

How much NTS capacity can be made available at a combined Bacton IP Exit point?



UNC transmission working group
29 November 2021

Bacton Exit IP arrangements – Available capacity in a competing auction

INT notes

- (i) Ofgem's decision of 15th October 2021 to **merge the Bacton (BBL) Exit IP and the Bacton (IUK) Exit IP and share the NTS baseline capacity** currently allocated to the NTS Bacton (IUK) Exit point; and
- (ii) NGG's UNC modification 785 "*Application of UNC processes to an Aggregated Bacton (exit)*" seeking to introduce competing auctions for the shared baseline capacity

An aggregated Bacton Exit IP will have a technical mismatch of capacity of 168GWh/d

(651.68 GWh/d NTS Bacton capacity compared to 820 GWh/d Bacton Interconnectors GB exit)

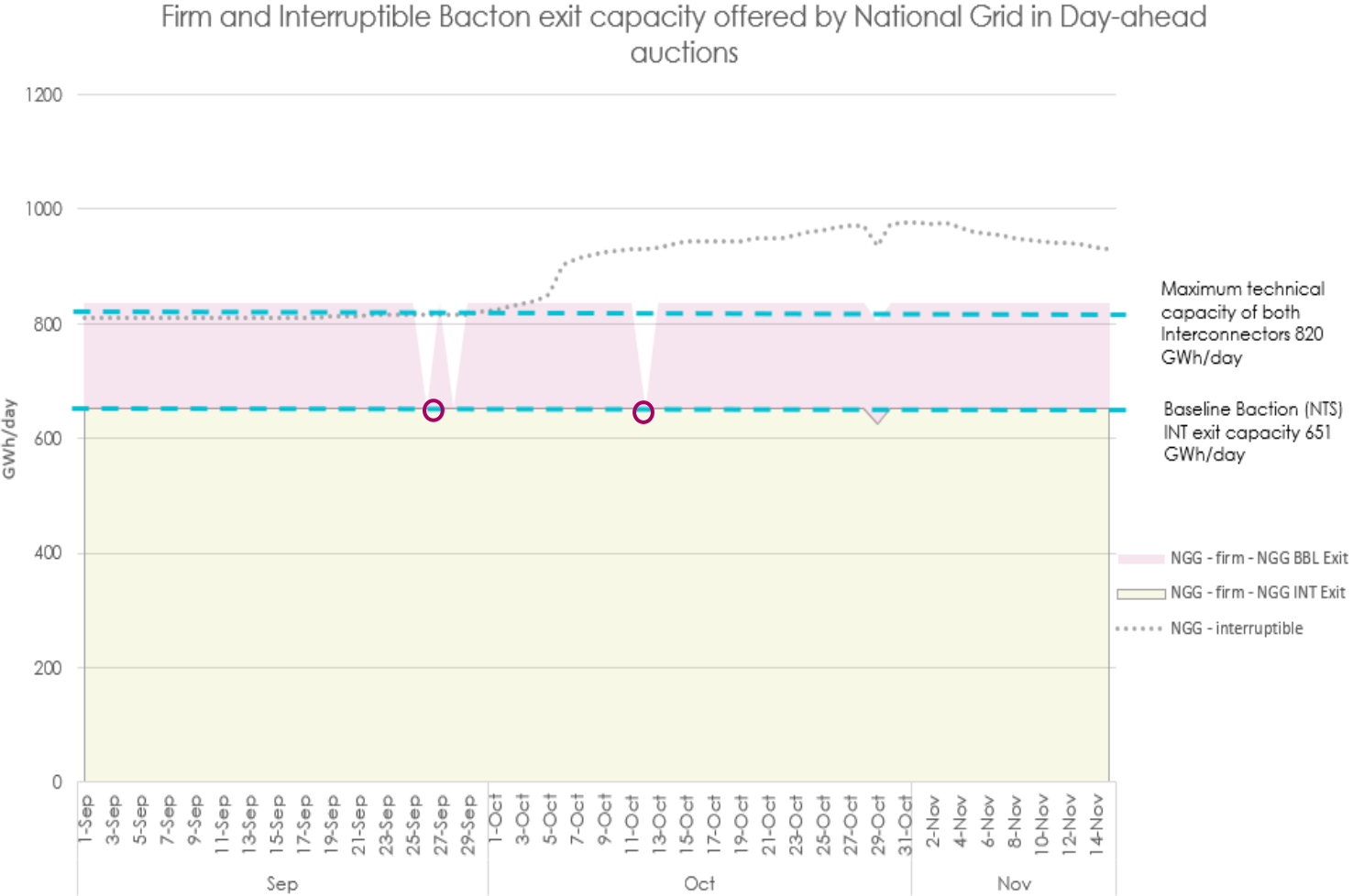
- Risk of physical congestion and higher GB export costs (auction premium) at times of high export demand.

Recent high GB exports above baseline via both interconnectors demonstrates extra capacity and physical flows can be accommodated on the NTS.

