

Local Capacity Nomination

TAR Working Group 3
22nd August, 2008

nationalgrid

Local Capacity Nomination Agenda

- ◆ Properties
- ◆ Application Process
 - ◆ New connection
 - ◆ Examples - what assets would be built?
 - ◆ Increase/decrease in LCN
- ◆ Security requirements
 - ◆ Pre-commissioning
 - ◆ Existing 'new' connection
 - ◆ Existing 'old' connection
- ◆ CUSC definition

Local Capacity Nomination

Properties

- ◆ The term used by a generator to notify the GBSO of its desired maximum local capacity holding in a charging year
- ◆ Represents the cap of the access derived from a combination of all long and short-term access products
- ◆ Will not exceed Connection Entry Capacity (CEC)
- ◆ LCN is evergreen/finite right? [security implications]
- ◆ Tariffs to be calculated and levied based on LCN?
 - ◆ Residual generation tariff ✓ [one of the 3 options]
 - ◆ Local charge ✓
 - ◆ Locational generation tariff (long-term access) ✗

Local Capacity Nomination

Application process – new connection

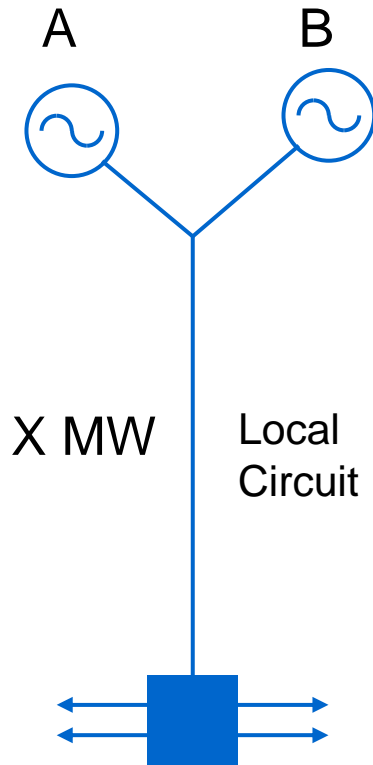
- ◆ CUSC 2.13
 - ◆ User submits a connection application and complies with the terms thereof
- ◆ CUSC Exhibit B: Connection Application
 - ◆ User states required LCN in MW
 - ◆ Application fees linked to LCN
 - ◆ User notifies if would like an offer on the basis of a design variation

Local Capacity Nomination

What would be built?

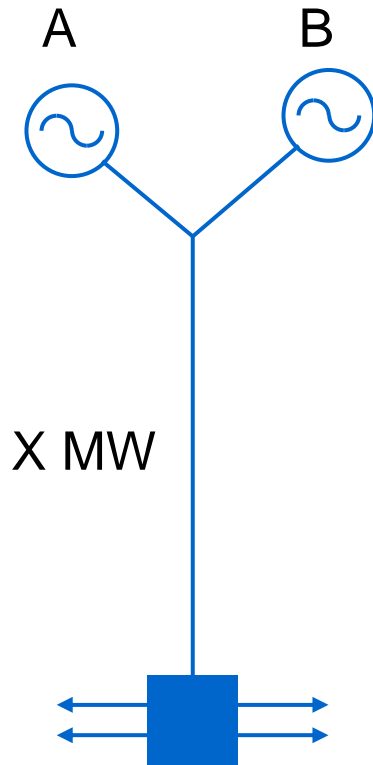
- ◆ Q: What happens when multiple Users want to share a **local** spur circuit?
- ◆ Existing Local Charging proposal assumes Local Circuit is **not** shared but this will not always be the case – local can be shared like wider circuits
- ◆ A number of scenarios will be examined, each with a different proportion of LCN and wider access
- ◆ Comparison of what may be built against possible Local Charges

What capacity would be constructed? I



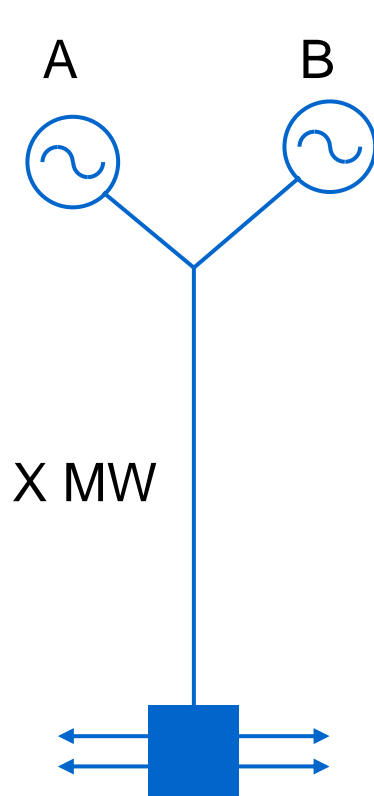
- ◆ A
 - ◆ TEC - 100MW
 - ◆ LCN - 100MW
- ◆ B
 - ◆ TEC - 100MW
 - ◆ LCN - 100MW
- ◆ Minimum capacity constructed
 - ◆ $X \Rightarrow 200\text{MW}$
 - ◆ Sum of TEC

