

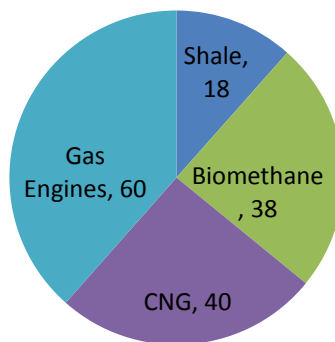
Gas Network Innovation Competition Full Submission
Supplementary Answer Form

Project: CLoCC

Tick if this answer has been provided verbally: ☐

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|--|--|-----------------|------------|
| Project code | NGGTGN03 | Question Number | 27 |
| Question date | 22/09/2015 | Answer date | 24/09/2015 |
| Submission section question relates to | a) Enviro+consumer bens | | |
| Topic | Market | | |
| Question | Connections from unconventional sources may be to the GDNs, to individual hot taps to the NTS or to more complex hubs. The best solution for any unconventional supply depends on network constraints, proximity to pipelines, lifetime of connection and many other factors. It is difficult to make a cost/benefit argument over any type on connection unless this is well understood. Has a market survey been completed to understand the benefit of the project to the overall market? | | |
| Notes on question | N/A | | |
| Answer | <p>The benefit of this project is relevant to all NTS connections.</p> <p>Following our initial market research we see a large volume of connections over the next 5-10 years (as per the graph below) and we see customers are very interested in connecting to the NTS.</p> | | |

Project Types



The following quotes have been extracted from letters supporting this project from both customers and representative bodies:

United Kingdom Onshore Oil and Gas (UKOOG) – *"We believe there are a lot of advantages in being able to export gas directly into the NTS to maximise production from future shale gas developments. However, there are currently a number of potential barriers, including the time taken for a connection to be completed; the high cost of such a connection; and the lack of flexibility in terms of flowrates.*

We feel the objectives of your project submission in terms of reducing the time and cost involved, and optimising the sizing of connections are completely in line with our members' needs and we fully support them. Such an initiative could well have a significant positive impact on the successful development of a shale gas industry in the UK."

Greener For Life Energy – *"An area we would like to explore is the possible connection to the National Transmission Network (NTS). This is of particular interest as we have two existing AD plants in close proximity to an NTS pipeline.*

The benefits of connecting to the NTS can be achieved by larger volumes of capacity being available and no requirement for injecting Propane.

Provided the connection costs and timeline to complete are in line with our project plans and finances. Greener For Life would welcome this development in order to maximise the future potential of Biomethane in the UK."

FutureBiogas – *"We believe there are many sites that would benefit from exploring the option of NTS connections. Several of our operational sites are located adjacent to NTS mains, with one in particular located just 40m away. These sites have the potential to be converted to biomethane projects.*

As an industry, we have already faced capacity problems within the electricity market, whereby developers simply cannot connect; avoiding this in the gas network will be key for continued market development. NTS connections would provide further opportunities for biomethane growth and thus continue to decarbonise the gas grid.

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| | <i>We are keen to support National Grid Transmission to realise the potential of reducing connection costs which would then allow biomethane plants to be financially viable in the NGT network. The adoption of innovative connection options is particularly attractive to stakeholders such as Future Biogas — securing these connections will help to provide sustainable energy to National Grid's customers, meet DECC's renewable heat targets and ensure wider renewable energy targets are met.”</i> |
| Attachments | |