

Response from IGEM (Institution of Gas Engineers & Managers) to a consultation on a potential RIIO-T1 and GD1 mid-point review issued by Ofgem on 12 November 2015.

IGEM is a chartered professional body, licensed by the Engineering Council, serving a wide range of professionals in the UK and the international gas industry through Membership, events and a comprehensive set of Technical Standards.

We have not responded to questions related to the Transmission Mid-Point Review within this response but may submit a separate response to these issues. We provide responses to those questions on the generic Mid-Point Review process (Chapter 1), and Gas Distribution issues (Chapter 4)

Chapter 1

Question 1: Do you have any views on the additional clarity we have provided on the RIIO-T1 and GD1 MPR scope?

The additional information appears to be consistent with the RIIO GD1 Final Proposal documents published in December 2012 by Ofgem.

Question 2: Do you consider the issues we have identified for RIIO-T1 and GD1 in this consultation fall within this scope?

The two issues identified within the consultation document appear to have been identified within the final proposal document from 2012 and hence fall within scope.

Question 3: Are there any other issues within the defined scope that we have not included when assessing the need for an MPR for RIIO-T1 and GD1?

IGEM observe that issues (such as energy and climate change research and addressing fuel poverty) have progressed utilising industry working groups and there are no other issues within the defined scope that require inclusion for gas distribution.

Chapter 4

Question 17: *Based on our current assessment we have not identified any material issues for RIIO-GD1 which we think would require further examination through an MPR. Do you agree with this assessment?*

IGEM have observed that work on many issues have progressed utilising industry working groups and IGEM have been pleased to support a number of them through conferences, events and workshops. IGEM has not identified any other issues that require further examination through an MPR.

IGEM have noted that whilst it is early in the RIIO process, the move to a totex approach has enhanced the safety and reliability of the gas supply system for the benefit of consumers in an efficient way. In addition the eight year period has brought a level of investment in innovation, skills and human resources that will ensure a reliable gas supply system that will support a lower carbon economy in the future.

It has also been evident to IGEM that stakeholder engagement has brought a new focus on innovation with a range of new solutions to the industry challenges.

Question 18: Do you agree with our current assessment that there is no need to review the risk reduction output associated with the iron mains risk reduction programme, as part of an MPR?

IGEM believe that a safe, reliable and low cost gas distribution will be essential to provide peak heat demand and back up to intermittent renewables in a low carbon future.

During their stakeholder engagements, the Gas Distribution Networks have illustrated that the iron mains risk reduction programme has not only been effective at providing a safe gas supply system, but has also reduced emissions from the network and will lead to a very low operating cost network fit for the future, no matter which route to decarbonisation emerges.

An additional benefit of a modern gas distribution network will be its ability to utilise new forms of gas, such as hydrogen blends, biomethane, synthetic natural gas and shale gas.

IGEM therefore agree with your assessment that there is no need to review the iron mains risk reduction programme.

Question 19: Do you agree with our current assessment that we do not need to review the asset health and risk secondary deliverable as part of an MPR?

IGEM's Technical Coordinating Committee has received briefings from GDN representatives on the progress being made on the reporting of asset health and risk and more recently on the process being utilised to describe monetised risk. The monetised risk process matches closely to a quantified risk assessment process and is well suited to major accident hazard evaluation.

IGEM understand that work on completing the methodology will be completed by July 2016 and hence further analysis will have very limited benefit at this time.

IGEM
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