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Our Ref: 2021 – Progress Power - ExCS

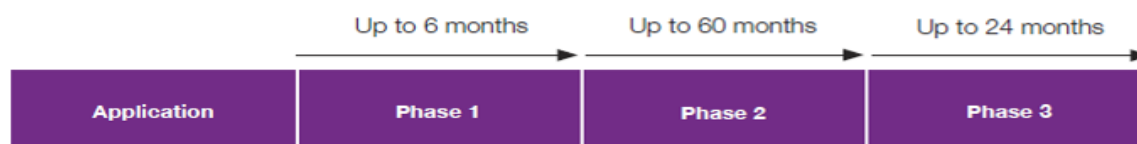
Dear Industry Colleagues,

Progress Power Station ExCS Informal Notice (including exit Substitution & Baseline Revision)

National Grid Gas plc (“National Grid”) received a Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 15th April 2021. The application achieved competency¹ on 7th June 2021. The application requested firm **Enduring Annual NTS exit (Flat) Capacity**² in excess of the prevailing baseline capacity level at the Progress Power Station exit point. The application requested:

- 25,800,000 kWh/d from 1st September 2024

The PARCA application triggered Phase 1 of the PARCA process on 1st October 2021³.



As part of Phase 1 works, National Grid completed network analysis to identify the most economic and efficient solution to accommodate the capacity being requested. Substitution from disconnected exit points has been prioritised as per changes to the Exit Capacity Substitution and Revision Methodology Statement effective from 1st July 2021. This identified that the capacity request could be met by;

- Substitution of 19,000,000 kWh/day from Barking (Horndon) DC disconnected exit point, to reserve 25,800,000 kWh/day at Progress Power Station, from 1st September 2024.

This informal notice signifies the end of PARCA Phase 1 and the first opportunity for industry parties to raise any concerns around the method to meet the additional capacity request in this location.

¹ As per Uniform Network Code, Transportation Principal Document, Section B – System Use and Capacity, para. 1.15.4.
² Please note that this notice contains terminology relating to Exit Capacity which is used in the Licence and in the Uniform Network Code (“UNC”). Licence defined capacity terms are given in **bold italics**.
³ Due to the timing of the Annual Exit Application window which under UNC allows the clock start to be delayed in order to facilitate this in advance of the PARCA window, Phase 1 PARCA Works commenced on 1st October 2021.

Application for Capacity Release

Substitution of Unsold Capacity from 1st September 2024.

As part of the Phase 1 works, National Grid completed network analysis to assess what impact the capacity had on the existing network.

In accordance with the Gas Transporter Licence⁴, substitution⁵ of **Non-incremental Obligated Capacity** has been assessed and identified as being able to meet the **Firm Enduring Annual NTS (Flat) Capacity** requirement where it is in excess of the **Obligated Exit Capacity** at the Progress Power Station NTS Exit point.

National Grid therefore proposes that from 1st September 2024:

- **NTS Exit (Flat) Capacity** requested at Progress Power Station exit point is met by substituting **Non-incremental Obligated Exit Capacity** from Barking (Horndon) DC exit point. (See table below).

Statement of proposed **Non-incremental Capacity** substitution in accordance with Special Condition 9.13 (formerly paragraph 6 of the Licence:

| Recipient NTS Point | Donor NTS Exit Points | Capacity Donated (kWh/d) | Capacity Received (kWh/d) | Exchange Rate (Donor : Recipient) |
|----------------------------|------------------------------|---------------------------------|----------------------------------|---|
| Progress Power Station | Barking (Horndon) | 19,000,000 | 25,800,000 | 0.7364:1 |

⁴ Special Condition 9.13 (formerly 5G paragraph 6).

⁵ As per Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") effective from 1st July 2021 and pursuant to Special Condition 9.17.

Baseline Modification Proposal:

| <i>NTS Point</i> | <i>Type</i> | <i>Recipient / Donor</i> | <i>Current Baseline (at 1st September 2024 (kWh/d)</i> | <i>Proposed Baseline (kWh/d)</i> | <i>Remaining unsold capacity (kWh/d)</i> |
|------------------------|-------------|--------------------------|---|----------------------------------|--|
| Progress Power Station | DC | Recipient | 0 | 25,800,000 | 0 |
| Barking (Horndon) | DC | Donor | 58,590,000 | 37,090,000 ⁶ | 37,090,000 ⁷ |

Appendix 1 provides additional information regarding the proposal to demonstrate that National Grid has determined its proposals for capacity substitution in accordance with the Methodology.

I would therefore be grateful if you could acknowledge receipt of this written proposal and the date on which it was received. If you require any further information, please contact me on 01926 654276.

Yours sincerely,

Mark Hamling

Gas Network Capability Manager
System Capability & Risk
Gas Transmission
National Grid

⁶ 500,000 kWh/d is allocated for Silk Willoughby, 100,000 kWh/d for Sutton Bridge, 1,700,000 kWh/d for West Winch, and 200,000 kWh/d for Royston from 1st October 2024..

⁷ 500,000 kWh/d is allocated for Silk Willoughby, 100,000 kWh/d for Sutton Bridge, 1,700,000 kWh/d for West Winch, and 200,000 kWh/d for Royston from 1st October 2024.