

Gas  
Transmission

**NTSCMF**

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

**11 January 2022**

**nationalgrid**



# December NTSCMF actions

## The following was asked at the last NTSCMF meeting:

- 02/12 – FCC Methodology: National Grid to consider if the Exit graph, (FCC Original (2020/21) v Revised Methodology (2021/22): Gas Year Oct 20 – Sep 21 - EXIT), has been impacted by Covid.
- 03/12 – FCC Methodology: National Grid to consider if the graphs can be presented in a lower granularity, such as DN's vs Power Stations.

## Based on the discussions at the last NTSCMF we have also provided:

- Comparison of the 2021/22 Gas Year if the Exit FCC was annually created compared to monthly

# 02/12 – Flow and Covid impacts

Relatively stable over the previous years.

- The difference between the actual flow for previous 3 years is less than 1% each gas year.

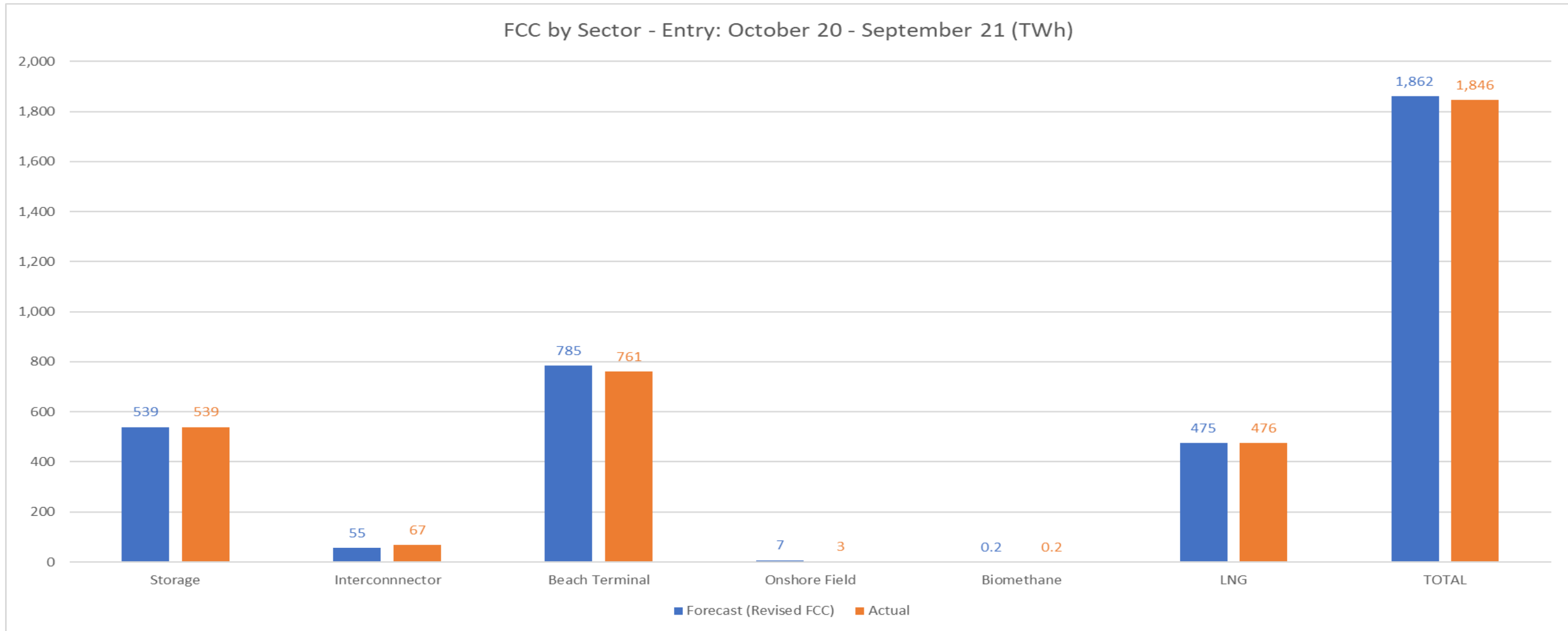
Using this as a forecast within the FCC, we do not think a Covid related adjustment will need to be accommodated into the FCC Methodology for the next Gas Year.