→ Request to NG to (i) re-evaluate baseline, (ii) dynamically calculate available capacity (iii) provide more transparency on network capability, in order to avoid unnecessary congestion, cost to market for NTS Shippers, and business impact on adjacent TSOs & their clients



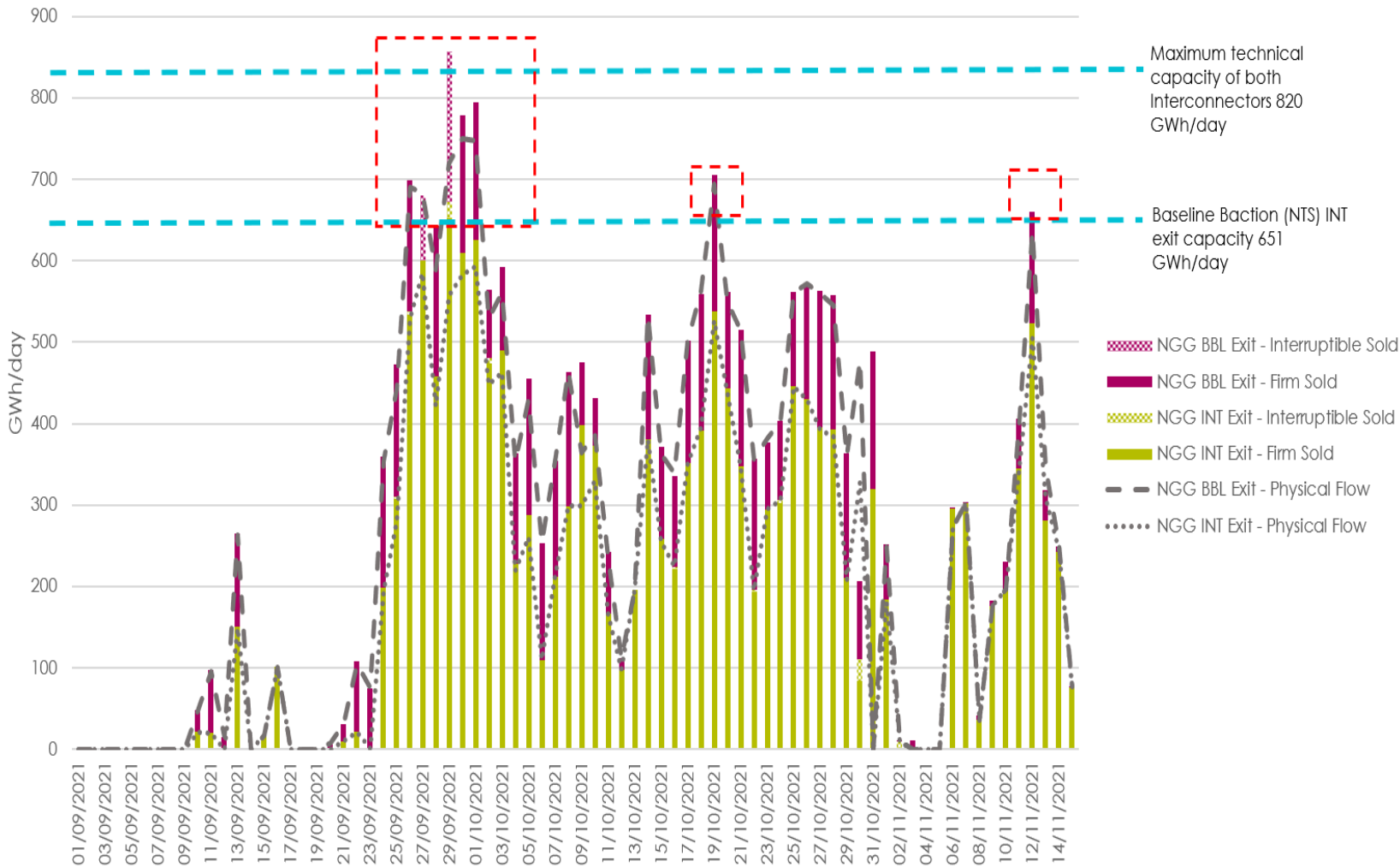
NGG has consistently offered firm capacity well above >651.68 GWh/day during recent high export period



- The yellow and pink areas together constitute the technical capacity of INT and BBL (820 GWh/d) and **NGG is consistently offering all of this volume as firm exit capacity during period 1 Sept – 15 Nov**
- Only 3 days when firm capacity was offered at 651.68 GWh/d

Source: INT based on data from <https://www.prisma-capacity.eu>

Recent high GB exports above baseline via both interconnectors demonstrate extra capacity & physical flows can be accommodated on the NTS



- Graph shows **NGG can make more capacity available than the Baseline capacity of 651.68 GWh/day**
- Over the highlighted period, **Firm capacity above the technical Baseline capacity was sold on 5 occasions with actual flows also going above this threshold on 4 days**
- If a competing auction offered baseline capacity only, less volumes of capacity would have been sold or flown. The costs to GB exporters could also have been higher (i.e. if auction premiums were necessary)
- High GB Export capacity sales and high flows **illustrate the continued market need and value in Bacton Exit capacity**
- Request to **NG to (i) re-evaluate baseline (ii) dynamically calculate available capacity (iii) provide more transparency about capability, to avoid unnecessary congestion/cost to market & business impact to adjacent TSOs' clients**

Source: INT based on data from <https://transparency.entsog.eu> and <https://www.prisma-capacity.eu>

Please note – some data points for 30th Oct and 31st October are missing from the TP platform from these sources and capacity sold/flowed was higher than indicated on these days. No Within-day auctions for NGG INT or BBL points were run.

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