Energy UK

Transmission Issues Meeting

19 December 2012

www.energy-uk.org.uk
t @energyukcomms

Action from 9 November meeting – to consider pros and cons of PARCA triggered processes

▶ **PARCA window is opened after a PARCA is signed – allows interested parties in vicinity to declare interest in also entering into a PARCA for capacity**

▶ **PARCA triggered ad-hoc processes at entry and exit including surrender allows for booking of unsold baseline or surrender of existing booked capacity in vicinity of the PARCA**

PARCA Window - 1

▶ **Benefits**
  ▶ **NG may be able to bundle together applications and progress one Development Consent Order application where reinforcement is required**
  ▶ **Developer may face lower costs if shared with other developers – but do not know yet cost targetting vs socialisation**

▶ **Risks**
  ▶ **To NG and developers – additional complexity – communication and co-ordination with multiple parties**
  ▶ **Potential for extended re-application timescales**
  ▶ **What happens if one party delayed or drops out part-way through?**

PARCA Window - 2

▶ **Issues**
  ▶ **Is this necessary at all?**
  ▶ **What happens if 1st application could be met by substitution but second leads to need for reinforcement**
  ▶ **What happens if project in vicinity comes along for a PARCA 2/3 years into preparation for DCO application**
  ▶ **How are simultaneous applications for capacity in different timescales handled?**
  ▶ **What does Planning Inspectorate expect with respect to linked applications ?**

PARCA triggered ad-hoc processes

▶ **Benefits**

  ▶ **Parties relying on off-peak capacity can book unsold baseline capacity and avoid baseline being substituted away – reduces risks for these parties**

  ▶ **Outcome enables NG to better define quantity for DCO application**

▶ **Risks**

  ▶ **Extends timescales**

  ▶ **Complexity**

  ▶ **Potential for flight from firm**

▶ **Issues**

  ▶ **Is this needed at both entry and exit ?**

  ▶ **Is the same approach needed at both entry and exit ?**

  ▶ **Does this replace the retainer process at entry?**

  ▶ **Or is a retainer at exit an alternative?**