## **03/12 – Graphs presented in a lower level of granularity**

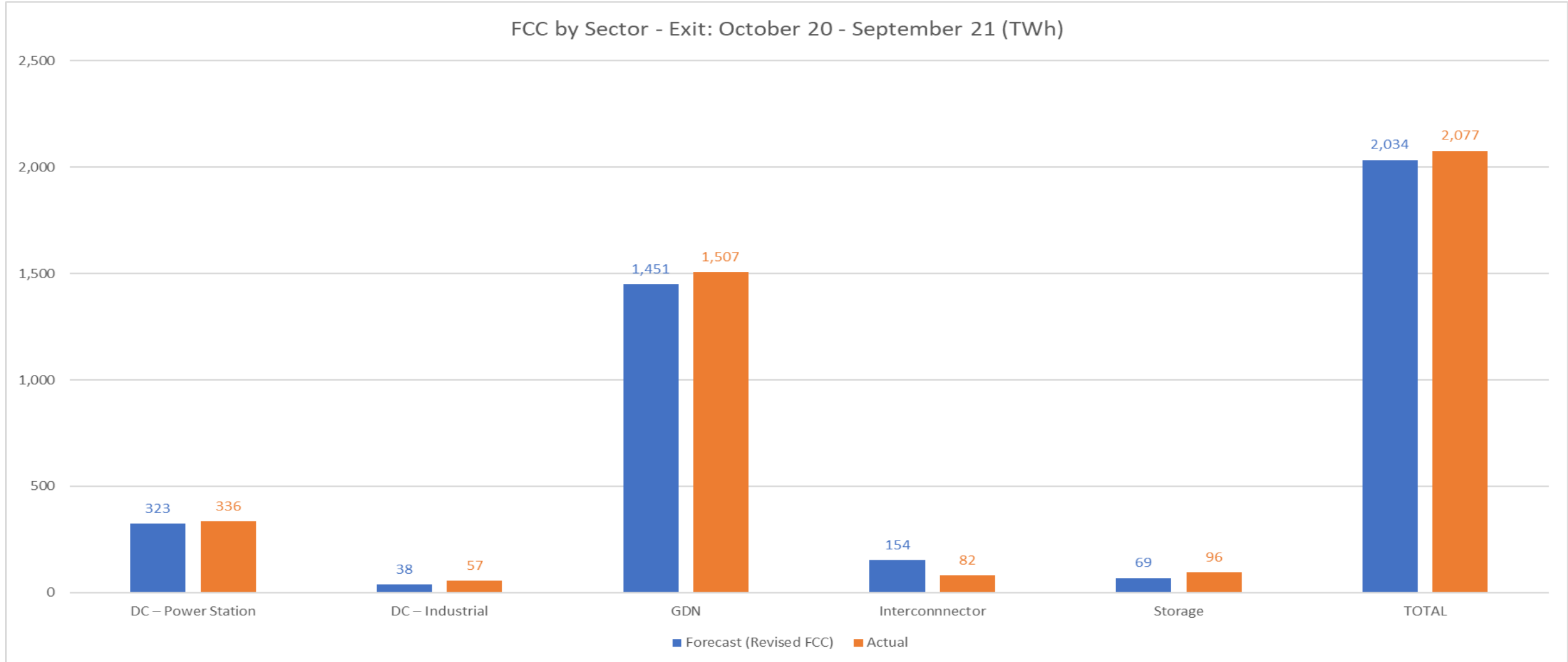
**Using the same graph structure displaying Entry and Exit separately, based on what we previously showed at NTSCMF in December 2021, the following slides show the graphs to a lower level of granularity:**

