



# Planning & Advanced Reservation of Capacity Agreement (PARCA)

## Demonstration Information Guidelines

April 2024



## Document revision history

Version Number	Date of Issue	Notes on changes
1.0	October 2018	
2.0	April 2024	National Gas rebrand

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## About this document

This document describes the Demonstration Information requirements throughout Phase 0 to Phase 2 of your PARCA project to demonstrate that your project is progressing.

A PARCA is a multi-phased bilateral contract between National Grid and a customer. It allows firm quarterly system entry capacity and / or firm enduring annual NTS exit (flat) capacity to be reserved for the customer while they develop initial phases of their own project.

If you require further details about any of the information contained within this document or have comments on how this document might be improved please contact us at [box.UKT.customerlifecycle@nationalgas.com](mailto:box.UKT.customerlifecycle@nationalgas.com).

## General Introduction

The Planning and Advanced Reservation of Capacity Agreement (PARCA) is a bi-lateral contract that allows long term National Transmission System (NTS) Entry and/or Exit capacity to be reserved for a customer, whilst they develop their own project, ahead of the purchase of that reserved capacity.

Initially, a customer will submit a PARCA Application form to request their capacity need. Using the information provided in the PARCA Application we will determine how and when the capacity requested can be delivered. We will keep the customer informed on progress. If, as a result of our outputs, the customer would like us to reserve the capacity on their behalf we will do so (subject to acceptable security being provided by the customer). Alternatively, the customer may choose to not progress the request any further. Where the capacity has been reserved, the customer has effectively secured a right to buy that capacity at a later date, but they are not obligated to do so. Once reserved, that capacity is exclusive to the customer.

A customer might be a gas shipper, Distribution Network Operator or any other third party such as a developer and may or may not be a party signed up to the Uniform Network Code (UNC). The PARCA arrangements apply to all National Transmission System (NTS) entry and exit points, NTS storage and NTS interconnectors.

A key aspect of the PARCA arrangement is that it helps the customer and National Gas to progress their respective projects in parallel. It also assures the customer the capacity has been reserved with the option to purchase the capacity at a later date. The financial commitment to the capacity itself (at the allocation of the capacity) is only required once the customer and National Gas have sufficient certainty that their respective projects will go ahead.

The PARCA framework is split into four logical phases; Phase 0 to Phase 3. This phased structure provides the customer with natural decision points where they can choose whether they wish to proceed to the next phase of activities. Regardless of these natural decision points, the PARCA process is sufficiently flexible to allow the customer to leave the PARCA process at any time prior to full financial commitment to the capacity through capacity allocation.

## Section 1 - Demonstration Information Policy

- 1.0 If the Demonstration Information is not provided by a Demonstration Date specified by the National Grid then National Grid may reset the Demonstration Date and defer the provision of the customer's requested capacity. National Grid NTS may advise a revised Demonstration Date up to a total of 3 (three) Demonstration Dates per Project, including the original Demonstration Date.
- 2.0 In the event that the customer fails to provide the Demonstration Information by the third notified Demonstration Date, unless otherwise agreed with the User/Developer, the User/Developer shall cease to hold the reserved capacity entitlement and National Grid shall be entitled to recover all costs (including anticipated) or the allowed revenue 'charge' and expenses incurred in performing design and planning work in respect of the Works.
- 3.0 The Demonstration Information to be provided by the customer to National Grid will be specified by National Grid NTS
- 4.0 The Demonstration Information to be provided by National Grid NTS to the customer will be agreed by both parties and may include, but not limited to, those items listed in Appendices 1 & 2. These will be updated from time to time as required to reflect changes in legislation and commercial arrangements.
- 5.0 The Demonstration Information to be provided will be agreed between the customer and National Grid at the time of application in the first instance or at the time of notification of subsequent Demonstration Dates, as appropriate.
- 6.0 Agreement on the Demonstration Information to be provided will be assisted by the customer and National Grid NTS sharing their key project milestone dates.
- 7.0 The Demonstration Information to be provided may be amended through a written request from the customer to National Grid NTS (and vice versa).

# Appendix 1 - Process Flow

See A3 page for Process Flow

## Appendix 2 - Definitions

**PARCA** means **Planning and Advanced Reservation of Capacity Agreement** and is an agreement between National Grid and a Customer, e.g. in respect of a new NTS Exit Point or expansion of an existing NTS Exit Point.

**Demonstration Date** is the latest date by which the Demonstration Information is to be provided to National Grid.

**Demonstration Information** means demonstration information the Reservation Party is required to provide to NGG, prior to and in the course of NGG undertaking and completing of the Phase 2 PARCA works.

**Developer** means a non-UNC signatory, i.e. a party other than a Shipper or a Distribution Network Operator, which is developing a Project. In UNC this is referred to as a Reservation Party.

**Enduring Annual NTS Exit (Flat) Capacity** is NTS Exit (Flat) Capacity which may be applied for and registered as held (in a given amount) by a User (or reserved by a Developer) for each Day in a Gas Year on an evergreen basis.

**Enduring Exit Period** means the period from 1 October 2012, being the date from which exit capacity will be released in accordance with revised “enduring” arrangements.

**NTS Exit Point** means NTS System Exit Point and/or NTS/LDZ Offtake.

**NTS/LDZ Offtakes** are connections from the NTS to a Distribution Network operated by a Distribution Network Operator (a “DNO”).

**Project** means a project that will require the offtake of gas from the NTS at a new or existing NTS Exit Point.

**Registration Date** is the date specified in an offer which the User/Developer has accepted from which the User/Developer will be registered as holding Enduring Annual NTS Exit (Flat) Capacity.

**User** means **Shipper User or DNO User**.

**Works** means works, in relation to reinforcement of the NTS, in order to make available the Enduring Annual NTS Exit (Flat) Capacity applied for pursuant to an application. This is distinct from works required to upgrade NTS connection apparatus.