

Energy Supply Week  
The Energyst  
24 September 2020

# Gas Policy Post Covid

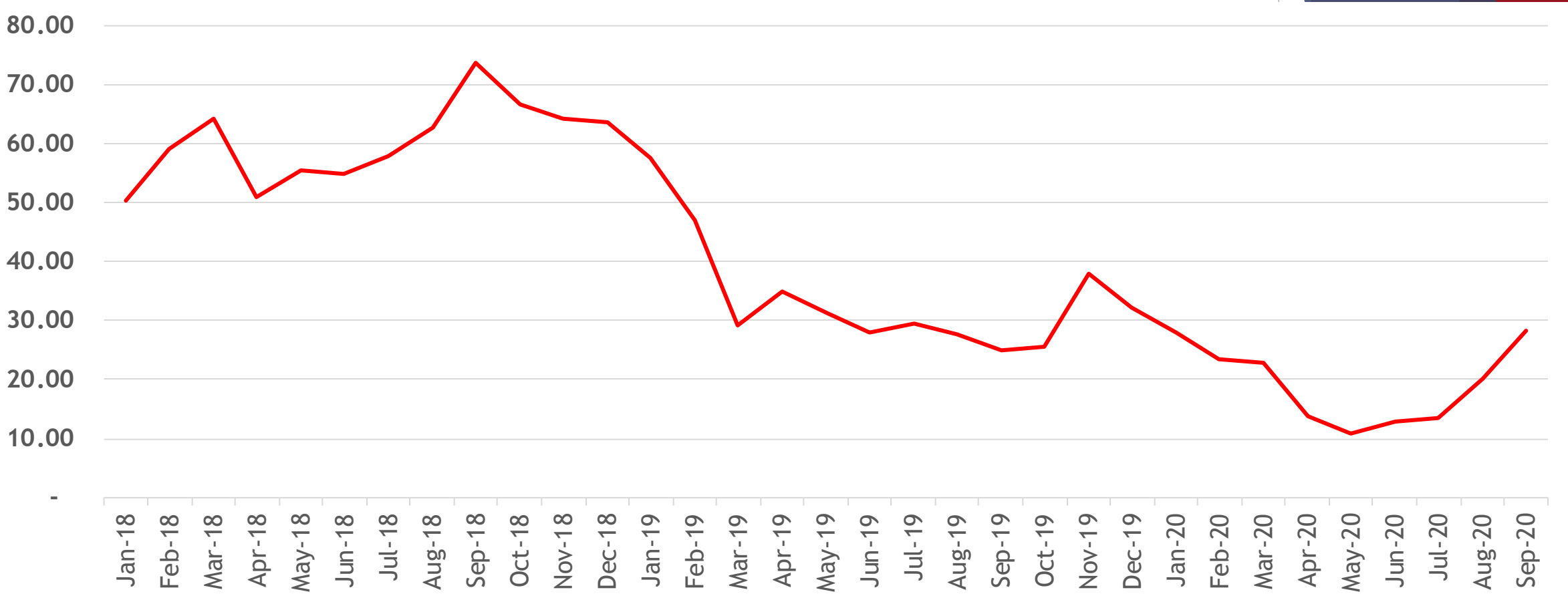
