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Our Ref: 2022 – Hynet HPP1&2(nr Hapsford on Feeder 4) - ExCS

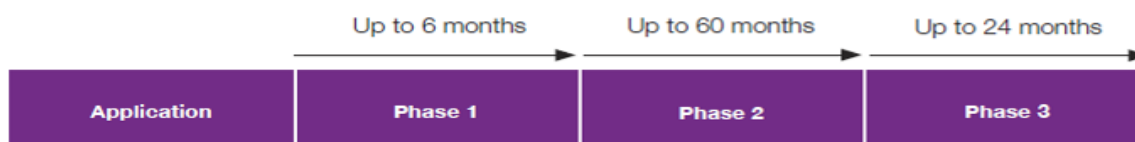
Dear Industry Colleagues,

Hynet HPP1&2(nr Hapsford on Feeder 4) 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 16th December 2021. The application achieved competency¹ on 24th January 2022. The application requested firm **Enduring Annual NTS exit (Flat) Capacity**² in excess of the prevailing baseline capacity level at the Hynet HPP1&2(nr Hapsford on Feeder 4) exit point. The application requested:

- 9,960,000 kWh/d from 1st April 2026
- a further 19,920,000 kWh/d from 1st January 2027

The PARCA application triggered Phase 1 of the PARCA process on 24th January 2022³.



As part of Phase 1 works, National Grid completed network analysis to identify the most economic and efficient solution to accommodate the capacity being requested. Substitution from disconnected exit points has been prioritised as per changes to the Exit Capacity Substitution and Revision Methodology Statement effective from 1st July 2021. NTS Exit Capacity required as a result of demand forecasts provided via Exit Capacity Planning processes as per Standard Special Condition A57 and the Exit Capacity Planning Guidance, will not be Substitutable. This identified that the capacity request could be met by;

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**.
³ Due to the timing of the Annual Exit Application window which under UNC allows the clock start to be delayed in order to facilitate this in advance of the PARCA window, Phase 1 PARCA Works commenced on 1st October 2021.

- Substitution from Hawarden (Shotton-aka Shotton Paper) (disconnected) DC, Shellstar (aka Kemira-not Kemira CHP), Weston Point (Rocksavage) DC, and Weston Point DN exit points, to reserve 9,960,000 kWh/day at Hynet HPP1&2(nr Hapsford on Feeder 4), from 1st April 2026.
- Substitution from Weston Point (Rocksavage) DC, Weston Point DN, and Weston Point (Castner Kelner-aka ICI Runcorn) DC exit points, to reserve 19,920,000 kWh/day at Hynet HPP1&2(nr Hapsford on Feeder 4), from 1st January 2027.

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.

Application for Capacity Release

Substitution of Unsold Capacity.

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 Licence⁴, substitution⁵ 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 Hynet HPP1&2(nr Hapsford on Feeder 4) NTS Exit point.

National Grid proposes that from 1st April 2026 :

- **NTS Exit (Flat) Capacity** requested at Hynet HPP1&2(nr Hapsford on Feeder 4) exit point is met by substituting **Non-incremental Obligated Exit Capacity** from Hawarden (Shotton-aka Shotton Paper) (disconnected) DC, Shellstar (aka Kemira-not Kemira CHP) DC, Weston Point (Rocksavage) DC, and Weston Point DN exit points. (See table below).

National Grid proposes that from 1st January 2027:

- **NTS Exit (Flat) Capacity** requested at Hynet HPP1&2(nr Hapsford on Feeder 4) exit point is met by substituting **Non-incremental Obligated Exit Capacity** from Weston Point (Rocksavage) DC, Weston Point DN, and Weston Point (Castner Kelner-aka ICI Runcorn) DC exit points. (See table below)

⁴ Special Condition 9.13 (formerly 5G paragraph 6).

⁵ As per Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") effective from 1st July 2021 and pursuant to Special Condition 9.17.

Statement of proposed *Non-incremental* Capacity substitution in accordance with Special Condition 9.13 (formerly paragraph 6 of the Licence):

From 1st April 2026

Recipient NTS Point	Donor NTS Exit Points	Capacity Donated (kWh/d)	Capacity Received (kWh/d)	Exchange Rate (Donor : Recipient)	Total Exchange Rate (Donor : Recipient)
Hynet HPP1&2(nr Hapsford on Feeder 4)	Hawarden (Shotton-aka Shotton Paper) (disconnected)	11,590,000	4,200,000	2.7595:1	1.6363:1
	Shellstar (aka Kemira-not Kemira CHP)	4,507,556	5,500,000	0.8196:1	
	Weston Point (Rocksavage)	100,000	153,446	0.6517:1	
	Weston Point OT	100,000	106,554	0.9385:1	

From 1st January 2027

Recipient NTS Point	Donor NTS Exit Points	Capacity Donated (kWh/d)	Capacity Received (kWh/d)	Exchange Rate (Donor : Recipient)	Total Exchange Rate (Donor : Recipient)
Hynet HPP1&2(nr Hapsford on Feeder 4)	Weston Point (Rocksavage)	8,100,000	10,263,658	0.7892:1	0.7932:1
	Weston Point OT	5,300,000	6,670,944	0.7945:1	
	Weston Point (Castner Kelner-aka ICI Runcorn)	2,400,000	2,985,398	0.8039:1	

Baseline Modification Proposal:

From 1st April 2026

<i>NTS Point</i>	<i>Type</i>	<i>Recipient / Donor</i>	<i>Current Baseline (at 1st April 2026 (kWh/d))</i>	<i>Proposed Baseline (kWh/d)</i>	<i>Remaining unsold capacity (kWh/d)</i>
Hynet HPP1&2(nr Hapsford on Feeder 4)	DC	Recipient	0	9,960,000	0
Hawarden (Shotton-aka Shotton Paper) (disconnected)	DC	Donor	11,590,000	0	0
Shellstar (aka Kemira-not Kemira CHP)	DC	Donor	16,240,000	11,732,444	0
Weston Point (Rocksavage)	DC	Donor	40,767,358	40,667,358	40,667,358
Weston Point OT	DN	Donor	30,599,872	30,499,872	26,423,749

From 1st January 2027

<i>NTS Point</i>	<i>Type</i>	<i>Recipient / Donor</i>	<i>Current Baseline (at 1st January 2027 (kWh/d))</i>	<i>Proposed Baseline (kWh/d)</i>	<i>Remaining unsold capacity (kWh/d)</i>
Hynet HPP1&2(nr Hapsford on Feeder 4)	DC	Recipient	0	29,880,000	0
Weston Point (Rocksavage)	DC	Donor	40,767,358	32,567,358	32,567,358
Weston Point OT	DN	Donor	30,599,872	25,199,872	21,123,749
Weston Point (Castner Kelner-aka ICI Runcorn)	DC	Donor	11,683,359	9,283,359	9,283,359

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 on 01926 654276.

Yours sincerely,

Mark Hamling
Gas Network Capability Manager
System Capability & Risk
Gas Transmission
National Grid

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