

## Europe's largest LNG importation terminal to offer ~8 mpta of cost competitive capacity to the market

08 May 2019

Grain LNG importation terminal has announced that up to 350 GWh/d (8.3 mpta) of redelivery capacity, 390,000 m<sup>3</sup> of associated storage and over 100 berthing slots could be made available at the Grain LNG terminal in 2025.

The capacity on offer is a combination of new build and existing capacity which comes out of contract in 2025. The expansion will increase the size of the Grain terminal, located on the Isle of Grain in Kent, to approximately 1.2 million cubic metres.

Nicola Duffin, Commercial Manager for Grain LNG, said:

"Grain already has the largest storage tanks in Europe, which offer our customers the flexibility to store their LNG and optimise send out in response to market prices. With the expansion of Grain we will further optimise our existing assets, which means we'll be able to be more competitive than typical new build capacity.

"We're also ideally located in the South East of the UK, so tariffs to NBP are very favourable. Our customers benefit from the short haul tariff to the IUK and BBL interconnectors, allowing them to easily move gas to other European price hubs such as TTF. We have two entry points to the NBP, a high-pressure entry point and a low-pressure entry point that offers our customers further savings on entry costs and a much lower minimum send out requirement compared to competitors."

Grain could also benefit from proposed changes to the gas specification rules in the UK, which would significantly reduce variable costs for LNG shippers. The UK's Wobbe Limits currently require some sources of LNG to be blended with nitrogen to meet UK gas specifications. Plans are underway to increase these limits, which could come into force by April 2020 as part of the Gas Safety Management Regulations (GSMR). Proposals call for the Wobbe Limit to be changed to 52.85 MJ/m<sup>3</sup> – a limit that would allow all but rich LNG to enter the grid without blending.

Nicola added: "LNG would be subject to lower processing and variable costs. Lower costs will make the UK a more attractive destination for LNG, which ultimately benefits UK energy consumers."

The Grain terminal is the only terminal in the UK offering small-scale solutions to the market. Additional services available at Grain include reloads, transshipments and a multi-bay facility for reloading road tankers, and ISO containers. A marine breakbulk facility is planned for 2021/22.

UK terminals have seen a considerable increase in utilisation this winter as new global supplies have come online and the economics of moving LNG from the Atlantic to the Pacific basin have failed to stack up.

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## Notes for editors

### National Grid Grain LNG

- National Grid Grain LNG, a wholly owned subsidiary of National Grid, owns and operates the UK's first modern LNG importation terminal, playing an important role in securing UK gas supply.
- Commissioned in July 2005, the terminal is presently able to provide up to 25% of the UK's gas demand. LNG is essentially the gas used in homes and business, which has been chilled to -161 degrees centigrade into a liquid state.
- In addition to regassification Grain LNG offers add-on services including truck loading bays, reloads, cool-downs and trans shipments.

### Notes to Editors:

National Grid is pivotal to the energy systems in the UK and the north eastern United States. We aim to serve customers well and efficiently, supporting the communities in which we operate and making possible the energy systems of the future.

### National Grid in the UK:

- We own and operate the electricity transmission network in England and Wales, with day-to-day responsibility for balancing supply and demand. We also operate, but do not own, the Scottish networks. Our networks comprise approximately 7,200 kilometres (4,474 miles) of overhead line, 1,500 kilometres (932 miles) of underground cable and 342 substations.
- We own and operate the gas National Transmission System in Great Britain, with day-to-day responsibility for balancing supply and demand. Our network comprises approximately 7,660 kilometres (4,760 miles) of high-pressure pipe and 618 above-ground installations.
- As Great Britain's System Operator (SO) we make sure gas and electricity is transported safely and efficiently from where it is produced to where it is consumed. From April 2019, Electricity System Operator (ESO) is a new standalone business within National Grid, legally separate from all other parts of the National Grid Group. This will provide the right environment to deliver a balanced and impartial ESO that can realise real benefits for consumers as we transition to a more decentralised, decarbonised electricity system.
- Other UK activities mainly relate to businesses operating in competitive markets outside of our core regulated businesses; including interconnectors, gas metering activities and a liquefied natural gas (LNG) importation terminal – all of which are now part of National Grid Ventures. National Grid Property is responsible for the management, clean-up and disposal of surplus sites in the UK. Most of these are former gas works.

Find out more about the energy challenge and how National Grid is helping find solutions to some of the challenges we face

at <https://www.nationalgrid.com/group/news>

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