## Eddie Proffitt

Technical Director  
MEUC



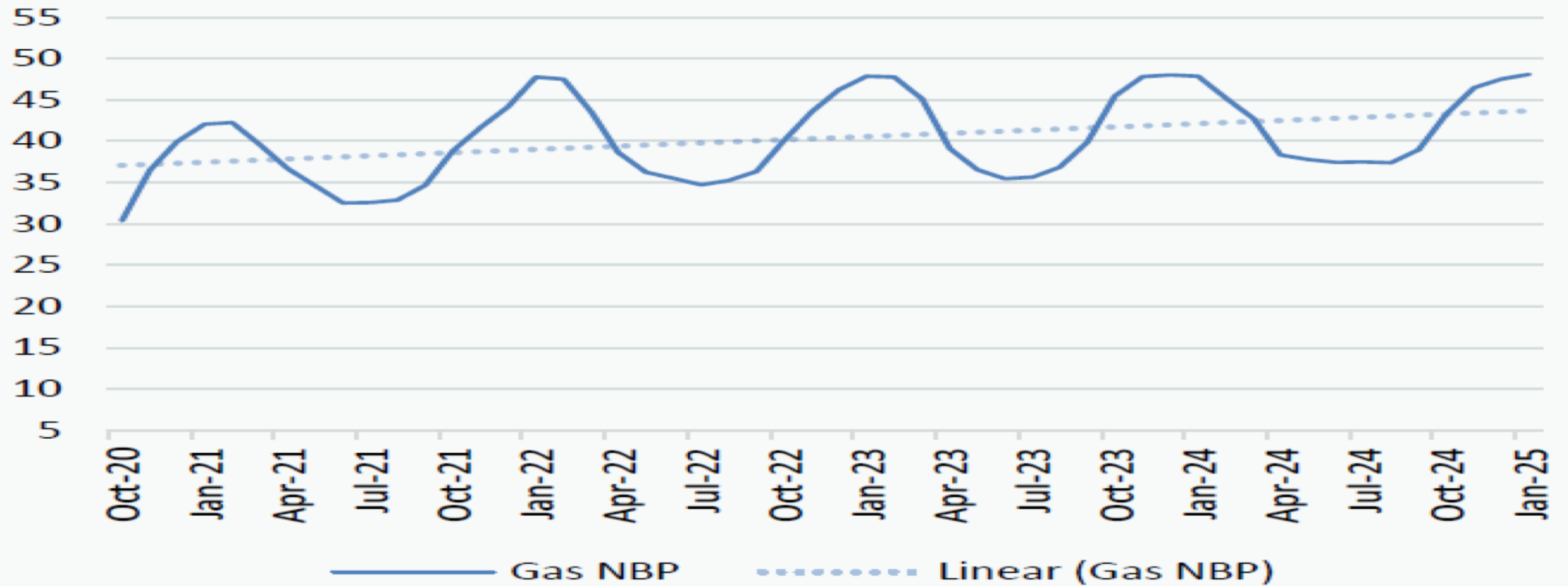
Making Energy Understandable for Customers

