

Decision

Approval of Exit Capacity Substitution at Millbrook Power Station

Publication date:	04 December 2024
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We¹ have decided to approve National Gas Transmission's (NGT) proposal for Exit Capacity Substitution and Baseline Revision at Millbrook Power Station, as proposed in the Formal Notice of 8 November 2024. The Formal Notice outlined NGT's proposal to substitute unsold NTS Non-incremental Obligated Exit Capacity from Terra Nitrogen (aka ICI Terra Severnside) disconnected DC exit point, Mappowder DN exit point, Braishfield A DN exit point, Winkfield (SO) DN exit point, and Winkfield (NT) DN exit point to Millbrook Power Station from 1 February 2025, in accordance with Special Condition 9.13 of NGT's Gas Transporter Licence.

¹ "We" and related terms are used to refer to the Gas and Electricity Markets Authority.

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Contents

Approval of Exit Capacity Substitution at Millbrook Power Station.....	1
Background.....	4
Context and related publications	4
Substitution Proposal.....	4
Decision	7

Background

Exit Capacity Substitution is the process by which unsold baseline NTS Exit Capacity from one or more NTS points (“Donor Points”) is moved to meet the demand for additional capacity at another NTS point (the “Recipient Point”).² The substitution of capacity between NTS points minimises the need for network investment to deliver additional capacity, and helps reduce transportation costs for system users.

Special Condition 9.13³ sets out that, amongst other things, we must be notified if you intend to substitute unsold capacity to meet the demand for additional capacity at an NTS exit point. We have a 28-day period from the day the Notice is received; our options are to approve the proposal, reject the proposal, or request more information.

Context and related publications

Date	Notice
1 April 2022	Informal Notice
1 April 2022	Appendix 1
26 May 2022	Capacity Reservation Notice
29 August 2024	Update Notice
8 November 2024	Formal Notice

Substitution Proposal

The Formal Notice sets out NGT’s proposal to substitute unsold NTS exit baseline capacity to Millbrook Power Station from 1 February 2025. This follows a Planning and Advanced Reservation of Capacity Agreement (PARCA) application made on 19 May 2021 containing a request for 25,800,000 kWh/d of Firm Enduring Annual NTS Exit (Flat) Capacity at

² The process is explained in the [‘Exit Capacity Substitution and Revision Methodology Statement’](#).

³ As described in NGT’s [‘Gas Transporter Licence Special Conditions’](#).

Decision – Approval of Exit Capacity Substitution at Millbrook Power Station

Millbrook Power Station exit point, which is in excess of prevailing baseline NTS Capacity at that exit point.

After undertaking network analysis and consulting relevant stakeholders by way of informal notice, NGT have concluded that the request for additional Baseline NTS Capacity can be best met by substituting capacity from Terra Nitrogen (aka ICI Terra Severnside) disconnected DC exit point, Mappowder DN exit point, Braishfield A DN exit point, Winkfield (SO) DN exit point, and Winkfield (NT) DN exit point from 1 February 2025. NGT propose to substitute the volumes of capacity as set out in the table below:

Table 1: Substitution Proposals

Recipient NTS Point	Donor NTS Point	Capacity Donated (kWh/d)	Capacity Received (kWh/d)	Exchange Rate (Donor: Recipient)	Total Exchange Rate (Donor: Recipient)
Millbrook Power Station	Terra Nitrogen (aka ICI Terra Severnside) disconnected	12,580,000	7,400,000	1.7000:1	1.0217:1
	Mappowder	6,136,337	7,700,000	0.7969:1	
	Braishfield A	4,442,256	6,700,000	0.6630:1	
	Winkfield (SO)	2,300,000	2,847,534	0.8077:1	
	Winkfield (NT)	900,000	1,152,466	0.7809:1	

The substitution proposals will be effective from 1 February 2025 and will change the capacity baselines at the Donor and Recipient points as set out in Table 2.

Table 2: Baselines at Donor and Recipient Points

NTS Point	Type	Recipient/ Donor	Current Baseline (at 1 February 2025) (kWh/d)	Proposed Baseline (kWh/d)	Remaining unsold capacity (kWh/d)
Millbrook Power Station	DC	Recipient	0	25,800,000	0
Terra Nitrogen (aka ICI Terra Severnside) disconnected	DC	Donor	12,580,000	0	0
Mappowder	DN	Donor	44,675,218	38,538,881	0
Braishfield A	DN	Donor	107,280,000	102,837,744	0
Winkfield (SO)	DN	Donor	71,863,120	69,563,120	37,010,172
Winkfield (NT)	DN	Donor	15,910,000	15,010,000	15,010,000

Decision

We have considered NGT's Notices – the Informal Notice and Appendix 1 of 1 April 2022, the Capacity Reservation Notice of 26 May 2022, the Update Notice of 29 August 2024, and the Formal Notice of 8 November 2024 and note the exit analysis NGT has undertaken. We note in particular that Appendix 1 of the Informal Notice provides necessary information demonstrating that NGT has determined its proposal for capacity substitution in accordance with the relevant methodology. When these documents are read together, we are satisfied that the proposed Exit Capacity Substitution is consistent with the Exit Capacity Substitution and Revision Methodology Statement, which aims to promote the economic and efficient development of the NTS by seeking to minimise the amount of infrastructure investment to meet incremental demand for Exit Capacity.

As a result, we have decided to approve NGT's proposal to substitute the capacity as set out in the Exit Capacity Substitution Notice of 8 November 2024.

William Duff

Head of Gas Systems and Operations