

Gas Shippers, Gas Transporters, Developers  
and other interested parties

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Dear Colleague

## **March 2015 QSEC Auction – a request for information on any additional projects**

I am writing to you to request any information you may have on potential new or incremental NTS entry capacity requirements in relation to the Quarterly System Entry Capacity (QSEC) auction that is due to be held in March 2015.

Over the last 2 years National Grid has been engaging with you regarding the challenges presented by the Planning Act 2008 in relation to our construction activities. The new framework under the Act affects our ability to deliver incremental capacity within the typical timescales set down as part of the QSEC auction.

As part of this process we have, been developing options with you to align capacity and connection timescales to ensure we have a process for connection and incremental network entry capacity delivery that best meets our customers' needs. To progress this we set up an industry workgroup to develop changes to introduce a more transparent, flexible and customer friendly process for capacity and connections, and this has led to the submission of two Uniform Network Code (UNC) proposals to introduce Planning & Advanced Reservation of Capacity Agreements (PARCAs). The two proposals vary only in the calculation of the credit required to be put in place by a PARCA applicant.

The PARCA solution could be implemented in time for, and be applicable to, the March 2015 QSEC auction (subject to Ofgem approval) and this letter is part of the work we are undertaking to manage any transitional issues. Under the proposed PARCA arrangements, incremental capacity requiring reinforcement works or commercial alternatives would only be made available to parties that had entered into a PARCA when all the relevant planning pre-works had been completed. Non incremental capacity will continue to be made available through the QSEC without a PARCA either directly at the Aggregated System Entry Point (ASEP) or via capacity substitution from another ASEP.

We have already collated extensive information from you and the industry as a whole, as part of our routine customer liaison and our Future Energy Scenarios consultation process. This letter is requesting that you provide any additional information you may have on potential new or incremental network entry capacity requirements that you anticipate bidding to secure in the 2015 QSEC auction.

For those parties with whom we have already had initial discussions regarding potential capacity requirements, we will contact you again prior to the QSEC. Once again, I would like to re-iterate that this request is aimed to augment our existing processes and improve our service to you.

I would like to thank you in advance for the time taken to consider this letter and, if necessary, to respond by 12th November 2014 to [eddie.blackburn@nationalgrid.com](mailto:eddie.blackburn@nationalgrid.com)

Or by post,  
Eddie Blackburn  
National Grid House  
Transmission Network Service – Network Strategy  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

If you have any questions or wish to discuss then please do not hesitate to contact me or Eddie Blackburn on 01926 656022 ([eddie.blackburn@nationalgrid.com](mailto:eddie.blackburn@nationalgrid.com)).

Yours sincerely

Craig Dyke

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