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13th January 2025

Our Ref: 2024 – H2 Teesside - ExCS

Dear Industry Colleagues,

H2 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 26th July 2024. The application achieved competency¹ on 30th July 2024. The application requested firm **Enduring Annual NTS exit (Flat) Capacity**² in excess of the prevailing baseline capacity level at the H2 Teesside exit point. The application requested:

- 17,518,248 kWh/d from 1st January 2028 and a further
- 17,518,248 kWh/d from 1st October 2030

The PARCA application triggered Phase 1 of the PARCA process on 1st October 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 1st July 2021. This identified that the capacity request could be met by;

- Substitution from Enron Billingham DC (Disconnected) exit point, to reserve 17,518,248 kWh/day at H2 Teesside from 1st January 2028, and a further 17,518,248 kWh/d from 1st October 2030.

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..

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 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 H2 Teesside NTS Exit point.

National Gas Transmission proposes that from 1st January 2028:

- **NTS Exit (Flat) Capacity** requested at H2 Teesside exit point is met by substituting **Non-incremental Obligated Exit Capacity** from Enron Billingham DC (disconnected exit point. (See table below).

National Gas Transmission proposes that from 1st October 2030

- **NTS Exit (Flat) Capacity** requested at H2 Teesside exit point is met by substituting **Non-incremental Obligated Exit Capacity** from Enron Billingham DC (disconnected exit point. (See table below).

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

From 1st January 2028

Recipient NTS Point	Donor NTS Exit Points	Capacity Donated (kWh/d)	Capacity Received (kWh/d)	Exchange Rate (Donor : Recipient)
H2 Teesside	Enron Billingham (disconnected)	20,100,000	17,518,248	1.1474:1

³ Special Condition 9.13 (formerly 5G paragraph 6).

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

From 1st October 2030

<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>
H2 Teesside	Enron Billingham (disconnected)	20,000,000	17,518,248	1.1417:1

Baseline Modification Proposal:

From 1st January 2028

<i>NTS Point</i>	<i>Type</i>	<i>Recipient / Donor</i>	<i>Current Baseline (at 1st January 2028 (kWh/d)</i>	<i>Proposed Baseline (kWh/d)</i>	<i>Remaining unsold capacity (kWh/d)</i>
H2 Teesside	DC	Recipient	0	17,518,248	0
Enron Billingham (disconnected)	DC	Donor	114,850,000	61,150,000 ⁵	61,150,000 ⁶

From 1st October 2030

<i>NTS Point</i>	<i>Type</i>	<i>Recipient / Donor</i>	<i>Current Baseline (at 1st October 2030 (kWh/d)</i>	<i>Proposed Baseline (kWh/d)</i>	<i>Remaining unsold capacity (kWh/d)</i>
H2 Teesside	DC	Recipient	0	35,036,496 ⁷	0
Enron Billingham (disconnected)	DC	Donor	114,850,000	41,150,000 ⁸	41,150,000 ⁹

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.

⁵ 33,600,000 kWh/d proposed for Net Zero Teesside from 1st August 2027. (Separate PARCA. See Net Zero Teesside ExCS)

⁶ 33,600,000 kWh/d proposed for Net Zero Teesside from 1st August 2027. (Separate PARCA. See Net Zero Teesside ExCS)

⁷ Includes the 17,518,248 kWh/d proposed from 1st January 2028.

⁸ 33,600,000 kWh/d proposed for Net Zero Teesside from 1st August 2027 (Separate PARCA. See Net Zero Teesside ExCS), and 20,100,000 proposed for H2 Teesside from 1st January 2028.

⁹ 33,600,000 kWh/d proposed for Net Zero Teesside from 1st August 2027 (Separate PARCA. See Net Zero Teesside ExCS), and 20,100,000 proposed for H2 Teesside from 1st January 2028.

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