

FTAO
Gas Systems Integration
Energy Systems
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Paul Sullivan
Future Networks Manager
Gas Operations
National Grid
paul.j.sullivan@nationalgrid.com
Direct Tel: +44 (0)1926 653429

www.nationalgrid.com

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Our Ref: 2020 – Grain Power - ExCS

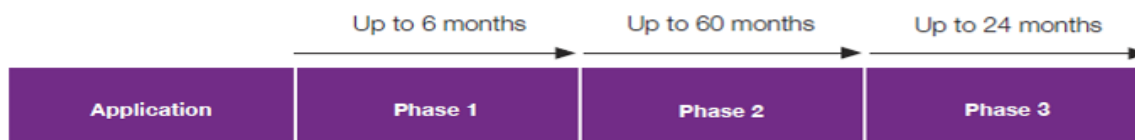
Dear Industry Colleagues,

Grain North 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 12th November 2019. The application achieved competency¹ on 16th December 2019. The application requested firm **Enduring Annual NTS exit (Flat) Capacity**² at the site for the time being known as Grain North Power Station (‘Grain North’). The application requested:

- 7,310,160 kWh/d from 1st March 2021

The PARCA application triggered Phase 1 of the PARCA process on 16th December 2019.



As part of Phase 1 works, National Grid completed network analysis to identify the most appropriate and robust 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;

- Reserving for the subsequent release of **Non-Obligated Capacity** from 1st March 2021 to 30th September 2021.
- Reserving for subsequent substitution 2,763,893 kWh/day of the **Remaining Available NTS (Flat) Capacity** from Shorne DN exit point, and 5,810,000 kWh/d of the **Remaining Available NTS (Flat) Capacity** from Stanford Le Hope (Coryton) DC exit point, to reserve 7,310,160 kWh/day at Grain North, from 1st October 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 1st October 2021.

As part of the Phase 1 works, National Grid 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** requirements at Grain North in full.

National Grid therefore proposes that from 1st October 2021:

- The **Enduring Annual NTS Exit (Flat) Capacity** requirement at Grain North is met by substituting **Non-incremental Obligated Exit Capacity** from Shorne DN exit point, and Stanford Le Hope (Coryton) DC exit point. (See table below).

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>	<i>Total Exchange Rate</i>
Grain North	Shorne	2,763,893	2,620,000	1.0549:1	1.1729:1
	Stanford Le Hope (Coryton)	5,810,000	4,690,160	1.2388:1	

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>
Grain North	DC	Recipient	0	7,310,160	0
Shorne	DN	Donor	22,590,000*	19,826,107*	0
Stanford Le Hope (Coryton)	DC	Donor	38,600,000	10,450,000 ⁵	10,450,000

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.

* 4,710,000 kWh/d is proposed to be reserved for Staythorpe from April 2023, and 39,760,000 kWh/d is proposed to be reserved for Medway from 1st April 2026.

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

Yours sincerely,

Paul Sullivan
Future Networks Manager
Gas Transmission
National Grid

⁵ 22,340,000 kWh/d is proposed to be reserved for Tilbury Power Station from October 2022.