# Gas Prices: Day-ahead Monthly Average (p/therm)



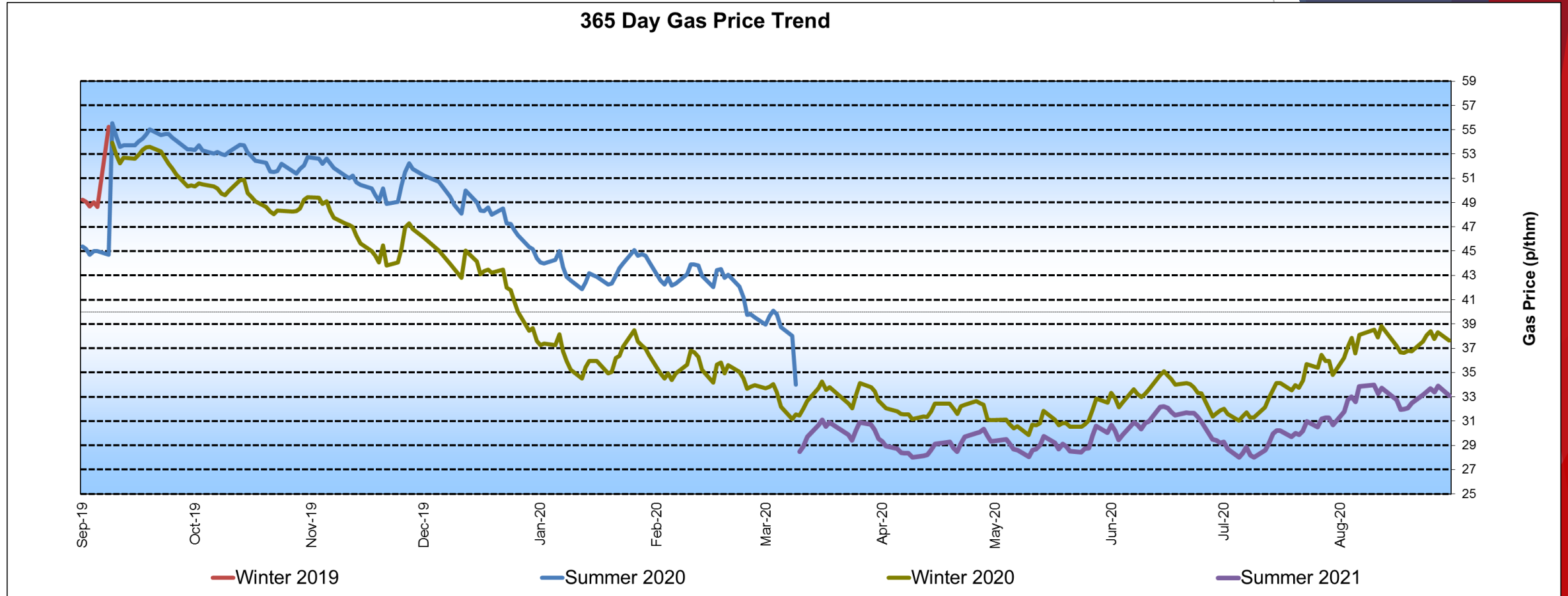
Source  
Ofgem

## NBP Gas Curve (p/therm)



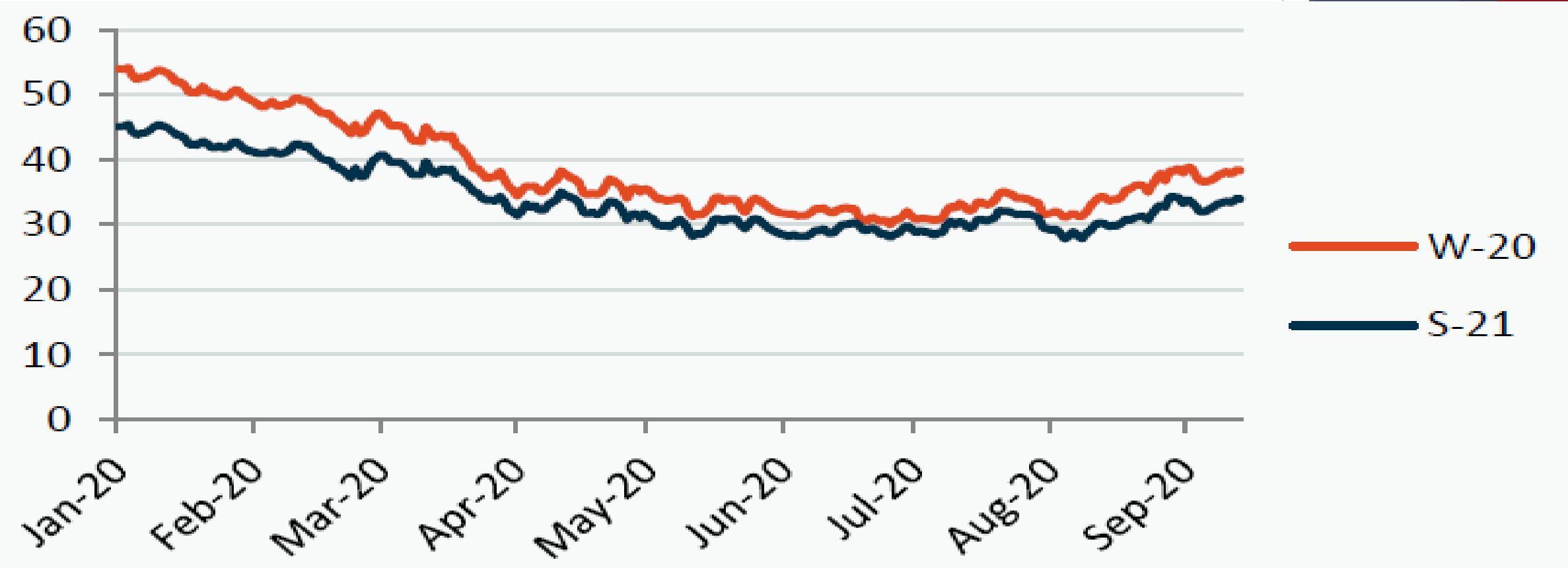
Source  
Corona Energy

# One Year Movement in Gas Prices



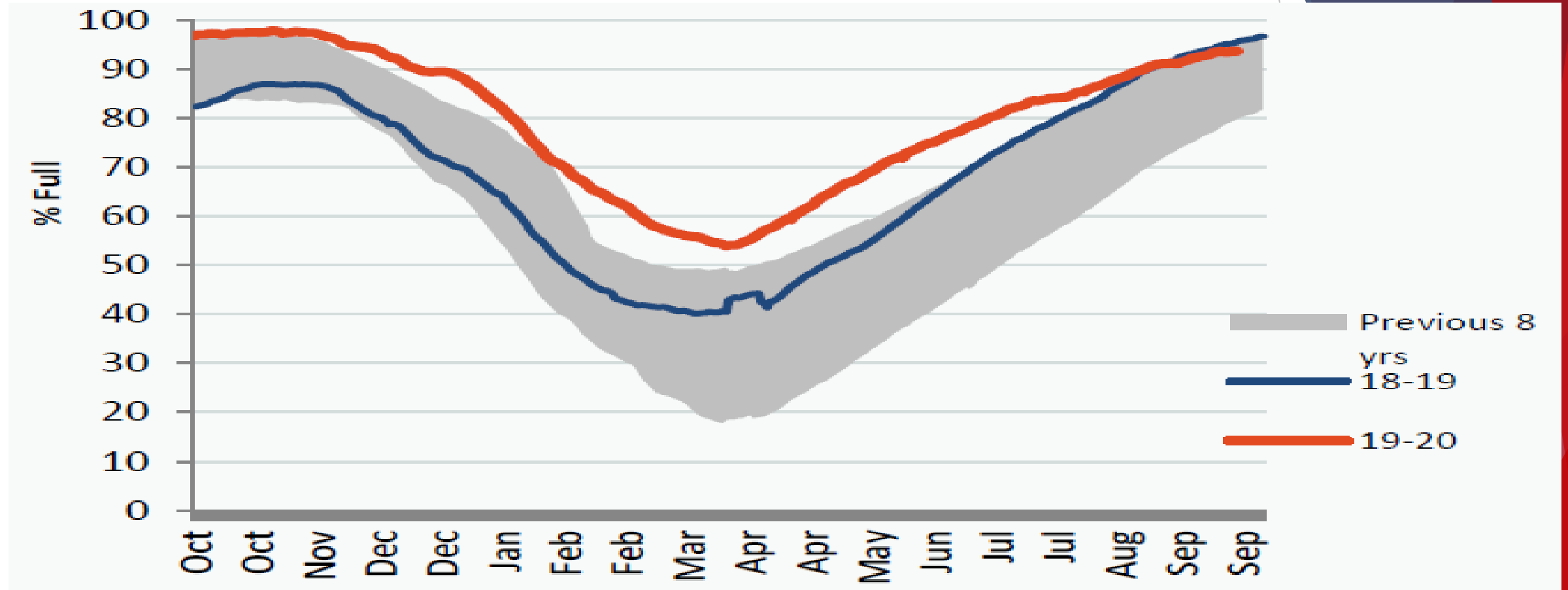
Source  
Npower

