National Grid House
Warwick Technology Park
Gallows Hill, Warwick
CV34 6DA

National Gas Emergency Service - 0800 111 999* (24hrs)
*calls will be recorded and may be monitored

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1st September 2020

Our Ref: 2020 – Staythorpe Power Station- ExCS-Formal Notice

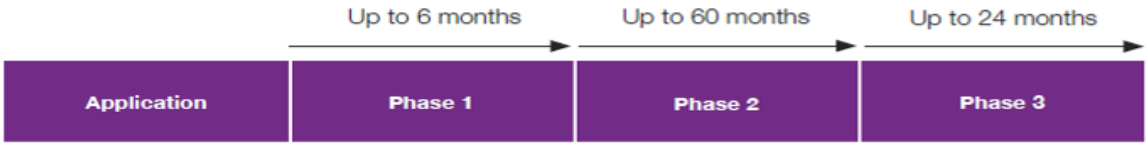
Dear Industry Colleagues,

Staythorpe Power Station PARCA ExCS Formal Notice (including exit Substitution & Baseline Revision)

National Grid Gas plc ("National Grid") received a Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 9th April 2018. The application achieved competency[1] on 9th May 2018. The application requested firm **Enduring Annual NTS Exit (Flat) Capacity**[2] at the Staythorpe NTS Exit Point. The application requested:

- 82,000,000 kWh/d from 1st January 2021

The PARCA application triggered Phase 1 of the PARCA process on 9th May 2018.



As part of Phase 1 works, National Grid completed network analysis to identify the most economic and efficient solution to accommodate the **NTS Exit (Flat) Capacity** being requested. The Phase 1 process identified that the **NTS Exit (Flat) Capacity** request could be met by;

- Releasing the **Remaining Available NTS Exit (Flat) Capacity** at Staythorpe DC from 1st January 2021 to 31st March 2023.
- Substituting **Remaining Available NTS Exit (Flat) Capacity** from Silk Willoughby GDN (EM), Peterborough Power Station DC, Tatsfield GDN (SE), Farningham B GDN (SE), Farningham GDN (SE), and Shorne GDN (SE) NTS Exit Points from 1st April 2023.

On the 7th November, 2018 National Grid served an informal notice to signify the end of PARCA Phase 1 Works and the first opportunity for industry parties to raise any concerns around the method to meet the additional capacity request in this location. Concerns were raised by a User regarding this proposal and we have discussed with the User our application of the PARCA framework, the Exit Capacity Release and Exit Capacity Substitution methodologies, respectively. These issues are being discussed as part of the Capacity Access Review. No formal approach was made by the User to The Authority and

[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*.**

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we have no reason to believe that we have not discharged our obligations under the UNC, our Gas Transporter Licence and the relevant methodology statements.

Application for Exit Capacity Release

Substitution of Unsold Capacity from 1st April 2023

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 Licence[3], substitution[4] 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 Staythorpe NTS Exit Point.

National Grid therefore proposes that from 1st April 2020:

- **NTS Exit (Flat) Capacity** requested at the Staythorpe NTS Exit point is met by substituting ***Non-incremental Obligated Exit Capacity*** from Silk Willoughby GDN (EM), Peterborough Power Station DC, Tatsfield GDN (SE), Farningham B GDN (SE), Farningham GDN (SE), and Shorne GDN (SE) NTS Exit Points (See table below).

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

Recipient NTS Point	***Donor NTS Exit Points***	***Capacity Donated (kWh/d)***	***Capacity Received (kWh/d)***	***Exchange Rate (Donor: Recipient)***
Staythorpe	Silk Willoughby	1,070,148	1,349,996	0.7927:1
	Peterborough Power Station	20,480,000	14,809,979	1.3829:1
	Tatsfield	7,826,972	5,766,692	1.3573:1
	Farningham B	37,509,029	25,198,333	1.4886:1
	Farningham	48,496,593	32,814,167	1.4779:1
	Shorne	4,710,000	2,060,833	2.2855:1

[3] Special Condition 5G (formerly paragraph 3(c) (i) of Special Condition C8E).
[4] Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") effective from 24th July 2019 and pursuant to Special Condition 9A.

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Baseline Modification Proposal:

***NTS** Point*	***Type***	***Recipient / Donor***	***Current Baseline (kWh/d) at 1st April 2023***	***Proposed Baseline (kWh/d) at 1st April 2023***	***Remaining unsold capacity (kWh/d)***
Staythorpe	DC	Recipient	0	164,000,000	0
Silk Willoughby	DN	Donor	3,530,000	2,459,852	0
Peterborough Power Station	DC	Donor	23,280,000	2,800,000	0
Tatsfield	DN	Donor	200,601,605[5]	192,774,633	0
Farningham B	DN	Donor	117,883,000	80,373,971	0
Farningham	DN	Donor	135,120,000	86,623,407	0
Shorne	DN	Donor	67,060,000*	59,586,107*	39,760,000*

Appendix 1, dated 7th November 2018, and sent with the informal notice, 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 Mark Hamling, Gas Network Capability Manager on 01926 654276 in the first instance

Yours sincerely,

Paul Sullivan

Future Networks Manager

Gas Transmission.

National Grid

[5] Reduced by 21,140,478 kWh\d for Tilbury Marshes PARCA from October 2022.
* Reduces by 2,763,893 kWh/d for Grain North PARCA from October 2021. This does not reflect activity during the 2020 Annual Application Window.