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## **Independent Gas Transporter Uniform Network Code (IGT UNC) 172: Provision for gas entry within the IGT UNC (IGT UNC172)**

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**Decision:** The Authority<sup>1</sup> directs this modification be made<sup>2</sup>

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**Target audience:** IGT UNC Panel, Parties to the IGT UNC and other interested parties

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**Date of publication:** 19 July 2024

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**Implementation date:** To be confirmed by the code administrator

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### **Background**

There are a growing number of gas producers such as bio-methane producers who want to inject new sources of gas into the Gas Distribution Network Operators' (DNO) gas network (Total System) for onward transmission to consumers. When such gas production facilities are located some distance from the existing Total System, it would normally be necessary for the gas produced to be transported by a road tanker to a gas entry facility adjacent to the Total System. Alternatively, additional pipe can be laid, and connections made such that the gas can enter the Total System directly.

An alternative option would be for IGTs to directly connect new sources of gas from producers to their system for onward transmission into the Total System to which the IGT system is connected. However the IGT UNC does not have provisions for direct entry of gas to an IGT network and similarly, neither IGT UNC nor UNC have provision for gas flowing from an IGT network into the Total System.

There is an opportunity to extend the market for such gas deliveries by modifying both the IGT UNC and the UNC to introduce arrangements that apply when gas is injected to an IGT network and in turn enters the Total System.

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<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

<sup>2</sup> This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

IGT UNC172 'Provision for gas entry within the IGT UNC' has been proposed to facilitate the necessary changes to the IGT UNC. UNC0842 'Gas Entry onto the Total system via an Independent Gas Transporter' has been separately proposed to facilitate the necessary changes to the UNC.

These modifications combine to facilitate gas entering directly into an IGT network and then into the Total System. The modifications will allow increased volumes of biomethane to be injected into the Total System that may otherwise be unviable.

The introduction of suitable arrangements into both the IGT UNC and the UNC for such transfer and custody of gas will deliver the consistency and clarity that is necessary to ensure all safety and commercial requirements are met by affected parties.

### **The modification proposal**

IGT UNC172 'Provision for gas entry within the IGT UNC' was raised by Barrow Shipping on 24 November 2023 and proposes the necessary IGT UNC changes to arrangements between Pipeline Users and Pipeline Operators for gas to enter an IGT network and from there to pass into the UNC Total System.

The IGT UNC will be amended to recognise that gas can flow into the IGT system and onward into the Total System.

The Modification proposal is for the relevant UNC entry provisions wording to be incorporated into the IGT UNC and for additions and changes to other existing IGT UNC sections to be made where they are necessary.

The proposed Modification consists of two elements, which will:

1. Align and complement the changes to IGT UNC and those made to UNC under UNC0842, with the overarching objective that the two codes work together when gas enters directly into an IGT network and is transported to the Total System.
2. Introduce commercial provisions in IGT UNC to apply to Pipeline Operators and Pipeline Users, when gas is entered directly into an IGT network from a gas delivery facility.

## **IGT UNC Panel<sup>3</sup> recommendation**

The Panel invited representations on the Modification from interested parties on 22 March 2024. There were nine respondents, and all supported the implementation of this Modification.

All respondents considered that this Modification in combination with UNC0842 has a positive impact on IGT UNC objective a) in that it provides additional more economic options for biomethane producers to connect to the Total System and hence find more routes to grow the green gas market.

All respondents considered that this Modification in combination with UNC0842 has a positive impact on IGT UNC objective b)

At the IGT UNC Panel meeting on 30 April 2024 the IGT UNC Panel unanimously considered that IGT UNC172 would better facilitate the IGT UNC objectives, and the Panel therefore recommended its approval.

## **Our decision**

We have considered the issues raised by the modification proposal and the Final Modification Report (FMR) dated 30 April 2024. We have considered and taken into account the unanimously positive responses to the industry consultation on the modification proposal which are included in the FMR<sup>4</sup>. We have concluded that:

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<sup>3</sup> The iGT UNC Panel is established and constituted from time to time pursuant to and in accordance with the iGT UNC Modification Rules

<sup>4</sup> iGT UNC modification proposals, modification reports and representations can be viewed on the iGT UNC website at <http://www.igt-unc.co.uk/>

- implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the IGT UNC;<sup>5</sup> and
- directing that the modification be made is consistent with our principal objective and statutory duties.<sup>6</sup>

## **Reasons for our decision**

We consider this modification proposal will better facilitate IGT UNC objectives a) and b) and has a neutral impact on the other Relevant Objectives.

### ***a. the efficient and economic operation of the pipe-line system to which this licence relates***

We consider that the proposed new IGT network entry service will enable more biomethane production to be connected to the Total System, and the increased access and competition in alternative routes for such green 'gas to grid', together with increased diversity in supply, will enhance the economic and efficient operation of the pipeline.

### ***b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters***

We agree that the Modification in conjunction with UNC0842 would have a positive impact on IGT UNC objective b). We consider that by enabling a new IGT UNC network entry service that is based on and dovetails with the UNC network entry equivalent, this Modification enhances the efficiency and co-ordination of the UNC and the IGT UNC such that the economic operation and use of the pipeline system is enhanced.

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<sup>5</sup> As set out in Standard Condition 9 Gas Transporters Licence, available at:

[Licences and licence conditions | Ofgem](#)

<sup>6</sup> The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Gas Act 1986.

## **Decision notice**

In accordance with Standard Condition 9 of the Gas Transporter Licence, the Authority hereby directs that modification proposal IGT UNC172: 'Provision for gas entry within the IGT UNC' be made.

A handwritten signature in blue ink, appearing to read 'Vic Tuffen', is displayed within a light grey rectangular box.

Vic Tuffen BSc (Hons) CEng FIGEM FCI MEI  
Head of Policy and Systems (Gas and Mechanical)

**System Planning, Engineering & Technology Directorate**

Signed on behalf of the Authority and authorised for that purpose