# Gas Season Price History



Source  
Corona Energy

# European Gas Storage



Source  
Corona Energy

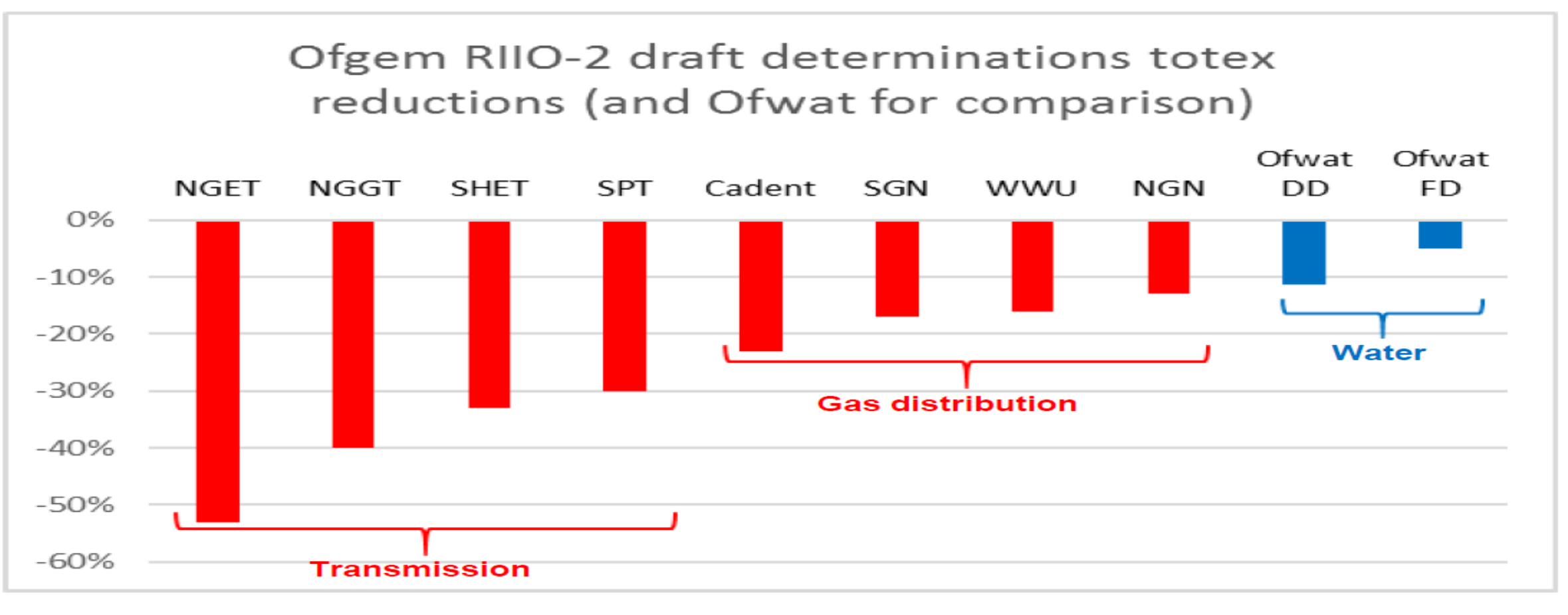
## Gas Transmission Charges

- ▶ UNC Modification 678A
- ▶ Introducing “post code” charging
- ▶ Rates issued by NGGT FROM 1<sup>st</sup> October.
- ▶ Indicative rates from April 2021 to March 2026 based on their Business Plan submission to Ofgem.

	<i>Final</i>	<i>Future Year Indicatives</i>			
	<b>Oct 20 – Mar 21</b>	Apr 21 – Mar 22	Apr 22 – Mar 23	Apr 23 - Mar 24	Apr 24 – Mar 25
<i>General Non-Transmission Services</i>	<b>0.0128</b>	0.0136	0.0123	0.0142	0.0143