- Compared actuals for Gas Year 2020/21 to FCC Methodology used for Gas Year 2021/22 applied retrospectively to Gas Year 2020/21**
- Compared the actuals for the proportion of Gas Year 2021/22 that we currently have available to FCC Methodology used for Gas Year 2021/22.**

# 03/12 – Sector specific differences in Entry using Revised FCC Methodology (2021/22) vs actuals: Oct 20 – Sept 21

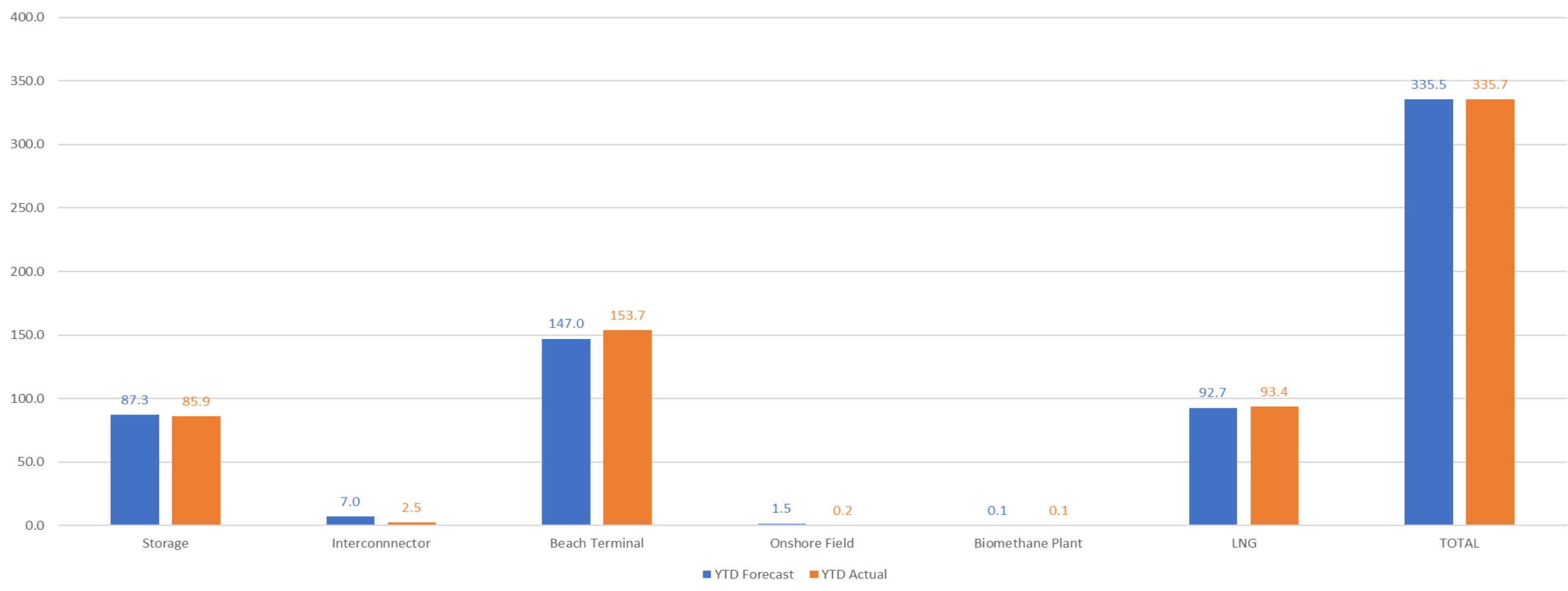


