

Peterborough and Huntingdon Compressor Emissions Re- opener

Cover Note

June 2025



Peterborough and Huntingdon Compressor Emissions Re-opener

National Gas Transmission (referred to in this regulatory submission as ‘NGT, we, us and our’) is submitting this funding request under the RIIO-T2 Compressor emissions Re-opener and Price Control Deliverable Uncertainty Mechanism, in accordance with Licence Special Condition 3.11, Part D and E, as per the Re-opener Guidance and Application Requirements Document¹ and as per Price Control Deliverable Reporting Requirements and Methodology².

Gas Transmission Project Assessment Process (GT PAP)

In its RIIO-T2 Final Determination for NGT, Ofgem implemented a two-step re-opener process known as GT PAP for certain licence conditions including Compressor Emissions. Pursuant to this process Ofgem would review a Final Options Selection Report (FOSR) early in the price control and a cost submission re-opener once a project had gone through a full Front End Engineering and Design (FEED) and tender process. For each site assessed using this approach Ofgem provided baseline allowances to cover development costs and deposits on long-lead items, which are subject to a true-up during the associated re-opener. Following Ofgem’s assessment of these re-openers Ofgem will determine the total project cost, including the costs incurred to date within RIIO-T2³ and forecast RIIO-T3 costs.

Baseline Funding and Price Control Deliverable

As part of our 2019 RIIO-T2 Business Plan submission Peterborough and Huntingdon were considered in a joint justification paper as they have a significant interaction on the network in a range of demand and supply conditions. The sites are interactive and offer a degree of resilience to one another. As a result, the Baseline allowances and Price Control Deliverable (PCD) are currently joint for both sites in the Gas Transmission Transporter Licence (referred to as ‘the Licence’). Table 1 shows the details of the current PCD for Peterborough and Huntingdon Compressor Stations aligned to appendix 2 of the Licence.

Site	Output	Delivery Date	Re-opener application window	Total (all years) (£m, 2018/19 prices)
Peterborough and Huntingdon	Final Option Selection Report ⁴	01/2023	06/2025	

Table 1 Appendix 2 of the Licence - Compressor emissions Price Control Deliverable

Our FOSR was submitted under Special Condition 3.11, Part C of the Licence in January 2023. It set out our preferred option to install a new gas-driven compressor unit at Peterborough and installation of DLE Emission Abatement technology on the retained Avon unit at Huntingdon. Decommissioning of the Peterborough Avon would be assessed after operational acceptance of the new unit. This would achieve emissions compliance while providing robust and capable compression at Peterborough and Huntingdon, ensuring resilient long-term operation.

On 10 November 2023, Ofgem published its final determination on our FOSR for Peterborough and Huntingdon. In the case of Peterborough Compressor Station, the Final Preferred Option includes the installation of new gas turbine driven compressor units of approximately 15MW output power which will be commissioned by 2030. The new units will be installed on an existing plinth. Subsequently the legacy Avon compressor unit will be decommissioned, subject to a reassessment following operational acceptance of the new unit.

¹ Published by Ofgem 3rd February 2023
² Version 4, published by Ofgem 25 August 2023
³ Allowances will be directed depending on when a decision is available through the Annual Iteration Process (AIP), RIIO-T2 close out or RIIO-T3 Final Determinations.
⁴ As per Ofgem’s RIIO-T2 Final Determinations published in December 2020, this PCD is to ensure NGT delivered a Final Options Selection Report, long lead items and the re-opener submission.

In the case of Huntingdon Compressor Station, the Final Preferred Option is the counterfactual ‘do nothing’, with the legacy Avon unit retained under the 500-hour Emergency Use Derogation allowed for in the Directive, with significant asset health investment to improve unit availability. Separately, should NGT identify a cost-effective retrofit that will permit unrestricted operation of the existing Avon at Huntingdon Compressor Station, then Ofgem would expect National Gas Transmission to implement that solution and seek funding as part of the next price control.

