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Our Ref: 2018 – Drax Power Station- ExCS

Dear Industry Colleagues,

Drax 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 24th January 2018. The application achieved competency¹ on 7th March 2018. The application requested firm Enduring Annual NTS exit (Flat) Capacity² in excess of the prevailing baseline capacity level at the Drax NTS Exit Point. The application requested up to:

- 33,400,000 kWh/d from 1st January 2021
- 66,800,000 kWh/d from 1st July 2022
- 133,600,000 kWh/d from 1st July 2023

The PARCA application triggered Phase 1 of the PARCA process on 7th March 2018.



As part of Phase 1 works, National Grid completed network analysis to identify the most appropriate and robust solution to accommodate the capacity being requested. The Phase 1 process identified that the capacity request could be met by;

- Substitution of unsold exit capacity from Rawcliffe GDN (NE) offtake and Saltend BPHP DC from 1st January 2021.
- Incremental Obligated Capacity Release from 1st January 2021

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 January 2021

As part of the Phase 1 works, National Grid completed network analysis to assess the 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 partially meet the Firm Enduring Annual NTS (Flat) Capacity requirements in excess of the prevailing baseline NTS Capacity at the Drax NTS Exit Point.

National Grid therefore proposes that from:

- From 1st January 2021 the additional Baseline NTS Capacity identified at Drax exit point can be met in part by substituting unsold NTS Baseline Capacity from Rawcliffe GDN (NE) and Saltend BPHP DC from 1st January 2021.

Statement of proposed Non-incremental Capacity substitution in accordance with Special Condition 5G paragraph 6 (formerly paragraph 4(a) (iv) of Special Condition C8E) of the Licence:

<i>Recipient NTS Point</i>	<i>Donor NTS Exit Points</i>	<i>Capacity Donated (kWh/d)</i>	<i>Capacity Received (kWh/d)</i>	<i>Exchange Rate (Donor : Recipient)</i>
Drax	Rawcliffe	1,816,952	1,806,952	1.0055:1
Drax	Saltend BPHP	44,105	40,000	1.1026:1

Release of Funded Incremental Obligated Exit Capacity

The remaining capacity requirement for Drax will be met by the release of **Incremental Obligated Exit Capacity**, as below:

- 31,553,048 kWh/d from 1st January 2021
- 64,953,048 kWh/d form 1st July 2022
- 131,753,048 kWh/d from 1st July 2023

³ Special Condition 5G (formerly paragraph 3(c) (i) of Special Condition C8E).

⁴ During October 2015, the Authority approved the Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") pursuant to Special Condition 9A.

Baseline Modification Proposal:

<i>NTS Point</i>	<i>Type</i>	<i>Recipient / Donor</i>	<i>Current Baseline (kWh/d)</i>	<i>Proposed Baseline (kWh/d)</i>	<i>Remaining unsold capacity (kWh/d)</i>
Drax	DC	Recipient	0	133,600,000	0
Rawcliffe	DN	Donor	5,046,154	3,229,202	0
Saltend BPHP	DC	Donor	9,100,000	9,055,895	0

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 myself or Mark Hamling, Gas Network Capability Manager on 01926 654276.

Yours sincerely,



Craig Dyke
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System Operator
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