

Frequently asked questions (FAQs) about biomethane connection requests

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1. Procedure for connection requests

How can I process a request to connect biomethane to the Enagas transport network?

All requests are processed from the web section "<u>RENEWABLE GASES</u> <u>CONNECTIONS TO THE NETWORK - GREEN LINK</u>" of the Enagas website. There you will find a link to an <u>online form</u> to manage all biomethane connection requests.

What information do I need to provide to process a connection request?

In order to process a connection request, you must indicate the following information on the form:

- Information on the company requesting the connection: company name, VAT number, contact person, e-mail address, telephone number and address of the registered office.
- Information on the source of biomethane: You must specify the source of the biomethane among the following options: municipal waste, industrial waste, agricultural waste (slurry), WWTP sludge. If the origin is not in one of the proposed options, you may describe it briefly by ticking the option "Other".
- Information regarding the volume you expect to inject:
 - Expected annual production in Nm3/year.
 - Maximum daily production in Nm3/day.
 - Maximum hourly flow rate in Nm3/h.
 - Minimum hourly flow rate in Nm3/h.
 - $\circ\,$ Indicate if the total production will be injected into the transmission network.
- Location of the connection point: municipality, province, autonomous community, UTM coordinates of the point of the production facility to be connected to the transmission network.
- **Load curve:** The aim is to provide a high-level characterisation of the variability of the volume injected on a daily and seasonal basis.
 - Seasonal: a choice between stable, winter seasonal, summer seasonal and non-seasonal variable.
 - Daily: a choice between stable, diurnal, nocturnal and nonperiodic variable.
 - Stable curve: a choice between yes or no must be chosen.
- **Detailed gas composition:** This involves knowing the detailed composition of the gas to be injected into the transmission network. The units of the components of the gas to be injected may be entered in volume %, mole fraction or other. The composition is requested for: CH4, CO2, H2O, S, O2 and other components.



• **Comments:** In this section you should include all the information that you consider may be of interest for the development of the connection project.

Is there any cost or obligation to process a connection request?

No, the connection request does not entail any cost or obligation for the applicant.

Before submitting a request, can I find out the route of the nearest Enagas Transporte pipeline to find out the approximate distance from a production point to the pipeline?

In order to analyse the different possible locations of a project, a request for the location of one or several points can be made, which will provide the approximate distance to the nearest pipeline. This request can be made through the following link: <u>Biomethane connection location requests</u>.

Can a biomethane connection request be made at any location?

Yes, a connection request can be made for any location. Enagas Transporte will always offer the connection point that is considered to be the most optimal, but it may be the case that the possibility of including the connection pipeline is not included because it is not considered viable due to distance, orography or hydrography between the connection point and production.

2. Deadlines and procedures

What is the complete process for the request and execution of a project to connect to the Enagas transmission network?

The process consists of 5 steps:

- 1. The first step is for the producer to request connection to the Enagas Transporte transmission network by filling in the <u>form</u> available on the website.
- 2. Enagas Transporte will reply to the request with a technical and economic conditions document (CTE) of the project within a maximum period of 40 working days as established in the <u>Real Decreto-ley</u> 14/2022.
- 3. These conditions must be accepted within the period of validity indicated in the document. To do so, the applicant should send an email to <u>conexiones@enagas.es</u> indicating acceptance of the technical and economic conditions.
- 4. After acceptance, Enagas Transporte will send the contract.
- 5. Once the contract has been signed, the guarantee must be deposited, the payments indicated in the CTE must be made and the execution of the project will begin.



6. Before commissioning, the Operation Manual and Measurement Protocol must also be signed, which will include a plan to verify the quality of the biomethane by sampling and laboratory analysis to ensure compliance with the specifications.

What is the duration of the technical and economic conditions?

The validity period of the technical-economic conditions is detailed in the conditions document (CTE).

What is the timeframe for the implementation of the project?

The CTE document includes an indicative execution period. The period from the signing of the contract and receipt of the first payment to commissioning is usually 18 to 24 months, depending mainly on the time taken to obtain the permits and the collection of materials.

3. Technical information on connection projects

Is there a maximum and minimum flow limit for injection into the transport network?

No, there are no limits, but the applicant must indicate the minimum and maximum flow rates so that we can adapt the project to his needs. The project will be sized on the basis of the flow rates indicated in the application and the necessary elements will be indicated in the technical-economic conditions document. The minimum limit corresponds to the technical operating minimum, that is, it must never be zero. The possibility of shutdowns due to intermittent production, breakdowns, maintenance, etc. must be ruled out.

How should intermittent production be indicated?

If the injection flow is not continuous, this must be indicated in the application in the comments section.

If the minimum injection flow rate reported in the request is not exceeded, will the injection flow be cut off?

The necessary equipment is designed according to the parameters provided in the request, non-compliance with which may lead to failure of the equipment to function properly. If the minimum injection flow rate is not reached, the producer must cut off the injection flow to the transport network.