# 03/12 – Sector specific differences in Exit using Revised FCC Methodology (2021/22) vs actuals: Oct 20 – Sept 21



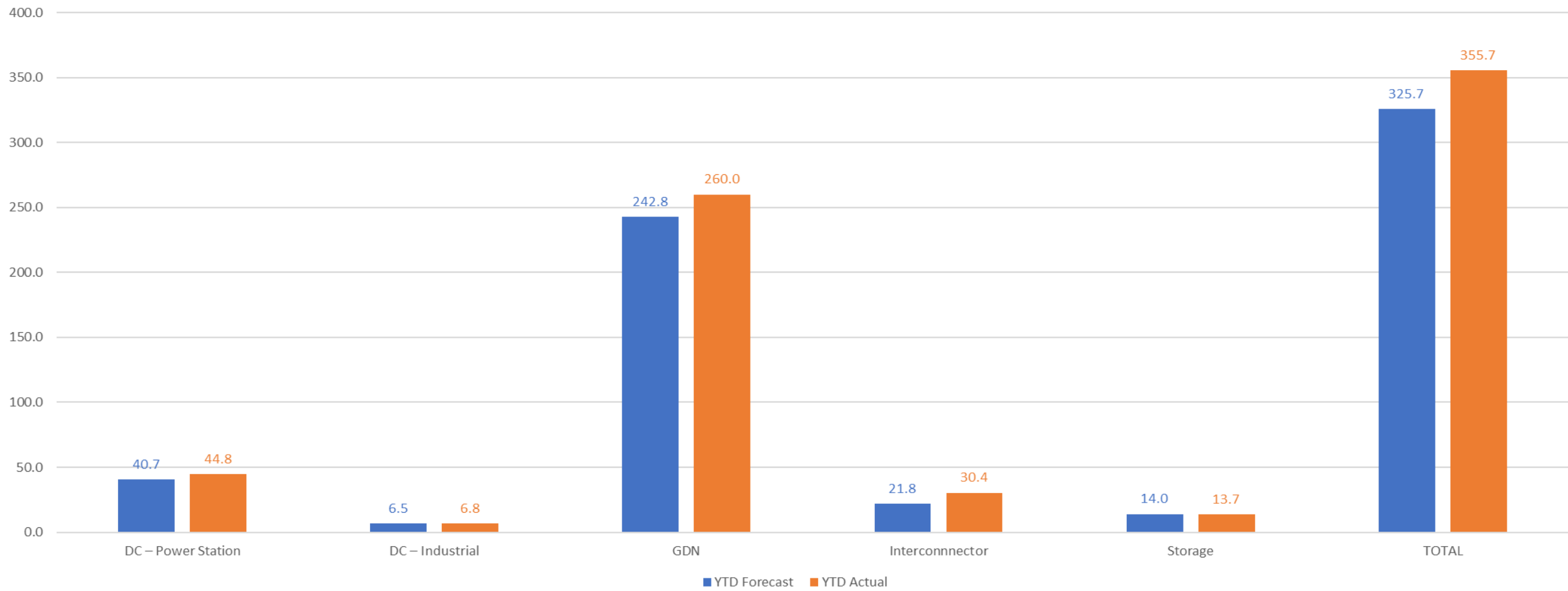
# 03/12 – Sector specific differences in Entry FCC – Oct 21 onwards

FCC by Sector - Entry: YTD: October 21 - November 21 (TWh)



# 03/12 – Sector specific differences in Exit FCC – Oct 21 onwards

FCC by Sector - Exit: YTD: October 21 - November 21 (TWh)



