

Northern Gas Networks

CNG Stakeholder Conference Report January 2019



Thank you

Thank you for joining us at our Compressed Natural Gas (CNG) conference.

We had a fantastic time welcoming representatives from across the CNG supply chain in a fast-paced but very informative and helpful session. You certainly gave us a lot to think about with respect to better understanding how we can help the whole supply chain in relation to the facilitation of CNG stations.

This report sets out the feedback we received from you on the day. I hope you find it informative and a useful aide memoir to hold us to account!

We've now reviewed the things you said were most important to you and, within this report, we've set out our ideas on what we will do in response and when. Where we're not able to deliver exactly what you've asked for, we've explained why and what we will do to get us close to the outcome you want to see. If you think there's something we haven't captured, or something you'd like us to focus on now that isn't in our immediate actions, I'd welcome a chat with you.

All of our next steps have one thing in common – we need to keep talking. Over the coming months, my colleagues and I will be reaching out to stakeholders to help us deliver on our commitments and make sure we're getting it right.

Since the conference, we've continued to progress the diversion of our assets at Lamesley, Gateshead to establish the feasibility of NGN facilitating a potential CNG station. We will be in a position in early 2019 to hold a workshop with interested parties, where we will explain the position and expectations of NGN.

Ninety-two percent of you said you'd like to attend another session. For the 8% who didn't, it would be great to understand what would encourage you to attend a second session. If you can tell us what we can do to make this happen, we'll do our utmost to deliver it.

It was great to hear that most of you said the conference was very worthwhile and would like to keep talking to us about CNG. I'll be back in touch in March 2019 to give you an update on how we're doing and get your thoughts on next steps.

In the meantime, I'd love to hear what you think. If you have any further feedback, or would like to work with us on your priority actions, please get in touch with me at tharwood@northerngas.co.uk

Best wishes

Tim Harwood

Head of Capital Projects
Northern Gas Networks



Purpose of the Conference

NGN's objective for the day was to understand what we could do better to facilitate potential CNG fuelling stations, the role of CNG for transport, and opportunities for CNG stations in the North East.

During the session, we set our thinking on CNG and heard from the Department for Transport, ASDA and Air Liquide, who gave their take on the opportunity for CNG in transport.

Our objectives for the session were to:

- Give stakeholders opportunity to hear our ambitions to facilitate CNG stations and our aspirations to decarbonise our own fleet
- Get feedback to help us shape our strategy and ambitions further
- Help stakeholders understand how to connect to our network
- Understand how we can better help you realise your aspirations for air quality and clean fleet
- Provide opportunities for the CNG demand and supply stakeholders to meet and swap ideas and experience

Key facts

Over 70 delegates in the room

92% said they felt the event worthwhile and would attend another such event



Your feedback

Over the course of the day we held three breakout sessions to get stakeholders' views. Below, we've set out what we asked, what you said and what we intend to do next.

We asked: "What is the demand for CNG and where will it come from?"

You told us:

- You need to know more about CNG – what is it, what the benefits are in terms of air quality and how it fits into the decarbonisation agenda
- You told us the demand would be across the main road arteries in the region – A19, A1, A66, M62, M6 as well as in large urban areas, including ports and docks and biomethane sites
- You want to know what vehicles are available and how can fleet owners introduce CNG in their fleets
- You asked, how can the North East act as a test bed for CNG, how quickly can infrastructure be developed to support fleet owners? i.e. HGVs, waste trucks, etc.
- You wanted to know what role CNG could play in local fleet strategy development. How can you make your fleet greener to mitigate air quality breaches?

We asked: "What are the barriers to uptake and what is needed to unlock the opportunity?"

You told us:

- Infrastructure providers would like to understand early in the connection process 'what the potential supply could be where I'd like to connect'
- Make the costs and quotation process more transparent
- There appears to be a disconnect between industry and government on policy, a lack of leadership from industry not demonstrating a joined-up approach
- You were concerned about the lack of right-hand drive vehicles and choice of vehicles

We asked: "How can NGN support you with the roll-out of CNG and your aspirations for a clean transport network?"

You said:

- Bring together a small group of local authorities / fleet operators to promote CNG across the network and nationally
- Be clear about NGN's aspirations, 'this is what we will do, who is coming with us'
- Proactively identify, facilitate and demonstrate opportunities – potentially through GD2
- GDNs need to lobby government to get CNG on agenda and help shape policy
- NGN needs a single point of contact for CNG connections who is a subject matter expert
- Develop an 'opportunity map' for the network that shows where the best opportunities for CNG connections could be, that goes beyond simply where the pipes are
- NGN should consider working in partnership with developers; including looking at the opportunities to develop CNG infrastructure itself
- NGN needs to lead by example by having CNG vehicles in its own fleet
- Engage with Shell / BP et al to assist in development of delivering CNG
- NGN should invest some capital in CNG i.e. a key site
- NGN should organise a larger national conference/ Convention to promote on a larger scale



Your priorities and next steps

We'll use all of the feedback we received during the conference to inform our future plans and how we support CNG. To help us make sure that we're prioritising the things stakeholders felt were most important, we asked attendees to shortlist the things we should focus on first

The table below groups together the actions that stakeholders felt were most important, to come up with five key areas. We've indicated how we'll respond to these actions and will continue to engage with you as we progress these to make sure we're getting it right.

You said:	What we'll do:
<p>We want NGN and the other GDNs to take a lead in lobbying government and making sure there is a joined-up approach across the industry</p>	<p>We'll work with you and the other GDNs to develop key lobbying messages and use our position on the Natural Gas Vehicle Network Group to make sure these views are heard.</p>
<p>We want a clear CNG connection process with proactive key account management and a clear escalation process – specifically having process transparency, with clear timescales and costs</p>	<p>We will review our connections process and work with you to consider changes that meet your needs. Working with you, we will review the information we provide on our connections process to make sure that it is clear and transparent.</p>
<p>We want you to link CNG sites with existing and potential biomethane sites</p>	<p>We will work with our stakeholders to better understand what specific actions are needed regarding this action.</p>
<p>Develop an 'opportunity map' for the network that shows where the best opportunities for CNG connections could be, that goes beyond simply where the pipes are</p>	<p>We will develop an easy to use mapping system which we can link to our website to show details of our network and potential for where there might be particular opportunities for CNG.</p>
<p>We want you to commit to connecting at least one CNG site – make it a flagship site</p>	<p>Due to the constraints of our regulatory licence we can't develop CNG sites ourselves or subsidise CNG connections as our licence with Ofgem is to provide a technical least-cost option for our connections.</p> <p>We will use the feedback you have provided in this session to inform our GD2 Business Plan and consider what the opportunities may be for us to take a more active role in development in the future.</p> <p>In the meantime, we will work closer with developers and ensure we identify areas where costs can be mitigated. To this end, we will actively engage with interested parties to bring forward a potential CNG station at Lamesley (Gateshead A1).</p>



- Real-world margins and usage behavior of users of ULEVs during use
- Price & range competitiveness of ULEVs now and in the future
- Tools to better forecast ULEV uptake under a range of different scenarios and policies



