

From:

To:

Subject: Fugitive Emissions Strategy

Dear Keren & James.

Firstly, thank you for allowing us the opportunity to comment on your proposals for National Gas Transmission's application for five projects relating to management and reduction of fugitive methane emissions under RIIO-2.

As you will be aware the Environment Agency's Fugitive Emissions Strategy (attached) has identified that the majority of regulated gas industry fugitive methane emissions originated from the low and medium pressure distribution pipeline followed by the high-pressure National Transmission System. Fugitive emissions must be controlled due to the polluting gas compounds they contain and the impact these gases have on the environment and human health. The compounds that fugitive emissions contain vary depending on the industrial activity producing them. The strategy focuses on both NMVOCs and methane.

Our responses below are focussed around fugitive methane releases and our strategic objectives of ensuring Best Available Techniques are maintained at regulated sites so that methane releases are prevented, or where that is not possible, minimised.

1. Introduction

Q1. Do you have any comments about the overall process of this consultation?

No comment.

Q2. Do you have any comments about its tone and content?

No comment.

Q3. Was it easy to read and understand? Or could it have been better written?

It was easily understood and clearly set out.

Q4. Were its conclusions balanced?

No comment.

Q5. Did it make reasoned recommendations for improvement?

Broadly it did but we are concerned about the funding of operational expenditure which we provide further comments below.

Q6. Any further comments?

None.

2. Mobile Recompression Theme

Question 1: Do you agree with our minded to position and with the proposed funding level for the projects in this theme?

Mobile pipeline recompression proposal

Although much of these releases are outside permit boundaries for site based regulation we are encouraged that this work is being fully supported allowing investment in a further pair of recompression rigs which will reduce methane releases from programmed depressurisation events by 490 Tonnes per annum (90% from baseline measurement).

Compressor depressurisation and PIG trap recompression

- We agree with the consultation that there is need to reduce methane releases from planned venting from compressor stations and from in-line inspection runs and with this being fully funded there is an estimated reduction of 167 Tonnes of methane release per annum being achieved from within permitted sites.

3. Compressor Machinery Train theme

Question 2: Do you agree with our minded to position and our proposed funding level for the proposed solutions in this theme?

- We agree that technological advances allows for the identification of further measures in the compressor machinery train that will reduce fugitive releases further. With UK BAT being developed for this sector it is vitally important that trial work continues to identify candidates that can be applied to the whole sector. We agree that that a recompression solution is a candidate best available technical solution for high running compressors with on/off operation but where gas is maintained in the casing for long periods a zero-loss seal may be more appropriate.

We fully support this trial work and for its funding at the earliest opportunity.

4. Detection and analysis theme

Question 3: Do you agree with our minded to position and our proposed funding level for the projects in this theme?

We are encouraged that you wish to support the expansion of the existing monitoring programme as this aligns with our own recommendations of increasing the frequency of fugitive release reviews which is currently once in every 4 years at the permitted sites. This provides for early intervention and prevents the development of more serious leaks and subsequent environmental impact. It is however, only conducted at ground level and that the current arrangements no longer reflect Best Available Techniques for minimising emissions of natural gas. As a minimum we will be requiring annual surveys for these types of sites.

Following the release of our Fugitive Reduction Strategy in 2022 we have completed a number of audits at permitted compressor stations across the country. Early indications from our audits of LDAR at National Gas permitted sites suggests that a more rigorous approach to leak detection will only be effective if there is a fully supported repair programme running alongside.

You have indicated in your consultation that NGT is already funded to maintain its assets via its RIIO-2 Opex allowance and you consider leak repair as already being funded under that baseline allowance and that any over/under spend due to increases in leak detection is at National Gas Transmission's risk to manage.

We are concerned that an improved leak detection programme may not allow the repair work to be completed in a timely manner and therefore we will have to increase our own inspection of LDAR across the National Gas fleet to ensure that this will not be the case.

5. Summary of minded-to funding position, reporting requirements and next steps

Question 4: Do you agree with our proposed reporting requirement?

We are satisfied at the proposed reporting requirement but would like to be provided further reassurance of Ofgem's oversight of the operational effectiveness of the proposed LDAR funding so we can provide an independent view on the Opex arrangements for the repair programme that have been outlined.

Question 5: Do you agree with our proposed project deliverables and their associated delivery dates?

I hope these comments prove helpful. Please let me know if you would like to discuss.

Best wishes

Jo

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