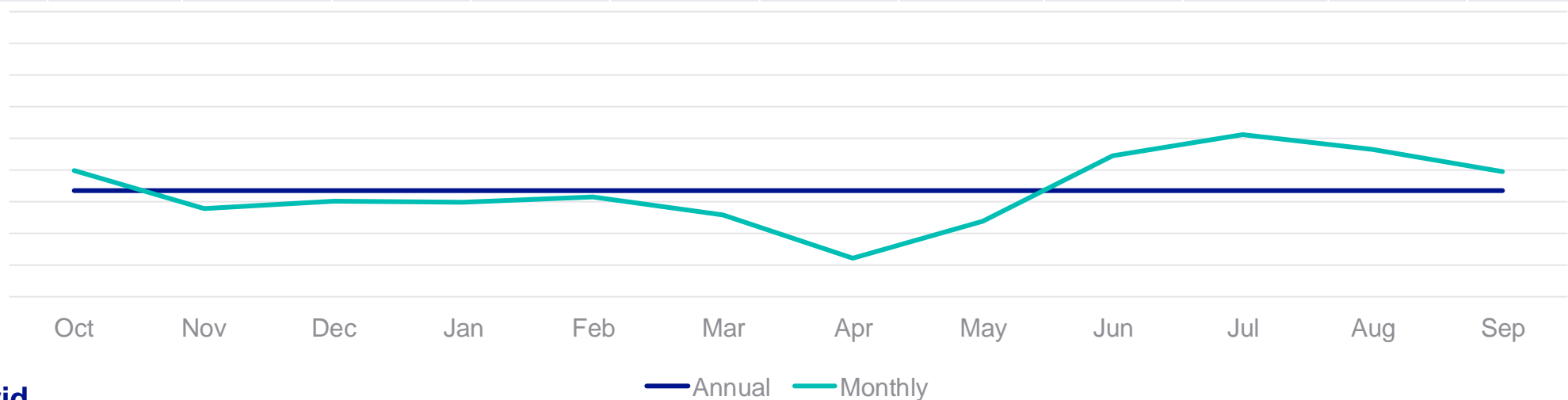


# Exit FCC comparison if calculated Annually compared to Monthly

The Exit FCC methodology currently calculates the Exit FCC at an annual level. It is proposed that this be changed to a monthly calculation, as this level of granularity is required to support the charge setting processes for FRY and RPT, and is consistent with the current Entry FCC calculations.

GY21-22	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Annual (kWh/d)	-	-	-	-	-	-	-	-	-	-	-	-	5,336,311,323
Monthly (kWh/d)	5,399,863,299	5,278,211,317	5,302,118,055	5,297,265,090	5,315,021,887	5,257,791,188	5,123,948,313	5,240,245,735	5,444,827,816	5,513,159,516	5,463,675,034	5,396,108,106	5,336,468,862

Difference	157,539	0.003%
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# **Currently amendments to FCC Methodology for 2022/23 Gas Year**

