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Our Ref: 2021 – Keadby2 - ExCS – Formal Notice

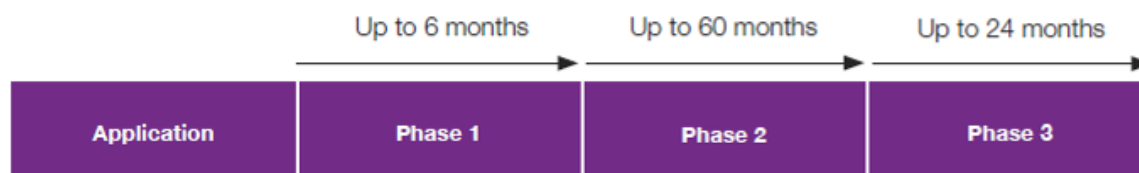
Dear Industry Colleagues,

Keadby2 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 29th March, 2016. The application achieved Competency¹ on 12th April 2016. The application requested firm **Enduring Annual NTS Exit (Flat) Capacity**² at the Keadby 2 NTS Exit Point. A variation request was received on 23rd September 2020 and requested up to:

- 39,776,149 kWh/d from 1st November 2021

The PARCA application triggered Phase 1 of the PARCA process on 12th April, 2016.



As part of the 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;

- Reserving for substitution, **Remaining Available NTS Exit (Flat) Capacity** at Keadby Blackstart and West Burton DC Exit points, from 1st November, 2021.

On the 12th October, 2016 National Grid served an informal notice to signify 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. National Grid was not notified of any concerns as a result of the informal notice.

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 Exit Capacity Release

Substitution of Unsold Capacity from 1st November 2021.

As part of the PARCA Phase 1 works, National Grid completed network analysis to assess what impact the Exit 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 Keadby 2 NTS Exit point.

National Grid therefore proposes that **from 1st November 2021**:

- **NTS Exit (Flat) Capacity** requested at the Keadby 2 NTS Exit point is met by substituting **Non-incremental Obligated Exit Capacity** from Keadby Blackstart, and West Burton DC 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:

<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 (Donor : Recipient)</i>
Keadby 2	Keadby Blackstart	922,785	922,785	1:1	1.0077:1
	West Burton	39,160,306	38,853,364	1.0079:1	

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.

Baseline Modification Proposal:

<i>NTS Point</i>	<i>Type</i>	<i>Recipient / Donor</i>	<i>Current Baseline (kWh/d) at 1st November 2021</i>	<i>Proposed Baseline (kWh/d) at 1st November 2021</i>	<i>Remaining unsold capacity (kWh/d)</i>
Keadby 2	DC	Recipient	0	39,776,149	0
Keadby Blackstart	DC	Donor	2,380,000	1,457,215	0
West Burton	DC	Donor	66,000,000	26,839,694*	26,839,694*

This updates the informal notice dated 12th October 2016, and formally gives notice of the allocation of capacity previously reserved. As such changes to the Substitution Methodology effective from 1st July 2021 have not been considered.

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 Operations

System Operator

National Grid

* Reduces to 23,035,220 from October 2026 due to Eggborough PARCA.