Gas Quality & Interchangeability

Can we make Renewable Supplies "Fit the Pipe"

Government/Industry Pipeline R&D Forum - June 2009

Robert D. Wilson Director, Materials & Standards National Grid Can We Reasonably & Rationally Meet The Challenges of The Second "Great Conversion"

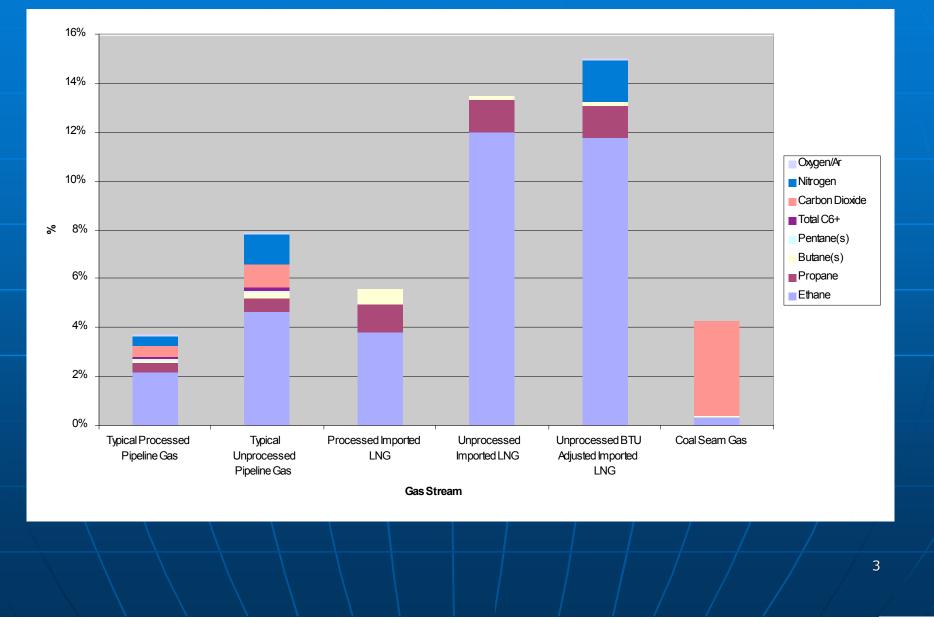


A purge burner igniting manufactured gas being replaced in a main by natural gas during the 'great conversion' in 1952

- Supply Mix Is Changing......
- LNG Imports Will Play A Major Role
- Renewable Gas, Shale Gas etc.....
- End-use Technology Has Evolved
- Begs The Question....

Is Yesterdays Research Sufficient To Examine Today's Challenges ??

How Do Supply Compositions Vary? *It's Not Just Methane!*

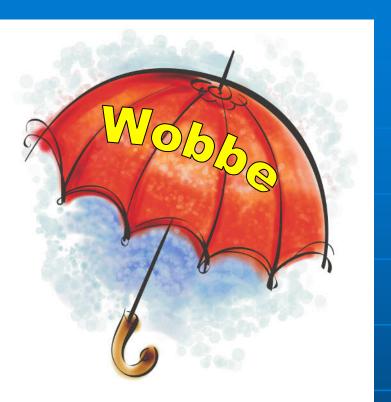


Did The White Paper Help ???

Interim Guidelines Include:

- Historical Wobbe +/-4%
- Capped at 1,400 + 1,110 HHV
- Butanes+ 1.5 %
- Total Inerts 4 %

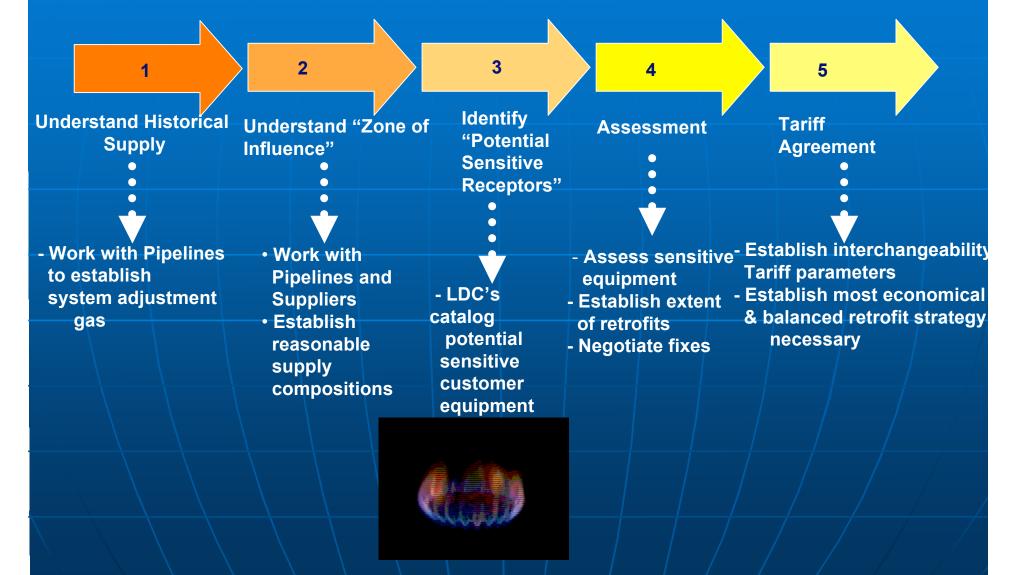
• Wobbe Alone May Not Be The Answer !!