# Totex Reduction from Company Plans

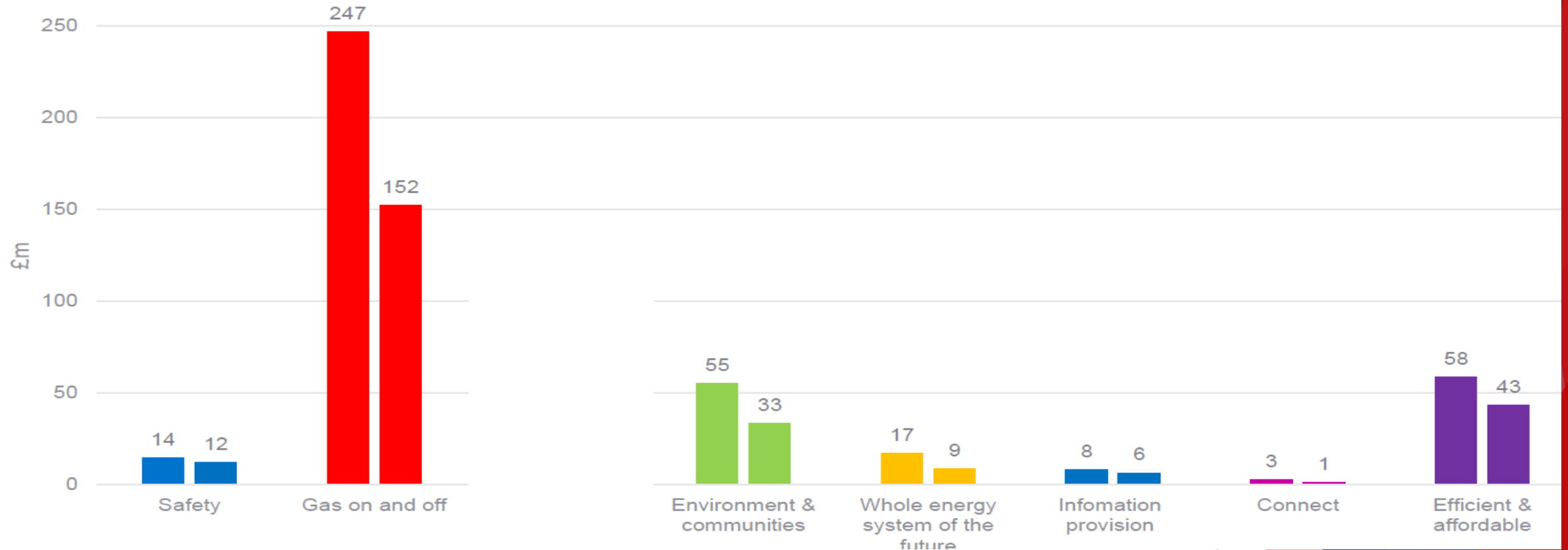


Source  
NGGT



# NGGT/Ofgem DD Proposed Reduction

Stakeholder priority - December business plan vs Ofgem Draft Determination baseline costs



Source  
NGGT



## IGEM Gas Quality Changes

- ▶ Gas quality specification
  - ▶ the Wobbe index which is used to compare the combustion energy output of different composition fuel gases in an appliance
- ▶ Proposal to broaden the index
  - ▶ Higher to allow for unaltered LNG
  - ▶ Lower to allow for Green Gas
- ▶ Future hydrogen blending



## Hydrogen schemes

- ▶ H21 Leeds - NGN
- ▶ HYNET - Cadent
- ▶ HSE equipment testing – NGN
- ▶ Keele University student accommodation hydrogen blending – Cadent & NGN
- ▶ Drax Group, Equinor and National Grid Ventures Humber Scheme



## CCL RATES

- ▶ the government's commitment to continue to rebalance the electricity to gas ratio announced at Budget 2016. The electricity rate will be lowered and the gas rate will increase in both years, so that the gas rate reaches 60% of the electricity rate in 2021 to 2022.

Taxable commodity	Apr 2020 - Mar 2021	Apr 2021 - Mar 2022	% of Energy cost
Electricity (£ per kWh)	0.00811	0.00775	17%
Natural gas (£ per kWh)	0.00406	0.00465	38%



## Any Questions

## MEUC's Autumn Webinars start in two weeks

Your choices create a cleaner, greener UK - We keep you informed and connected

A promotional banner for the MEUC Expo. The background is a collage of images related to energy and water, including a hand holding a globe, a city skyline, a water droplet, and a person working at a computer. The text on the left reads: "MEUC goes Online! Join us for over 18hrs of webinar content and insight into the UK's Energy and Water sectors **for corporate and public sector consumers.**" The text on the right, inside a white box, reads: "MEUC EXPO 6 - 15 OCT" with a small logo below it. The logo features a stylized figure in a red, white, and blue color scheme, with the text "MAJOR ENERGY USERS' COUNCIL" and "MEUC" below it.

MEUC goes Online! Join us for over 18hrs of webinar content and insight into the UK's Energy and Water sectors **for corporate and public sector consumers.**

MEUC EXPO  
6 - 15 OCT

nationalgridESO

wave



MEUC EXPO: 6-15 Oct 20  
[www.meucnetwork.co.uk/expo](http://www.meucnetwork.co.uk/expo)