

Lamesley

Opportunity Brief

July 2019

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1. Introduction

We are about to commence a project for Highways England, to help facilitate the improvement and widening of the A1 Birtley to Coal House main road and the replacement of Allerdene railway bridge.¹

NGN's involvement in this project will be to divert our assets and relocate them to the south of the existing A1. This includes diverting four existing gas pipelines:

- 450NB High Pressure (HP) steel main;
- 450NB Intermediate Pressure (IP) steel main;
- 355NB Medium Pressure (MP) steel main; and
- 150NB Low Pressure (LP) spun iron main.

A new Above Ground Installation (AGI) will also be constructed to the south of the A1. The AGI will comprise of two sets of regulators to carry out pressure reduction across two tiers, new filters, new metering skid, a boiler house package, new heat exchangers, a backup generator and an electrical and instrumentation kiosk.

Importantly, the new AGI will have a connection to facilitate a future CNG filling station.

Two new District Governors shall be installed within the existing AGI compound to the north of the scheme in order to provide gas to the Team Valley Trading Estate and the Low Fell area of Gateshead.

A new IP pipeline will be diverted underneath the A1 via a 160m micro tunnel (1.2m OD) which includes two 6m deep reception/receiving shafts and will be routed between the new foundations of the new road bridge. Once the tunnel has been constructed and the two new AGIs have been commissioned, work involving the abandonment and diversions of the HP, IP, MP and LP pipelines affected can be carried out. The scheme also involves the decommissioning and disinvestment of the existing AGI at Lamesley.

The project is a Nationally Significant Infrastructure Project, as defined by the Planning Act 2008.

2. What's the opportunity?

Through this project, we've identified an opportunity to pre-install a connection for a CNG fuelling station. Pre-installing this connection would be at a significantly lower cost to a CNG developer, compared to retrospectively installing the connection assets.

¹ For further information on the project, please refer to <https://highwaysengland.co.uk/projects/a1-birtley-to-coal-house/>. Please note that these works are priority for NGN and will be completed ahead of the opportunity outlined in this document.

Given the proximity of the location of this project to key arterial roads in the North, we think this presents an excellent opportunity to establish a CNG refuelling station. We note that this document is not an offer capable of acceptance in contract terms. Rather, it is a prompt to further explore the potential of establishing a CNG refuelling station on this site.

a. Location

Figure 1: Location context



Figure 2: Location of existing assets



Figure 3: Proposed location of new assets



b. Technical Details

Table 1: Technical Details

Pressure	<ul style="list-style-type: none"> • All pressure tiers are available. • The pressure ranges for each tier in this location are as follows: <ul style="list-style-type: none"> ○ Low Pressure (LP): up to 75 mbar ○ Medium Pressure (MP): 75 mbar – 2 bar ○ Intermediate Pressure (IP): 4 bar – 7 bar ○ High Pressure (HP): 10 bar – 17 bar
Land size	<ul style="list-style-type: none"> • We have a significant parcel of land to house the new assets we'll be constructing. • Approximate size of the parcel of land available during construction is around 9,000m² (or 2.2 acres). • For comparison, the Waitrose CNG station at Leyland is around 2,750m².

Maximum Offtake

All pressure tiers are available at this location. Table 2 below provides an indication of the volume of gas that could be extracted from our network, by pressure tier.

Table 2: Maximum Offtake Ranges

	4 inch	6 inch
Intermediate Pressure	6,000scm/hour	13,000scm/hour
High Pressure	13,000scm/hour	30,000scm/hour

Note: Low and medium pressure connection capacities can be discussed on an individual basis.

Please note that the CNG plant operator may be required to sign a Network Exit Agreement (NEXA) with NGN, which is a regulatory document outlining the offtake rates etc.

c. What NGN is offering

We are proposing two items in relation to this project:

1. **Flexible access to land** – we are proposing to enable development of a CNG refuelling station on land that we currently own and will work with you to develop a sale/lease agreement on NGN terms that supports the development of CNG infrastructure and protects NGN’s interests. We will work with an independent valuer to determine the market value of the land. ²
2. **Low cost connection** – we estimate that the upfront connection to our network will cost around £20,000-£30,000, which we will recover from the CNG developer as we would with any other connection to our network. However, this is significantly lower than you’d expect to pay for installing a connection retrospectively, on existing assets.

Specific NGN terms and conditions will be agreed with the successful applicant, however we note our intention to be as flexible as far as is reasonably practicable, with a view to supporting the development of the site for CNG refuelling infrastructure.

We consider that these offerings provide an ideal opportunity for a CNG developer to utilise the site. We want to partner with an organisation (or group of organisations) who share our vision for this site and the potential of CNG for transport in Great Britain.

3. Next Steps

a. Lamesley Project Briefing

We will be holding a Lamesley Project Briefing on **Wednesday 21 August** to discuss this project opportunity further with interested stakeholders.

² Please note that any relevant planning permissions will be the responsibility of the successful applicant.

Details of this briefing are as follows:

Date Wednesday 21 August
Time 1pm – 4pm (with afternoon tea and networking from 3pm onwards)
Location Leeds

This briefing will be used to focus specifically on the Lamesley site and we ask interested parties to register their interest in attending by Fri 9 August via our [website](#).

b. Expressions of Interest

Following the briefing, we will circulate a Pre-Qualification Questionnaire to attendees and will call for interested parties to formally submit an expression of interest.

c. Submission of Proposals

For interested parties, the deadline for proposals is **Monday 16 September 2019**.

Specific details on what the proposals should include will be outlined in the PQQ document but if you have any initial questions on this, please contact Tim Harwood on 07 880 007 365 or tharwood@nothergas.co.uk.

Please also note:

- Proposals that do not meet the PQQ criteria will not be assessed further.
- Although this opportunity is not a procurement event or subject to procurement rules, the assessment stage will be managed via NGN's electronic tender portal. If you are successful through to the assessment stage (i.e. you meet the PQQ criteria) you must be registered on Ariba by the publish date specified. If you are not already registered it is free to register and can be accessed via this link: <http://NGN.supplier-eu.ariba.com/ad/register/SSOActions?type=full>.³

Following the deadline for proposals, we may provide you with an opportunity to present your proposal to NGN staff. This will be confirmed after the proposal deadline.

d. Assessment Criteria

The assessment criteria that will be used to select the successful proposal are outlined in Table 3.

³ It is recommended that you register at least 48 hours prior to the publish date and that you use Google Chrome or Firefox when using Ariba, as some versions of Internet Explorer does not support Ariba.

Table 3: Assessment Criteria

Criteria 1	The technical feasibility of the proposed project.
Criteria 2	The commercial feasibility of the proposed project.
Criteria 3	Deliverability of the project within a reasonable timeframe.
Criteria 4	The financial standing of the bidder.
Criteria 5	The extent to which the project demonstrates the potential of the CNG industry and contributes to growth of the industry in Great Britain.
Criteria 6	The contribution of the project to reducing carbon emissions and improving air quality.
Criteria 7	Value added to NGN (subject to regulatory constraints).

Further detail on the assessment criteria will be provided in the PQQ document.

e. Contact Details

If you have any questions relating to the opportunity or next steps, please reach out to Tim Harwood at tharwood@northergas.co.uk or 07 880 007 365.