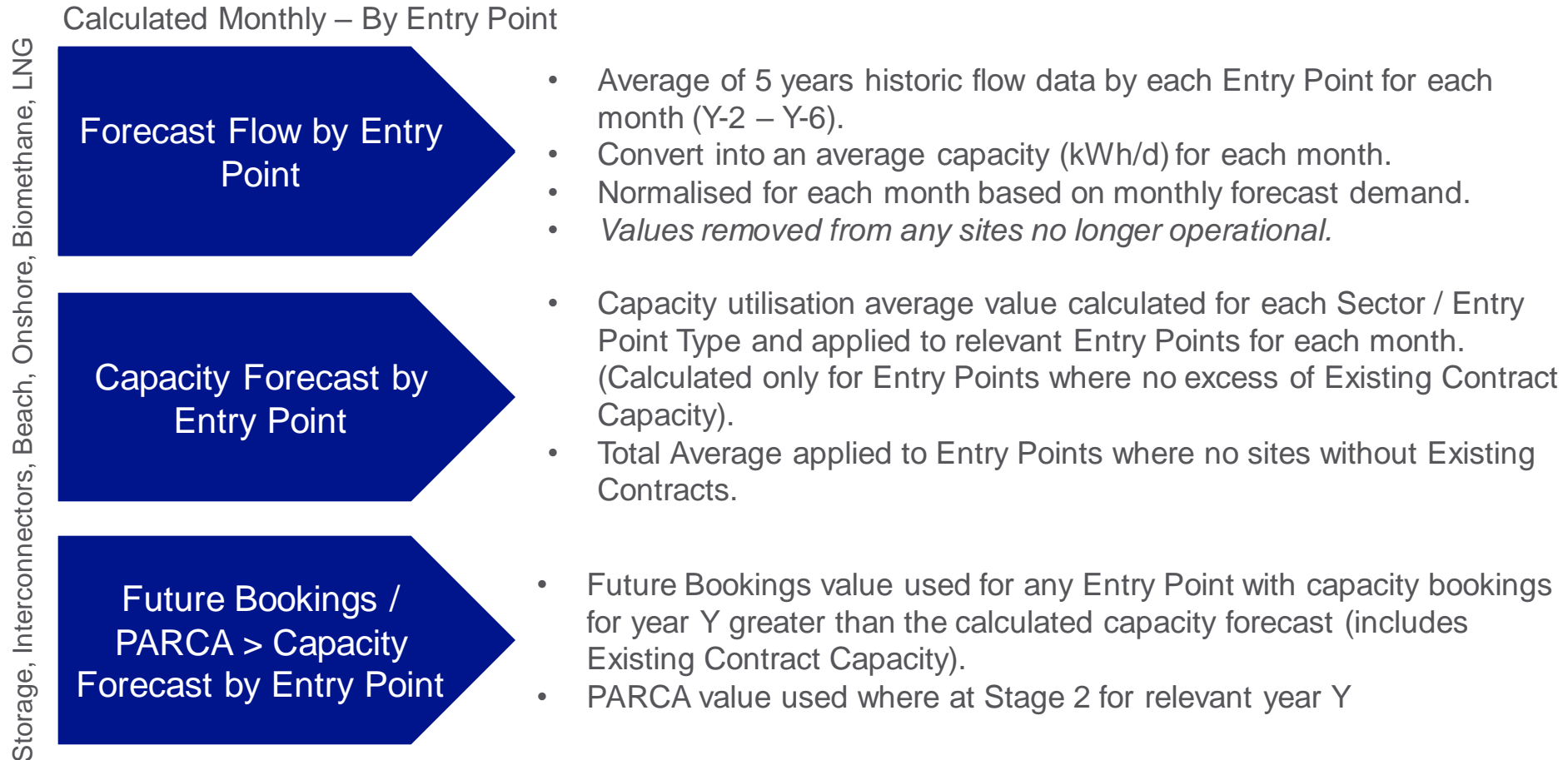
## **Proposed:**

- **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



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

# Current – Exit FCC Methodology

Calculated Annually – By Exit Point

Direct Connects (PS/Ind) Interconnectors, Storage

Forecast Flow by Exit Point

- Average of 5 years actual historic flows by each Exit Point (Y-2 – Y-6).
- Convert into an average capacity (kWh/d).
- Normalised for forecast demand by industry sector.
- *Values removed from any sites no longer operational.*

Capacity Forecast by Exit Point

- Capacity utilisation value identified for each Exit Point, based on data from October 2020.
- Applied to the forecast flow value for the Exit Point to reflect level of capacity above flow.
- *Any individual Exit Point value greater than 2, overwritten with sector average.*

Future Bookings / PARCA > Capacity Forecast by Exit Point

- Future Bookings value used for any Exit Point with capacity bookings for year Y greater than the calculated capacity forecast, that has either User Commitment or has been purchased via AFLEC.
- PARCA value used where at Stage 2 for relevant year Y

