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29th May 2018

Our Ref: 2018 – Hirwaun Power Station- ExCS

Dear Industry Colleagues,

Hirwaun 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 18th October 2017. This PARCA Application has been received during the PARCA Exit Window triggered on 2nd October, 2017 and closed on 24th November, 2017. Payment of the application fee was not received until Monday, 27th November which meant the application was not considered along with those received during the PARCA Exit Window. The application requested firm Enduring Annual NTS exit (Flat) Capacity² in excess of the prevailing baseline capacity level at the Hirwaun NTS Exit Point. The application requested up to:

- 28,380,000 kWh/d from 1st October 2020

The PARCA application triggered Phase 1 of the PARCA process on 27th November 2017.



As part of Phase 1 works, National Grid completed network analysis to identify the most appropriate and robust solution to accommodate the capacity being requested. The Phase 1 process identified that the capacity request could be met by;

- Substitution of unsold exit capacity from Dowlais GDN (WS) and Tonna (Baglan Bay) DC exit points from 1st October 2020.

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 from October 2020

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)

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 Special Condition 5G (formerly paragraph 3(c) (i) of Special Condition C8E).

⁴ During October 2015, the Authority approved the Exit Capacity Substitution and Revision Methodology Statement (the “Methodology”) pursuant to Special Condition 9A.

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Registered in England and Wales, No 2006000

Capacity requirements in excess of the prevailing baseline NTS Capacity at the Hirwaun NTS Exit Point in full.

National Grid therefore proposes that from:

- **From 1st October 2020** the additional Baseline NTS Capacity identified at the Hirwaun exit point can be met by substituting unsold NTS Baseline Capacity from Dowlais GDN (WS) and Tonna (Baglan Bay) DC exit points from 1st October 2020.

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 (Donor : Recipient)</i>
Hirwaun	Dowlais OT	14,608,249	13,518,646	1.0806:1	1.1166 : 1
	Tonna (Baglan Bay)	17,081,640	14,861,354	1.1494:1	

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>
Hirwaun	DC	Recipient	0	28,380,000	0
Dowlais OT	DN	Donor	105,977,456	91,369,207	0
Tonna (Baglan Bay)	DC	Donor	48,650,000	26,750,000	4,818,360

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

Yours sincerely,

Craig Dyke

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