

GT SECTOR	
REFERENCE NUMBER:	CATEGORY:
LICENCE CONDITION NUMBER: <i>(if relevant):</i>	SpC 3.9
TITLE:	Compressor emissions Re-opener and Price Control Deliverable
RELEVANT LICENCE CONSULTATION QUESTIONS <i>(if any):</i>	Q20, Q21
RELEVANT ISSUES LOG:	3.9 Compressor Emissions Issues Log
POLICY ISSUES	
<ul style="list-style-type: none"> Final option selection report and reopener dates General Appendix 1 dates 	<ul style="list-style-type: none"> Please see our response to consultation questions 20 and 21 relating to points applicable to PCDs and reopeners There is no ability to request a change the date of submission of the final option selection report. There may be occasions in which it would be in the interests of consumers to amend this date Suggest change 3.9.7(b) to - be submitted by the date specified in Appendix 1, unless otherwise specified by the Authority There is no ability to request a change in delivery date under 3.9.10 unless clauses 3.9.10a) or b) are met. There may be occasions in which it would be in the interests of consumers to amend this date (where these triggers are not met) 3.9.8 – as set out in our draft determination response (GT_Q3) it is important that Ofgem respond to reopener decisions by the proposed dates highlighted to Ofgem. Failure to do so may result in additional costs being incurred and project delays which should not be borne by the licensee if they have delivered to the agreed timescales. Propose that within this clause Ofgem sets out provisions for changes to subsequent reopener dates and increases of allowances for additional costs incurred if projects are delayed as a result of deferred decision making. 3.9.16 - We are concerned that Ofgem undertaking a 28 day consultation at this point given the timelines we set out in our response to DD consultation question NGGT_Q24 will lead to Ofgem not meeting the requested response timeline to ensure we can deliver the project to planned timescales. Please see also our DD response to GT_Q3 which demonstrates the importance of Ofgem responding to reopener decisions in a timely manner. We would like to ask that a turnaround time for Ofgem’s review is set. If not, additional costs may be incurred relating to project delays. We propose that within this clause Ofgem sets out provisions for changes to subsequent reopener dates

	<p>and increases of allowances for additional costs incurred if projects are delayed as a result of deferred decision making.</p> <ul style="list-style-type: none"> Given that many compressor PCDs fall across price controls we should set out in this licence condition how PCDs that fall across price control periods are treated at the end of period 1 (i.e. RIIO-2). We note that in appendix 1 the dates do not align with our proposals in our draft determination response. We welcome further discussion on this with Ofgem over the coming months.
DRAFTING ISSUES	
<ul style="list-style-type: none"> Part C Appendix 1 Definitions 3.9.2 3.9.7(b) 3.9.8(c) 3.9.8(d) 3.9.9 3.9.10 FEED definition 3.9.13(a) 	<ul style="list-style-type: none"> 3.9.8 - should “engineering justification statements” be “engineering justification papers”? (CT) Output is the ‘Final Option Selection Report’ should this be ‘Final Preferred Option’? Otherwise 3.9.10 would require us to notify Ofgem when we deviate from anything we have included in the report, and not just the selected option. Output for Hatton should not be “Delivery of Epsilon Option” suggest “Delivery of new unit” if in summary form. The definitions of “Final Options Selection Report” and “Front End Engineering Design” refer to “PCD Guidance”. Presumably this should now refer to “PCD Reporting Requirements and Methodology Document”. These definitions also refer to “Gas Network Development Process” which is not a defined term Remove “and Authority” in 3.9.2(b) as there is no Authority triggered re-opener in this condition. We suggest (b) is amended to read “ be submitted by the date specified in Appendix 1, unless otherwise approved in writing by the Authority” Insert “in the Final Option Selection Report” after “options” at the end of the sentence Delete “resubmitting” and replace with “a submission” (to align with drafting in 3.8.8(d) Reference 3.9.8 in line 1 As referred to above we believe this paragraph should make provision for a reopener to request delivery date changes where the additional funding request might not be triggered.

	<ul style="list-style-type: none"> • Should refer to “tendered quote” rather than “fixed bid quote” • should refer to “tendered costs (where applicable)” rather than just tendered costs (as NG costs will be included and aren’t tendered)
FINANCE ISSUES	
SUPPORTING INFORMATION	
OFGEM ENGAGEMENT:	