Licence Conditions and Outputs

Special Condition 3.11 of the Licence relates to Compressor Emissions Re-openers and enables National Gas to request an adjustment to the value based on the following licence terms:

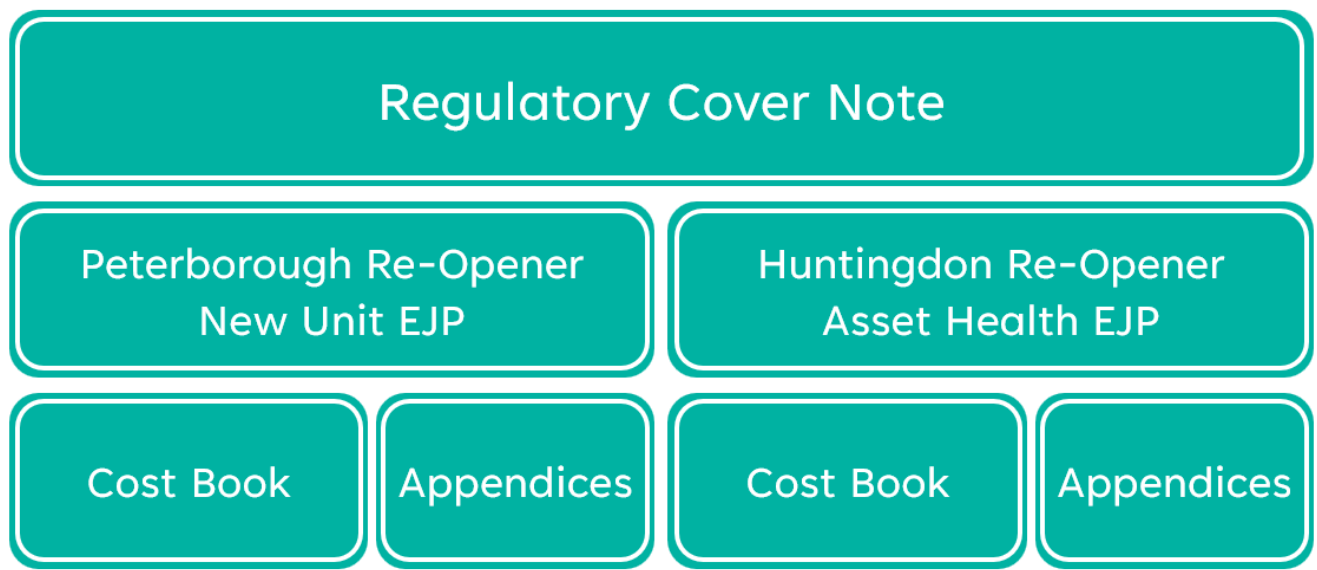
- **Price Control Deliverable term – CEPT**
- **Re-opener allowance – CEPOT**

In accordance with licence condition 3.11, Part E National Gas’ submission seeks to true up the Baseline allowances received and update the values in Appendix 1 of the Licence. This follows the Price Control Deliverable Reporting Requirements and Methodology, paragraph 7.4 where the delivery of a PCD output is a trigger for a re-opener submission or is the re-opener submission, the PCD assessment will be undertaken as part of the re-opener assessment.

Detail has been provided within each submission specifying the individual outputs, the allowances requested and the rationale. Tables 4 and 5 summarise each associated funding request.

Baseline allowances and PCD Delivery assessment

Following Ofgem’s approval of the preferred option in November 2023, we made the decision to separate the Huntingdon and Peterborough re-opener submissions into standalone submissions, reflecting the difference in technical scope and delivery strategy. This approach was discussed and adopted in the course of pre-application engagement between NGT and Ofgem. As part of the individual submissions, we are proposing to create standalone PCDs and allowances to be updated in Appendix 2 of the Licence following Ofgem’s determinations.



Spend to date (considered to be spend prior to 31 March 2025) for each project is detailed in the Engineering Justification Papers (EJPs) as well as the accompanied cost books and appendices. A summary of spend against Baseline allowances to deliver the feasibility, deposits on long lead items and the re-opener submission are detailed in table 2.

Site	RIIO-T2 (£m 2018/19 prices)					Total (all years) (£m, 2018/19 prices)
	2021/22	2022/23	2023/24	2024/25	2025/26	
Peterborough						
Huntingdon						
Total						

Table 2 Actual Spend against Baseline PCD up to 31 March 2025 (direct + indirect costs)

NGT was awarded Baseline funding for Peterborough and Huntingdon Compressor Stations. The funding allowed was to cover development costs and deposits on long-lead items. In order to facilitate an orderly transition from a combined baseline allowance to site specific re-opener allowances, we have allocated the Baseline allowances between the sites in direct proportion to the actual costs incurred. See table 3 for the proposed Baseline allowance split.

