

NTSCMF

Forecasted Contract Capacity (FCC) Methodology Review for Gas Year 2022/23

01 February 2022

(Updated slide (6) for GDN approach)

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Currently amendments to FCC Methodology for 2022/23 Gas Year – discussed at Jan NTSCMF

Proposed:

• Exit FCC to be amended from Annually calculated to Monthly calculated

Still to discussed and decide approach:

• GDNs discussion on whether use the 1 in 20 peak in January 2022

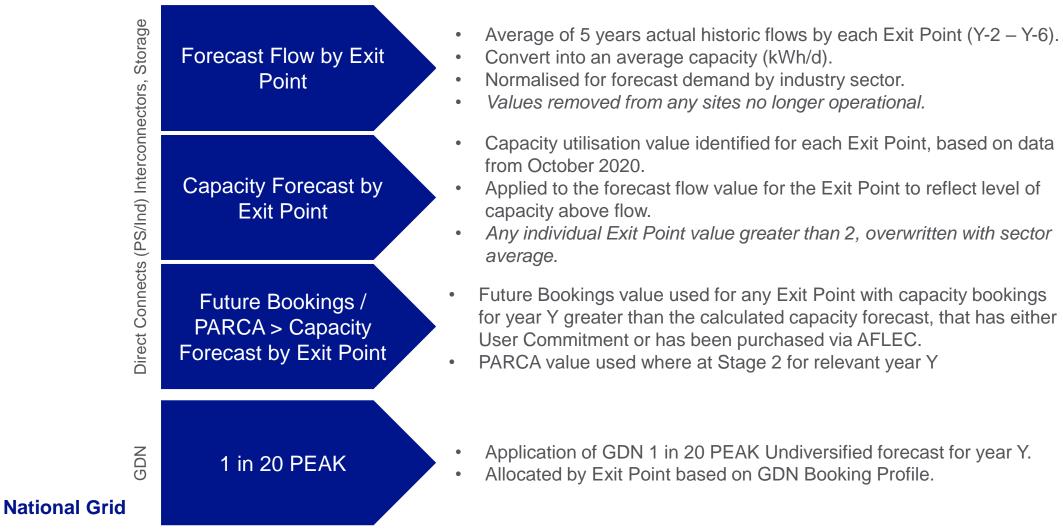
Current - Entry FCC Methodology – discussed at Jan NTSCMF

Calculated Monthly – By Entry Point Beach, Onshore, Biomethane, LNG Average of 5 years historic flow data by each Entry Point for each month (Y-2 – Y-6). Forecast Flow by Entry Convert into an average capacity (kWh/d) for each month. Point Normalised for each month based on monthly forecast demand. Values removed from any sites no longer operational. . Capacity utilisation average value calculated for each Sector / Entry Point Type and applied to relevant Entry Points for each month. (Calculated only for Entry Points where no excess of Existing Contract Capacity Forecast by Capacity). Entry Point Total Average applied to Entry Points where no sites without Existing Storage, Interconnectors, Contracts. Future Bookings value used for any Entry Point with capacity bookings . Future Bookings / for year Y greater than the calculated capacity forecast (includes PARCA > Capacity Existing Contract Capacity). Forecast by Entry Point PARCA value used where at Stage 2 for relevant year Y

Totalled across all Entry Points to calculate a kWh/d FCC

Current – Exit FCC Methodology – discussed at Jan NTSCMF

Calculated Annually – By Exit Point



Totalled across all Exit Points to calculate a kWh/d FCC

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Proposed – Exit FCC Methodology – discussed at Jan NTSCMF

Calculated Monthly Annually - By Exit Point

Storage

Direct Connects (PS/Ind) Interconnectors,

GDN

National Grid

Average of 5 years actual historic flows by each Exit Point for each month (Y-2 - Y-6). Forecast Flow by Exit Convert into an average capacity (kWh/d). ٠ Point Normalised for forecast demand by industry sector. Values removed from any sites no longer operational. Capacity utilisation value identified for each Exit Point for each month, based on data from October 2020. Capacity Forecast by Applied to the forecast flow value for the Exit Point to reflect level of **Exit Point** capacity above flow. Any individual Exit Point value greater than 2, overwritten with sector average. Future Bookings value used for any Exit Point with capacity bookings ٠ Future Bookings / for year Y greater than the calculated capacity forecast, that has either PARCA > Capacity User Commitment or has been purchased via AFLEC. Forecast by Exit Point PARCA value used where at Stage 2 for relevant year Y • Application of GDN 1 in 20 PEAK Undiversified forecast for year Y. 1 in 20 PEAK

Allocated by Exit Point based on GDN Booking Profile.

Totalled across all Exit Points to calculate a kWh/d FCC

GDN Proposal – Updated slide

Propose to use the latest published Long Term Development Statement (LTDS) which are available on the GDN's website instead of the latest published FES forecast for the GDN 1 in 20 peak gas demand data.

The LTDS are produced at each LDZ by the GDN's and National Grid NTS will use the capacity bookings at each Exit point within the LDZ for the previous Gas Year to pro rate the total LDZ value to the Exit Point for future Gas Year(s), which is the same process used for the FES forecast proration.

The LTDS values are more closely aligned to the capacity bookings made by the GDN's so would propose this change as this would make the FCC at GDN's more accurate.

FCC Methodology Review Timeline

Task	Date
NTSCMF discussions	11 January, 01 February and 01 March 2022
FCC Methodology Consultation	03 March 2022 – 24 March 2022
Publication of the FCC Methodology	31 March 2022
FCC Methodology used for charge setting	May 2022



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General Questions

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