

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

Peter Crook  
Gas Network Capability Manager  
System Capability & Risk  
National Gas Transmission  
[peter.crook@nationalgas.com](mailto:peter.crook@nationalgas.com)  
Direct Tel: +44 (0)7800 738527

[www.nationalgas.com](http://www.nationalgas.com)

31<sup>st</sup> December 2024

Our Ref: 2024 – Net Zero Teesside - ExCS

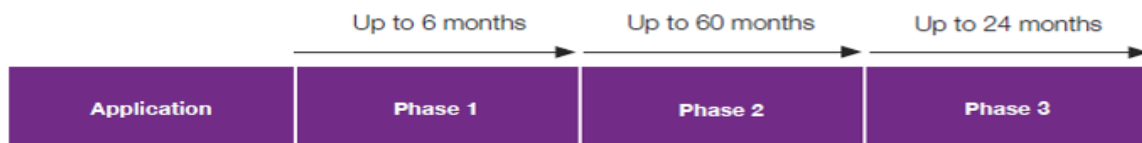
Dear Industry Colleagues,

### Net Zero Teesside ExCS Informal Notice (including exit Substitution & Baseline Revision)

National Gas Transmission plc (“National Gas”) received a Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 20<sup>th</sup> May 2024. The application achieved competency<sup>1</sup> on 27<sup>th</sup> June 2024. The application requested firm **Enduring Annual NTS exit (Flat) Capacity**<sup>2</sup> in excess of the prevailing baseline capacity level at the Net Zero Teesside exit point. The application requested:

- 33,040,080 kWh/d from 1<sup>st</sup> August 2027

The PARCA application triggered Phase 1 of the PARCA process on 1<sup>st</sup> July 2024.



As part of Phase 1 works, National Gas Transmission 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 1<sup>st</sup> July 2021. This identified that the capacity request could be met by;

- Substitution from Enron Billingham DC (Disconnected), and Phillips Teesside Petroleum DC (disconnected) exit points, to reserve 33,040,080 kWh/day at Net Zero Teesside, from 1<sup>st</sup> August 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.

<sup>1</sup> As per Uniform Network Code, Transportation Principal Document, Section B – System Use and Capacity, para. 1.15.4.  
<sup>2</sup> 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 August 2027.*

As part of the Phase 1 works, National Gas Transmission completed network analysis to assess what impact the capacity had on the existing network.

In accordance with the Gas Transporter Licence<sup>3</sup>, substitution<sup>4</sup> 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 Net Zero Teesside NTS Exit point.

National Gas Transmission therefore proposes that from 1<sup>st</sup> August 2027:

- **NTS Exit (Flat) Capacity** requested at Net Zero Teesside exit point is met by substituting **Non-incremental Obligated Exit Capacity** from Enron Billingham DC (disconnected), and Phillips Petroleum Teesside DC (disconnected) exit points. (See table below).

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

<b>Recipient NTS Point</b>	<b>Donor NTS Exit Points</b>	<b>Capacity Donated (kWh/d)</b>	<b>Capacity Received (kWh/d)</b>	<b>Exchange Rate (Donor : Recipient)</b>	<b>Total Exchange Rate (Donor : Recipient)</b>
Net Zero Teesside	Phillips Petroleum Teesside (disconnected)	3,690,000	3,690,000	1:1	1.1286
	Enron Billingham (disconnected)	33,600,000	29,350,080	1.1448	

<sup>3</sup> Special Condition 9.13 (formerly 5G paragraph 6).

<sup>4</sup> As per Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") effective from 1<sup>st</sup> July 2021 and pursuant to Special Condition 9.17.

**Baseline Modification Proposal:**

<i>NTS Point</i>	<i>Type</i>	<i>Recipient / Donor</i>	<i>Current Baseline (at 1<sup>st</sup> August 2027 (kWh/d))</i>	<i>Proposed Baseline (kWh/d)</i>	<i>Remaining unsold capacity (kWh/d)</i>
Net Zero Teesside	DC	Recipient	0	33,040,080	0
Phillips Petroleum Teesside (disconnected)	DC	Donor	3,690,000	0	0
Enron Billingham (disconnected)	DC	Donor	114,850,000	81,250,000	81,250,000

Appendix 1 provides additional information regarding the proposal to demonstrate that National Gas Transmission 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 07800 738527.

Yours sincerely,

**Peter Crook**

Gas Network Capability Manager

System Capability & Risk

National Gas Transmission