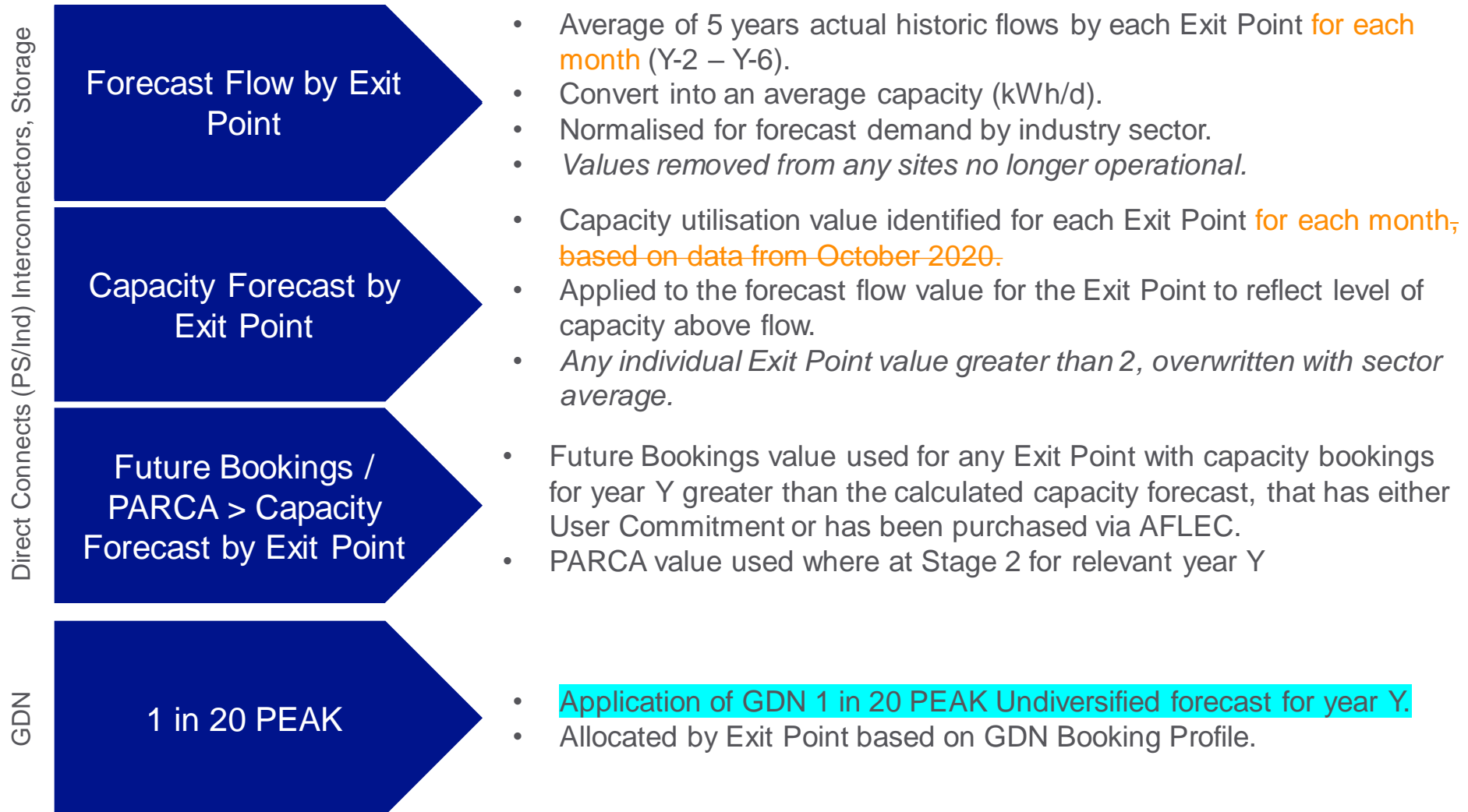
GDN

1 in 20 PEAK

- Application of GDN 1 in 20 PEAK Undiversified forecast for year Y.
- Allocated by Exit Point based on GDN Booking Profile.

# Proposed – Exit FCC Methodology

Calculated **Monthly Annually** – By Exit Point



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

# FCC Methodology Review Timeline

<b>Task</b>	<b>Date</b>
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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