What are the gas quality limits for biomethane injection into the transmission grid?

The measurement, quality and odorisation of gas is governed by the detail protocol PD-01 approved by the <u>Resolución de 21 de diciembre de 2012, de</u> <u>la Dirección General de Política Energética y Minas, por la que se modifica el</u> protocolo de detalle PD-01 «Medición, Calidad y Odorización de Gas» de las normas de gestión técnica del sistema gasista. This information can be found in the <u>Normas de Gestión Técnica del Sistema y protocolos de detalle</u> on the Enagas website.

If biomethane is injected out of specification, will the flow be cut off?

It is the responsibility of the producer to ensure that the biomethane injected into the transport network always complies with the specifications established in the PD-01, and must cut off injection if it does not. Enagas Transporte will request the interruption of injection if it is detected that the gas is out of specification and it will be the responsibility of the producer to take the necessary measures to inject again in compliance with the specifications of the PD-01, as well as to assume any economic cost that may arise from this out of specification biomethane. The procedure in the case of biomethane injection out of specifications will be set out in the Operation Manual and Measurement Protocol that must be signed before the commissioning of the plant.

What type of chromatographs will be used?

The type of chromatograph shall be indicated in the Technical and Economic Conditions document.

At what pressure should the biomethane be injected into the Enagas Transporte network? Who is in charge of compressing the gas?

The biomethane must be injected at the pressure of the pipeline where it is connected (usually between 72 and 80 bar). The producer is in charge of compressing to the required pressure for injection into the transport network from its production facility. The biomethane conditions will be set out in the Operation Manual and Measurement Protocol to be signed before the commissioning of the plant.

Where will the compression station be installed?

The pipeline project offered by Enagás Transporte, as an option, is a highpressure pipeline, having to compress the gas at the production plant. The client will always be in charge of compressing the biomethane. The project includes the operation and maintenance of the pipeline. In the case that the producer decides to install this installation in the proximities of the position, the configuration will be viable, but it will have to be carried out with



independent engineering, as in this case Enagás Transporte will not be in charge of the project for the branch line or its operation and maintenance.

Which facilities will be built by Enagas Transporte and will they be included in the CTE?

Enagas Transporte is responsible for the construction of the necessary elements that enable connection to the Enagas Transporte pipeline network, that is, the metering unit, the chromatograph and the odorisation equipment*, including a new position if the project so requires. The producer shall be responsible for the construction of the rest of the necessary elements to connect to the Enagas Transporte position. When Enagas Transporte considers the construction of the pipeline connection to be feasible, it may offer this possibility as an option.

* The odorisation equipment to be installed will be to reodorise the biomethane at the point of injection into the gas transport network. The biomethane from the producer must arrive at the point of injection odorised to the levels set by the legislation in force.

Who will be responsible for the construction of the pipeline connection?

The construction of the pipeline connection is the responsibility of the producer. However, in the technical and economic conditions document, Enagas Transporte may offer as an optional service the construction of the pipeline connection between the production facility and the Enagas position. In any case, the pipeline connection belongs to the applicant and, therefore, the applicant must obtain the necessary land and permits/authorisations for its construction.

According to <u>Artículo 78. Líneas directas de la Ley 34/1998, de 7 de octubre,</u> <u>del sector de hidrocarburos</u>:

- * "3. Consumers, as well as producers of renewable gases, may construct the direct lines by their own means, or request their construction from a transport company or from the distribution company with administrative authorisation in the area. <u>The ownership</u> of the direct line shall belong to the consumer or producer of renewable gas. Direct lines shall be excluded from the remuneration scheme for transmission and distribution activities".
- ** "Direct lines connecting a renewable gas production plant to the gas system for the injection of gas into it shall be excluded from hydrocarbon planning and <u>shall be declared to be of public utility for</u> the purposes of compulsory expropriation and the exercise of the right of way, applying the provisions of Title V of this law".



What if Enagas Transporte is preferred to be in charge of the construction, operation and maintenance of the pipeline connection?

When accepting the technical economic conditions, the applicant must indicate as the chosen option: "construction and O&M" of the pipeline connection.

Is there a maximum distance limit from the production facility to Enagas Transporte transmission network?

There is no defined maximum, but in those cases in which, due to distance, orography or hydrography between points, it is considered that it does not make sense to connect to the transmission network, Enagas Transporte will not be offered the possibility of constructing the connection pipeline. In these cases, the CTE will only offer the construction of the connection point that is considered optimal.

4. Licences and administrative authorisations

Who will own the pipeline?

The pipeline connection is the property of the producer. Obtaining authorisations and permits for the land through which the pipeline crosses (from the production facility to the Enagas Transporte position) is the responsibility of the producer.

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Who will be responsible for land acquisition, permits and authorisations for the construction and commissioning of the pipeline connection?

