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15th April 2019

Our Ref: 2018 – Hirwaun- ExCS

Dear Industry Colleagues,

Hirwaun ExCS Informal Notice (including exit Substitution & Baseline Revision) dated 29th May 2018 – Revised.

This is a revision to the Informal Notice dated 29th May 2018, and supersedes that document.

National Grid Gas plc (“National Grid”) received a Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 18th October 2017. The application was received during the PARCA Exit Window triggered on 2nd October 2017, and that closed on 24th November 2017. Further PARCA applications were received during this window but were not local to Hirwaun. Competency was achieved on 27th November 2017 when the application payment fee was received. The application requested firm Enduring Annual NTS exit (Flat) Capacity¹ in excess of the prevailing baseline capacity level at a new exit point at Hirwaun exit point. The application requested up to:

- 25,800,000 kWh/d from 1st October 2021

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 DN (WS) and Tonna (Baglan Bay) DC exit points, from 1st October 2021

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 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 October 2021

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 Licence², substitution³ of **Non-incremental Obligated Capacity** has been assessed and identified as being able to meet the Firm Enduring Annual NTS (Flat) Capacity requirements in excess of the prevailing baseline NTS Capacity at the Hirwaun exit point in full.

National Grid therefore proposes that from 1st October 2021:

- Additional Baseline NTS Capacity identified at the Hirwaun exit point is met by substituting unsold NTS Baseline Capacity from Dowlais DN (WS) and Tonna (Baglan Bay) DC exit points (See table below).

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	1.1086:1	1.1133:1
	Tonna (Baglan Bay)	14,115,000	12,281,354	1.1493:1	

² Special Condition 5G (formerly paragraph 3(c) (i) of Special Condition C8E).

³ During October 2015, the Authority approved the Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") pursuant to Special Condition 9A.

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	25,800,000	0
Dowlais OT	DN	Donor	105,977,456	91,369,207	0
Tonna (Baglan Bay)	DC	Donor	48,650,000	34,535,000	7,785,000

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,

Paul Sullivan

Future Networks Manager

Gas Operations

System Operator

National Grid