

Wormington Compressor Emissions Re-opener

Cover Note

December 2025

Official-Sensitive Commercial



Wormington Compressor Emissions Re-opener

Whilst the investments proposed in this submission have been developed to a 25-year Asset Health re-life strategy, given the cost increase as set out in the provided Cover Letter we will explore a phased approach for critical Asset Health investments to ensure the best outcomes for consumers while improving unit availability across this critical site by March 2026.

Introduction

Wormington plays a critical role in ensuring gas can enter the National Transmission System through the Milford Haven terminal. The Milford Haven terminal has the capability of supplying up to a third of UK gas demand. As the UK becomes more import dependent, it is critical that the entry capability and resilience is maintained to ensure UK security of supply. For this reason, a long-term secure and reliable solution needs to be implemented at the site. The need for investment in Wormington is reinforced by the need case for the West Import Resilience Project (WIRP) which supports an increase in import capacity and was approved in the RIIO-GT3 Final Determinations.

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, 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.

This cover note summarises the regulatory background and submission structure for this re-opener submission. As shown in Figure 1, this cover note is accompanied by Engineering Justification Papers (EJPs) for the proposed asset health investments on Unit A and the new unit investment. Each EJP has associated appendices and cost books. A draft EJP for the new unit (Unit D) is also included; with a revised submission including updated engineering, costs and programme to follow in March 2026 as agreed with Ofgem through pre-application engagement. All figures in this submission are in 2018/19 prices except where otherwise stated.

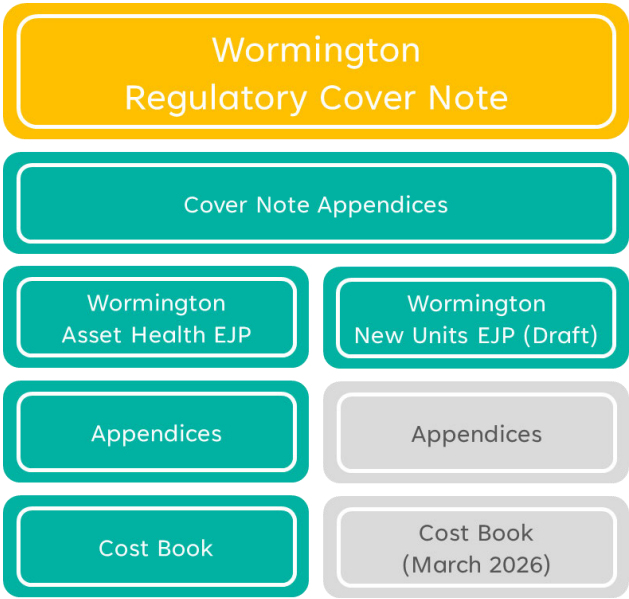


Figure 1: Wormington Compressor Emissions re-opener submission structure

For background on the Wormington compressor station or the original Medium Combustion Plant Directive (MCPD) optioneering undertaken, please refer to our attached Final Option Selection Report (FOSR) submitted in August 2022 (see Appendix C).

Regulatory Background and Baseline PCD Assessment

In its RIIO-T2 Final Determination for NGT, Ofgem implemented a two-step re-opener process known as the Gas Transmission Project Assessment Process (GT PAP) for certain licence conditions including Compressor Emissions. According to this process,

¹ Version 4, published by Ofgem 28 October 2025

² Version 4, published by Ofgem 25 August 2023

Ofgem would review a 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.

shows the details of the current Price Control Deliverable (PCD) for Wormington aligned to Appendix 2 of the Gas Transmission Transporter Licence (referred to as 'the Licence').

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

- **Price Control Deliverable term – CEPt**
- **Re-opener allowance – CEPot**

Under licence condition 3.11 Part E, National Gas is submitting a request to adjust (true up) the baseline allowances and update Appendix 1 of the Licence. This aligns with the Price Control Deliverable (PCD) Reporting Requirements and Methodology (paragraph 7.4), which states that delivering a PCD output triggers a re-opener submission, and the PCD assessment will be part of that process.

We consider the current PCD fully delivered because:

- We submitted the FOSR in August 2022.
- We procured long-lead items where needed (see individual EIPs for details).
- We submitted this re-opener by 31 December 2025, in line with Ofgem's approved final option.

Ofgem's RIIO-T2 Final Determination also expects baseline funding to be trued up as part of Compressor Emissions re-opener submissions. During pre-application engagement, we raised questions on how and when Ofgem will handle the true-up and PCD assessment. Discussions between Ofgem and NGT leads are ongoing at the time of submission.

Previous Submissions and Ofgem Determination on the Final Preferred Option

Our FOSR was submitted under Special Condition 3.11, Part C of the Licence in August 2022. It set out our preferred option to install two new gas-driven compressor units at Wormington. Decommissioning of any remaining SGT-A20 (Avon) units would be assessed after operational acceptance of the new units. This would achieve emissions compliance while providing robust and capable compression at Wormington, ensuring resilient long-term operation.

On 3 March 2023, Ofgem published its final determination on our FOSR for Wormington⁵. The Final Preferred Option includes the installation of one new gas turbine driven compressor unit of approximately 15MW output power which will be commissioned by 2030. The new unit will be installed on a new plinth within the existing boundary of Wormington compressor station. In addition, one of the existing SGT-A20 units will be retained with significant asset health investment to improve unit availability. At the time, there was no preference as to which of the existing units would be retained. Subsequently the other legacy SGT-A20 compressor units will be decommissioned, subject to a reassessment following operational acceptance of the new units. The preferred option will also consider the case for a re-wheel of Unit C (the Variable Speed Drive) during the next phase of the project.

Separately, should NGT identify a cost-effective retrofit that will permit unrestricted operation of the retained SGT-A20 at Wormington, then Ofgem would expect NGT to implement that solution and seek funding as part of the next price control.

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.

⁵ [Decision - Wormington Compressor Emissions Final Preferred Option | Ofgem](#)

The re-wheel of Unit C is dependent upon the new unit selected and does not need to be delivered at the same time as the new unit construction, it has been separated from the scope of the emissions compliance project. It was included in our RIIO-GT3 business plan (NGT_EJP15 under InvID C-189) which was approved in Ofgem’s Final Determination published in December 2025.

Re-opener Request Summary

NGT was awarded £14.38m Baseline funding for Wormington compressor emissions. The funding allowed was to cover development costs and deposits on long-lead items. Spend to date (prior to 31 October 2025) for each project is detailed in the relevant EJPs and accompanying cost books. For the new unit EJP we will provide this as part of our March 2026 update.

Our total funding request (CEPOt) in this December 2025 Wormington Compressor Emissions re-opener submission is [REDACTED] the Asset Health investment. Table 2 summarises the actual spend for the requested Asset Health, including direct and indirect costs. The table will be updated to include our funding request for the new unit investment in March 2026. The direct costs aligned to CEPOt represent the allowances requested for RIIO-T2, as this project is subject to the Opex Escalator (Special Condition 3.18 of the Licence). For RIIO-GT3 and RIIO-GT4 our funding request under CEPOt includes direct and indirect cost aligned to Ofgem’s RIIO-GT3 Final Determinations published in December 2025.

[REDACTED]

The proposed updated PCD outputs for each project are summarised in Table 3, more detail is provided in the relevant EJP.



Appendices

Appendix A – Assurance Letter

Appendix B – Mapping to Ofgem Requirements

Appendix C – Final Option Selection Report (FOSR)