas/electricity interconnectors and gas storage, are offering flexibility services for the UK energy market. The Ofgem analysis on the flexibility market on page 35 of the consultation document confirms this.

The majority of these competitors, unlike BBLC, are not subject to EU Codes such as NC TAR and CAM and have, as a result, far greater flexibility in setting, and adapting, their prices and other terms. In BBLC’s view it is vital to the efficient operation of the gas market that BBLC is able to compete with such competitors on a level playing field.

Kind Regards,

Jasper Stevens
Regulatory Affairs