FERC Policy Statement

- 1. Only natural gas quality specifications contained in a FERC approved tariff can be enforced
- 2. Pipeline tariff provisions on gas quality need to be flexible
- Pipelines & customers should develop gas quality specifications based on sound technical engineering and scientific considerations
- 4. Pipelines & customers STRONGLY ENCOURAGED to use the NGC+ White Paper & Interim Guidelines as a common scientific reference point
- Unresolved disputes brought before FERC will be resolved on a case by case basis with significant weight given to the NGC+ white paper.

Interchangeability Implementation Process



Utilization Considerations Real or Perceived ?

Appliances

- Power Generation DLE Gas Turbines
- Vehicle & Stationary Engines
- Infrastructure Issues
- Feedstock Applications Including LNG Liquefaction Peak Shavers

National Progress.....

AGA Report 4A Revision
 New Appliance Research
 NYSEARCH In-Service Appliance Research
 NYSEARCH Infrastructure Research
 GTI Biomethane Guidance Document

Resulting Northeast Settlement Proposal Under Consideration Taking a "Fresh Look"

- Wobbe & HHV Capped at 1400 / 1110
- Non-methane Hydrocarbons 12% (C4+ capped at 1.5%)
- Total Diluents 2.75% (Oxygen + Nitrogen with Oxygen capped at 0.2%)
- Total Inerts & Diluents 4% (CO2 capped at 2.0%)
- CHDP 15F Equivalent
- Appropriate Tariff Language to afford us all the certainty and flexibility we need to maximize supply while minimizing end use impacts.....

Northeast Regional Pipeline Tariff Progress

- IGT Uncontested Settlement
 AGT Settlement
- Maritimes Northeast Settlement
- Texas Eastern In-Progress

Lessons Learned From Recent FERC Decisions

- FERC has recognized that the NGC+ White Paper needs to be considered – not simply the interim guidelines Don't forget Recommendation #10 !!!
- Stop whining unless your directly connected to the pipeline under consideration
- MUST SHOW IMPACTS BASED ON SOUND ENGINEERING and DATA...... No "What if's"

End Use retrofit cost recovery is not within FERC's jurisdiction

Implementation Experience & Summary The Practical Side of Getting it Done.....

- Work collaboratively with Pipelines & Suppliers to establish appropriate tariff requirements based on the "five step process" & NGC+ White Paper Guidance
- KNOW YOUR ADJUSTMENT GAS !!
- Review & Understand FERC's Policy Statement
 - Make sure you are talking to your supplier.... your OEM and that you are collecting data today you will need for *tomorrow*......

Let's Focus on AGA Report 4A

Prepared by the Transmission Measurement Committee (TMC)......

AGA Report 4A provides general definitions, language and criteria to consider when specifying measurement & gas quality parameters typically found in contracts & tariffs

Revision Team Mission:

Develop & recommend revisions to AGA Report 4A considering recent industry developments regarding gas quality & interchangeability including the NGC+ White Papers & lessons learned during the NGC+ process.

AGA Report 4A Summary

Constituents Considered:

- Hydrocarbons
- Water Vapor
- Hydrogen Sulfide
- Mercaptans
- Total Sulfur
- Carbon Dioxide
- Nitrogen
- Total Inerts
- Oxygen
- Other Trace Constituents

Parameters & Other Considerations:

- Heating Value
- Specific Gravity
- Temperature
- Hydrocarbon Dew Point
- Interchangeability & Wobbe Number
- Measurement & Analysis (mass, volume, energy)

Renewable Gas Additional Research Opportunities.....

 Trace Constituent Analysis – National Profile

Pipelines – sensor development, trace naturally occurring mercaptans

Constituent impacts on plastic pipe

SUMMARY

- Recognition & Implementation of the White Paper, not simply the interim guidelines will help bridge the trust gaps....
- KNOW YOUR ADJUSTMENT GAS !!
- Work collaboratively with impacted Pipelines & Suppliers to establish appropriate tariff requirements based on the "five step process"
- Settlement Agreements must consider both downstream and upstream effects on long haul systems & potential impacts with interconnecting pipelines, storage facilities as well as reasonably anticipated new supplies