What capacity would be constructed? II



- ◆ A
 - ◆ TEC - 25MW
 - ◆ LCN - 100MW
- ◆ B
 - ◆ TEC - 25MW
 - ◆ LCN - 100MW
- ◆ Minimum capacity constructed
 - ◆ $X \Rightarrow 100\text{MW}$
 - ◆ Greater of LCNs

What capacity would be constructed? III

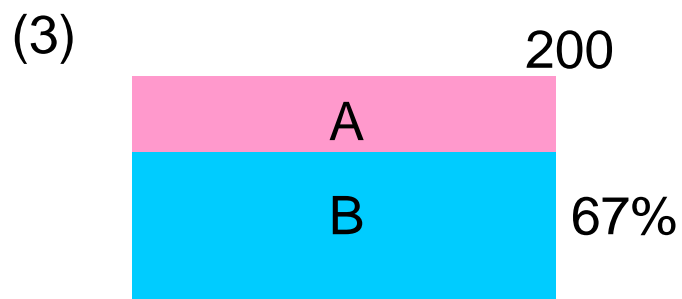
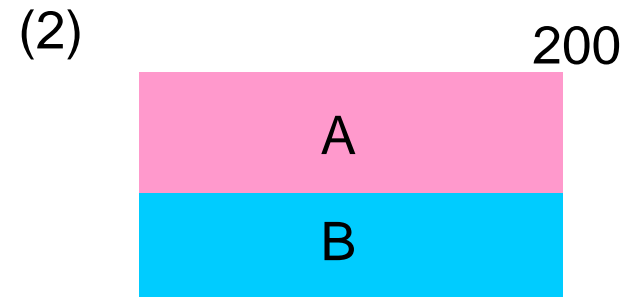
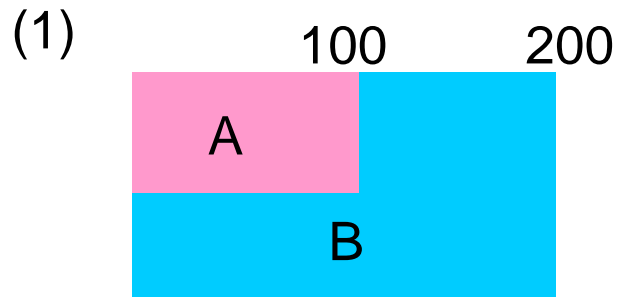


- ◆ A
 - ◆ TEC - 25MW
 - ◆ LCN - 100MW
- ◆ B
 - ◆ TEC - 25MW
 - ◆ LCN - 200MW
- ◆ Minimum capacity constructed
 - ◆ $X \Rightarrow 200\text{MW}$
 - ◆ Greater of LCNs

- ◆ Minimum Local Circuit capacity built is the larger of:
 - ◆ Sum of TEC or Largest LCN

How would shared Local Capacity be charged?

- ◆ A – LCN (100) & B – LCN (200) e.g. 200MW built



Local Capacity Nomination

Application process – increase in LCN

- ◆ CUSC 6.30.2: Increase in TEC
 - ◆ User entitled to request an increase in TEC for a connection site up to a maximum of CEC and such request shall be deemed to be a modification for the purposes of the CUSC
- ◆ Applicable for LCN

Local Capacity Nomination

Application process – decrease in LCN

- ◆ CUSC 6.30.1: Decrease in TEC
 - ◆ User entitled to decrease TEC at a connection site upon giving not less than 5 business days notice in writing prior to the 30 March in any financial year
 - ◆ Decrease in TEC shall take effect on 1 April following receipt of the notice
- ◆ Is this appropriate?
 - ◆ Could be notified prior to charge setting
 - ◆ 23 December?

Local Capacity Nomination

Security requirements – pre-commissioning

- ◆ Security based on LCN multiplied by relevant UCA published in PCR

Local Capacity Nomination

Security requirements – existing ‘new’ connection

- ◆ Consistent with that provided for long-term access

Local Capacity Nomination

Security requirements – existing ‘old’ connection

- ◆ ?
- ◆ $LCN * \text{local charge} * \text{period of wider access}$

Local Capacity Nomination

CUSC Definition

Local Capacity Nomination

*“Is the maximum volume (in MW) to which a **Generator** is entitled to obtain transmission access products (either long or short-term) in the relevant transmission charging year, which will not exceed the **Connection Entry Capacity** of that **Generator**”*