Site	RIIO-T2 (£m, 2018/19 prices)					Total (all years) (£m, 2018/19 prices)	Percentage of Total Allowances
	2021/22	2022/23	2023/24	2024/25	2025/26		
Peterborough							
Huntingdon							
Total							

Table 3 Proposed Baseline allowance allocations for Peterborough and Huntingdon

Our view is that the current PCD is fully delivered given we have submitted the FOSR (by the due date in January 2023), procured long lead items where relevant (see individual EJPs for the details) and submitted these re-opener submissions (by the due date in June 2025) aligned to Ofgem's approved final preferred options.

These submissions follow Price Control Deliverable Reporting Requirements and Methodology, paragraph 7.4 where the delivery of a PCD output is a trigger for a re-opener submission or is the re-opener submission, the PCD assessment will be undertaken as part of the re-opener assessment. In addition, Ofgem's RIIO-T2 Final Determination for National Gas notes that Ofgem expects to true up baseline funding as part of the Compressor Emissions re-opener submissions. As part of pre-application engagement, we have raised the issue of how and when Ofgem intends to approach the true up and PCD assessment. Ofgem and NGT leads continue to progress this matter as at the point of submission.

Funding Request and PCD Outputs

Our total funding request (CEPOt) in this June 2025 Peterborough and Huntingdon Compressor Emissions Re-opener submission across both sites is [REDACTED]. The detail on our funding request and the proposed PCDs are stated in the individual EJPs.

Tables 4 and 5 below set out the total funding request for NGT to deliver the compressor emissions scope and associated works at Peterborough and Huntingdon. The direct costs aligned to CEPOt represent the allowances requested, as this project is subject to the Opex Escalator (Special Condition 3.18 of the Licence).

Peterborough Only	RIIO-T2					RIIO-GT3				
GD-T RIIO2 PCFM terms	21/22 (£m)	22/23 (£m)	23/24 (£m)	24/25 (£m)	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	29/30 (£m)	Total (£m)
Current Allowances										
Baseline (CEPt)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-Baseline (CEPOt)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Actual / Forecast / Requested Allowances										
Actual spend against Baseline PCD (direct + indirect costs)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-Baseline Allowance Request (CEPOt)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table 4 Phased Peterborough Compressor Emissions Re-opener Funding Request

Huntingdon Only	RIIO-T2					RIIO-GT3				
GD-T RIIO2 PCFM terms	21/22 (£m)	22/23 (£m)	23/24 (£m)	24/25 (£m)	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	29/30 (£m)	Total (£m)
Current Allowances										
Baseline (CEPt)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-Baseline (CEPOt)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Actual / Forecast / Requested Allowances										
Actual spend against Baseline PCD (direct + indirect costs)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-Baseline Allowance Request (CEPOt)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Table 5 Phased Huntingdon Compressor Emissions Re-opener Funding Request

Price Control Deliverable Outputs

Site	Output Description	Delivery Date
Peterborough Compressor Station	Deliver one gas turbine driven compressor unit which has operational acceptance, as evidenced by the achievement of Operational Acceptance Certificate (OAC) by the Delivery Date to achieve MCPD compliance. OAC also confirms new compressor capacity and emissions compliance.	
Peterborough Compressor Station	Implementation of noise mitigation measures for new compressor Unit F to address potential planning condition non-compliance. Extent of mitigation measures are to be evidenced by independent noise survey following completion of commissioning activities on Unit F project.	

Table 6 Proposed update to Special Condition 3.11, Appendix 2 – Compressor emissions Price Control Deliverable – Peterborough

Site	Output Description	Delivery Date
Huntingdon Compressor Station	Compressor Unit C asset health including mechanical and electrical interventions to improve its availability and reliability. Completion demonstrated with NGT Management and Control Procedure T/PM/G/35, specifically Operational Acceptance Certificate	

Table 7 Proposed update to Special Condition 3.11, Appendix 2 – Compressor emissions Price Control Deliverable – Huntingdon