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Our Ref: 2023 – Keadby3 Carbon Capture Power Station - ExCS

Dear Industry Colleagues,

Keadby3 Carbon Capture Power Station ExCS Informal Notice (including exit Substitution & Baseline Revision)

National Gas Transmission plc (“National Gas”) received a Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 19th December 2022. The application achieved competency¹ on 24th January 2023. The application requested firm **Enduring Annual NTS exit (Flat) Capacity**² in excess of the prevailing baseline capacity level at the Keadby3 Carbon Capture Power Station exit point. The application requested:

- 39,776,149 kWh/d from 31st December 2027

The PARCA application triggered Phase 1 of the PARCA process on 24th January 2023.



As part of Phase 1 works, National Gas Transmission 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. NTS Exit Capacity required as a result of demand forecasts provided via Exit Capacity Planning processes as per Standard Special Condition A57 and the Exit Capacity Planning Guidance, will not be Substitutable. This identified that the capacity request could be met by;

- Substitution from Thornton Curtis (Killingholme) DC disconnected exit point, to reserve 39,776,149 kWh/day at Keadby3 Carbon Capture Power Station, from 31st December 2027.

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**.

Application for Capacity Release

Substitution of Unsold Capacity from 31st December 2027.

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

In accordance with the Gas Transporter Licence³, substitution⁴ 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 Keadby3 Carbon Capture Power Station NTS Exit point.

National Gas Transmission therefore proposes that from 31st December 2027:

- **NTS Exit (Flat) Capacity** requested at Keadby3 Carbon Capture Power Station exit point is met by substituting **Non-incremental Obligated Exit Capacity** from Thornton Curtis (Killingholme) (disconnected) 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)	Total Exchange Rate (Donor : Recipient)
Keadby3 Carbon Capture Power Station	Thornton Curtis (Killingholme) disconnected	46,600,000	39,776,149	1.1716:1	1.1716:1

³ Special Condition 9.13 (formerly 5G paragraph 6).

⁴ 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 31st December 2027 (kWh/d))</i>	<i>Proposed Baseline (kWh/d)</i>	<i>Remaining unsold capacity (kWh/d)</i>
Keadby3 Carbon Capture Power Station	DC	Recipient	0	39,776,149	0
Thornton Curtis(Killingholme) disconnected	DC	Donor	91,000,001	44,400,001	0

Appendix 1 provides additional information regarding the proposal to demonstrate that National Gas Transmission 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 07800 738527.

Yours sincerely,

Peter Crook

Gas Network Capability Manager

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National Gas Transmission