In cases where the construction of a pipeline is being contemplated, it is the responsibility of the applicant to arrange for the corresponding land, permits and authorisations.



Who will own the connection?

The connection will always be owned by Enagás **Transporte**.

Who will be responsible for land acquisition, permits and authorisations for the construction and commissioning of the connection?

We will have to differentiate if the connection is to be made to an existing position or if a new position is to be created.

Existing position: in cases where the existing position is remotecontrolled, no additional procedures are required. If land extension is required at the position, Enagás Transporte will take care of obtaining the necessary land, permits and authorisations. In cases where the existing position is not remote-controlled, i.e. at the time the new connection is to be made it does not have an electricity supply, the land, permits and authorisations for this electricity supply will be provided by the applicant. In this case, both the power line and the land for the same will become the property of Enagás Transporte.

New position: in the case that a new position is required, Enagás Transporte will be responsible for obtaining the land necessary to install this new position, as well as the permits and authorisations, as the land and installation will become the property of Enagás Transporte. Enagás Transporte shall also be responsible for obtaining the land, permits and authorisations necessary to incorporate the electricity supply that connects to the new position.

5. Economic conditions of the connection

Which main budget items are included in the technical-economic conditions?

The financial offer includes the following items of the injection point:

- Engineering.
- Construction.
- Supervision.
- Permits and authorisations.
- Materials and equipment.
- Inspection.
- 0&M.

Although the pipeline is the responsibility of the producer, when Enagas Transport considers it appropriate, it will include a budget for the pipeline in the technical and economic conditions. This budget will include the above items, with the exception of permits and authorisations, which are the



responsibility of the requesting party. It will be the decision of the producer to decide if they prefer Enagas Transporte to be in charge of the pipeline connection.

What happens if the term of validity of the CTE expires?

If the technical-economic conditions expire and you are still interested in connection to the transmission network, you must reapply for connection using the appropriate form, indicating as comments that this is an update of the conditions of an expired application. Enagas Transporte will proceed to update the technical and economic conditions.

Is there a way to modulate the payment of the guarantee?

No, the guarantee must be deposited in full when the contract is signed.

How will payments for the project be made?

The technical and economic conditions provide for a 20 year payment schedule. During the first 5 years, 80% of the total project budget will be paid in equal annual instalments. During the following 15 years, the remaining amount will be paid, also in uniform annuities (updated annually according to the Consumer Price Index ("CPI") of the previous year and with a floor clause of 0%). In addition, on signing the contract, the user must provide Enagás Transporte with a bank guarantee.

Would we lose the entire guarantee if the project is cancelled?

At any time, the applicant may request cancellation of the project. In this case, Enagas Transporte assesses the non-recoverable costs incurred to date and calculates the balance taking into account the payments already made. If the balance is positive, the corresponding part is returned, and if it is not, the outstanding part is invoiced or the guarantee is executed.

6. After commissioning

The following points are the responsibility of the gas shipper who wants to inject biomethane into the Enagas transport network.

What are the tariffs for biomethane injection into the transport network?

Yearly, the Comisión Nacional de los Mercados y la Competencia publishes a resolution that determines the tariffs to be applied during the following gas year (from 1 October of year A to 30 September of year A+1).



For the gas year 22-23, the tariffs are those established in the <u>Resolución de</u> <u>19 de mayo de 2022, por la que se establecen los peajes de acceso a las</u> <u>redes de transporte, redes locales y regasificación para el año de gas 2023.</u>

The values of the biomethane injection points ("BIO") for the gas year 2023 can be consulted in Annex I of the Resolution. A fixed term is invoiced for the contracted capacity and a variable term for the use of this capacity.

It will be the gas shipper who will have to pay the access tariffs to the transmission network.

Does the biomethane flow into the transport network have to be contracted/nominated? When are the tariffs for biomethane injection invoiced?

Yes, according to the regulation, biomethane injection connections are considered direct lines, which must be contracted and nominated by a shipper to flow gas.

Do I need to be a gas shipper to be able to inject biomethane into the transport network? How can I become a shipper?

The operation must be carried out by a gas shipper. In the following link of our website you can find information on <u>How to become a natural gas shipper</u>.

How can I redeem guarantees of origin?

Guarantees of origin for renewable gases in Spain are regulated in accordance with <u>Real Decreto 376/2022</u>, <u>de 17 de mayo</u>, which creates the system of guarantees of origin and designates the Technical System Manager (Enagas GTS) as the entity responsible for this system, on a transitional basis "while the Ministerio para la Transición Ecológica y el Reto Demográfico does not have the human and material resources to carry out its functions"

For queries regarding guarantees of origin, please contact the Technical System Manager (Enagas GTS) by email <u>GDO GTS@enagas.es</u>, for more information, please check <u>Garantías de Origen - Información General</u>.