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| Network Innovation Competition 2020 Supplementary Answer form | | |

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| Project Name | H100 Fife | | |
| Question number | #17 | Pro forma section | 6 |
| Question date | 10/09/20 | Answer date | 14/09/20 |
| Question summary | The HSE decision on the Safety Management Framework will not be available for the project until after network construction. What assurances are there that the project is safe prior to this decision and how will this be relayed to customers opt-ing in to the trial? In event the SMF is not approved by HSE, what will the impact be to the project? | | |

## Answer (please retain document formatting and do not exceed 2 pages unless otherwise agreed with Ofgem)

There is no formal requirement for HSE approval for the network or the downstream appliances. This will be progressed on a ‘no objection’ basis.

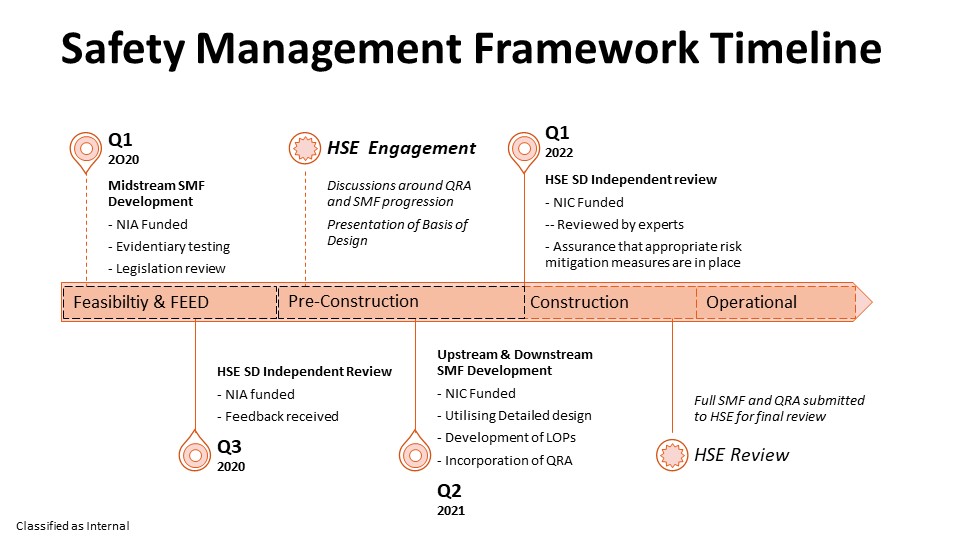
For the generation and storage aspects we will require hazardous substances consents, which are built into the planning permission requirements for the site.

SGN would not undertake a trial that was unsafe – this is a safe trial not a trial for safety. Each system component has/will be tested prior to installation and a detailed programme of necessary R&D has been undertaken to underpin the case for safety.

We have been proactive in our engagement with the HSE.

On the 29th January 2019 a detailed workshop was held with the HSE to discuss the latest outcomes from the R&D phase and methodology proposed for the trial phase, particularly our approach to safety management, which is to follow the spirit of the GSMR. This afforded opportunity for the HSE to ask questions and provide feedback. It is recognised that the HSE cannot fetter their discretion in assessment of the case for safety through formal approval.

A follow up engagement date has been set for 14 October 2020 to discuss project updates and provide HSE with the proposed Basis of Design for the production facility and demonstration facility. The midstream SMF (focusing on distribution) is undergoing an independent review by HSE Science Division (undertaken by a multi-disciplined team who are experienced in assessing Safety Cases, safety management frameworks and COMAH safety assessments on behalf of the HSE) and will be presented to the HSE for discussion. We are proposing regular engagement sessions during the project at key stage gates to ensure visibility of how we are managing project risks, ensuring the HSE are informed and able to raise concern/challenge. The intention of the final review of the SMF will be that the HSE will not have ‘no objection’ at this stage.



The HSE can object to the SMF if they are not satisfied that the risks have been appropriately mitigated in which case SGN and the partners developing the SMF and QRA would take feedback from the HSE and review the SMF, with the objective to address the concerns and if required adding in additional risk reduction measures. The updated SMF would then be resubmitted to the HSE for review. Clearly if there is a material and irresolvable objection to safe operation, we would stop the project and restore customers to the gas network.