

## **Transfer and Trade Methodology Statement**

### **Supplementary Information**

#### **Background**

At the Transmission Workstream meeting on the 2 August 2007, National Grid NTS presented the Transfer and Trade Methodology Statement. The Statement had been issued for consultation on the 30 July and the consultation closes on the 28 August. At the meeting attendees were asked whether they would like any supporting data in order to assess the merits of the Methodology Statement. The only request, received after the meeting, related to information for the Easington Zone. National Grid NTS has therefore provided indicative data below for the Easington Zone, in addition we have provided indicative information for the Northern Triangle and an inter zone exchange rate between the South East and Easington zone.

**The information provided is only indicative** as each trade and transfer has an impact on subsequent trades and transfers. Therefore until National Grid NTS has confirmation of all recipient ASEPs the indicative figures cannot be finalised.

#### **Easington Zone**

The Zonal Allocation Maximum (ZAM) for the Easington Zone, broadly applicable to the months Nov 07-Mar 08, would be 99.5 mcm/day. This number has been derived by analysing the Easington ASEP. This compares with aggregate baselines in the Easington Zone of 153 mcm/day. In deriving the ZAM the key criteria in the assessment are to ensure that any trade or transfer reflects the physical capability of the network and does not lead to a material increase in costs. Additionally all within zone transfers are undertaken at a 1:1 exchange rate. Based on these criteria, the principal reasons why the ZAM is much lower than the aggregate baselines is because:

- there is a local constraint at the Easington ASEP
- the other ASEPs within the Easington Zone have different flow patterns to the Easington ASEP
- the cross-zone interaction with a potentially higher Teesside obligated level (through the trades and transfer process)

The applicable merit order utilised was:

1. Easington
2. Hatfield Moor
3. Hornsea
4. Garton

#### **Northern Triangle**

The Zonal Allocation Maximum (ZAM) for the Northern Triangle, broadly applicable to the months Nov 07-Mar 08, would be 216.5 mcm/day. This number has been derived by analysing the Teesside ASEP. This compares with aggregate baselines in the Northern Triangle of 219 mcm/day. Therefore this means that trades and transfers

can largely be undertaken at a 1:1 rate up to the existing baselines. The reason why the ZAM is not 219 mcm/day is due to the cross zone interaction of a potentially higher Easington obligated level.

The applicable merit order utilised was:

1. Teesside
2. St. Fergus
3. Barrow
4. Glenmavis

### **South East Zone to Easington Zone**

The exchange rate applicable for moving capacity from the South East Zone to the Easington Zone, broadly applicable to the months Nov 07-Mar 08, would be:

- 2.46:1 for the first 16 mcm/day
- No further exchange rate for the remaining available capacity

i.e. moving 16 units from the South East would deliver 6.5 mcm/day to the Easington zone.

The applicable merit order utilised for the South East zone was:

1. Isle of Grain
2. Bacton