Thank you for providing the Scottish Environment Protection Agency (SEPA) with the opportunity to comment on the above consultation document.

SEPA is responsible for the environmental regulation of the two gas compressor stations within the Southwest Scotland Onshore System (SWOS). SEPA has been in discussion with GNI regarding the proposed investment at these installations required to maintain and improve their environmental impact.

SEPA recognises the operational challenges facing GNI in the near to medium term related to changing network flows as a result of the introduction of gas from the Corrib entry point and the consequential replacement of the SWOS as the dominant gas supply point to Ireland. SEPA welcomes the recognition of this fact within the consultation (page 28 and Appendix B). SEPA also notes and accepts the requirement for balancing the configuration of network flows and the subsequent need to operate compressor stations within a low and intermittent gas flow supply profile. It is recognised that this could result in consequential increased maintenance requirements. We particularly note the comments (reported in Appendix B) relating to asset replacement. The recognition that such replacements may be required prior to the end of the design life of the compressor fleet, and the recognition that early [asset] replacement may be the best option to ensure the continued reliable operation of the network, is welcomed. Furthermore, SEPA also welcomes the proposed increase in the capital expenditure (Capex) programme in PC4 as noted on page 86 in order to address issues associated with an ageing asset base and environmental / compliance requirements.

In order to aid in our assessment of the expected environmental improvements and timing of the proposed capital investment programme at the two compressor stations within the SWOS, SEPA would welcome clarification of the following issues:

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• An indication of the individual initiatives / improvement works (relating to environmental considerations) to be progressed as part of the proposed capital expenditure allowance for the two compressor stations in the SWSOS; and

• Although SEPA recognises that CER is minded to approve the vast majority of the Capex allowance requested by GNI for Interconnector System Upgrades (as noted in section 6.1.2) and that this is one of the largest categories of Capex spend in PC4, SEPA would welcome an indication of the initiatives or upgrade programmes related to environmental considerations disallowed by CER that have led to the shortfall in the requested Capex funding of €2.1million (as discussed on page 81).

Finally, SEPA notes the commentary on, and allowed funding for, a study into the implications of physical reverse flows on the SWOS (on page 84). SEPA recognises that this may have the potential for major work and expenditure in the SWSOS and requests that environmental considerations are specifically addressed within the scope of the study.

Please accept the above as our comment and associated reasoning on the matters set out in section 6 of the consolation in respect of the capital expenditure allowance for PC4.

As a public body committed to openness and transparency, SEPA feels it is appropriate that this response be placed on the public record. If you require further clarification on any aspect of this correspondence, please contact Andrew Botting, Specialist in our Technical Support Unit (by email: andrew.bottage@sepa.org.uk or by telephone: 01387 720502).

Yours faithfully

Kenny Boag
Head of Regulatory Services, West