

**Demand Assessment Report**  
**for Incremental Capacity**

**between**

***National Grid Bacton IP***

**and**

***BBL Entry/Exit IP Bacton***

**26<sup>th</sup> July 2017**

This report is a joint assessment of the potential for incremental capacity projects conducted by

National Grid Gas Transmission

BBL Company V.O.F

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The logo for National Grid, featuring the word "national" in a light blue sans-serif font and "grid" in a darker blue sans-serif font, with a small diamond shape above the 'i' in "grid".The logo for BBL Company, featuring the words "bbl company" in a dark red, lowercase, sans-serif font.

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## **A. Non-binding Demand indications**

National Grid has not received any non-binding demand indications for firm capacity at the interconnection point between the entry-exit system of National Grid and the entry-exit system of BBL Company for any future period. BBL Company has received aggregated non-binding demand indications of 500,000 kWh/h/y for firm capacity at its entry IP Bacton for the gas years 2018 to 2028.

The following application windows have been included in this analysis:

- a) non-binding demand indications received within 8 weeks after the 6 April 2017 – entry into force of REGULATION EC 459/2017.

## B. Demand assessment

### i. Results of current annual yearly auction (optional)

In the recent annual yearly auctions, taking place on the 6<sup>th</sup> March 2017 for the joint interconnection point(s) the following results have been achieved:

<i>Interconnection point name</i>	<i>Interconnection point EIC</i>	<i>Flow direction</i>	<i>Gas year [yyyy]</i>	<i>Offered capacity Amount</i>	<i>Booked capacity Amount</i>	<i>Capacity type [e.g. firm]</i>
<i>Bacton IP</i>	<i>48YBIEC-----0</i>	<i>Entry</i>	<i>n/a</i>	<i>0</i>	<i>0</i>	<i>n/a</i>
<i>Bacton IP</i>	<i>21Z000000000088F</i>	<i>Exit</i>	<i>n/a</i>	<i>0</i>	<i>0</i>	<i>n/a</i>

### ii. Expected amount, direction and duration of demand for incremental capacity

The submissions indicate 500,000 kWh/h/year of firm capacity at BBL entry IP Bacton for the gas years 2018 to 2028. It seems logical that the shippers would be willing to book the same amount at NGG exit IP Bacton, however, this is unclear. No equivalent indication was received by National Grid, and therefore the lowest common amount indicated through this process is zero.

### **C. Conclusion for the non-initiation of an incremental capacity project/process**

Considering the elements mentioned in section A and B of this report, at this stage no ground is identified to consider starting an incremental project. The indicative demand is too low to pass even the most favorable economic test. Hence, for the entry-exit-systems addressed by this report, no incremental capacity project/process nor technical studies will be initiated based on this market demand assessment report. BBL Company will, however, continue to investigate the possibilities to install physical reverse capability on the BBL-interconnector at its own expense and risk.

Based on the aforementioned decision, no technical studies for incremental capacity projects will be conducted.

## **D. Fees**

### **National Grid**

A fee would have been required for the submission of any demand indications in accordance with UNC EID Section E, in order to fund technical design studies. As no demand indications were received, National Grid did not receive any fees for the evaluation and processing of non-binding demand indications. .

### **BBL Company**

BBL Company did not introduce an administration fee for the evaluation and processing of non-binding demand indications.

## E. Contact information

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