

Responses to Consultation Paper on Mitigation Measures re Potential Capacity Constraints at Moffat in 13/14

Code Mod Forum
20 January 2012

1. Purpose of Consultation
2. Primary Assumptions at the Moffat Entry Point
3. 13/14 Constraint & Capacity at Moffat
4. BGN's Proposed Reinforcement of the Onshore Scotland Network
5. Next Steps

- BGN network modelling JGCS 2011 - potential capacity constraint at Moffat as early as 2013/14.
- Joint CER UR consultation:
 - Is regulatory intervention warranted to address potential constraint?
 - If so, what are the optimal supply/demand mitigation measure(s)

- **Demand-Forecast:** 1-in-50 winter peak demand
- **AND Inch Flows:** Storage operations cease in 2013/14; production and cushion gas continue from 2013/14 and cease in 2015/16;
- **AND Corrib Flows:** Flows commence in October 2014

With a combination (of one or more) of the following key factors:

- **Lower pressures at Moffat** – Network analysis currently assumes an Anticipated Normal Offtake Pressure (ANOP) of 47 barg, though lower pressures were observed last winter and the contractual pressure is 42.5 barg
- **Swing/Stepped flow profile** as opposed to a flat flow profile (i.e. no renominations) at the Moffat Entry Point
- **Lower Gross Calorific Value** at Moffat – Network Analysis currently assumes 39.765, in line with typical observations, though lower GCVs recently have been observed.

Other Potential Factors:

- Requirement for an increase in system flexibility – further commercial developments may require greater system flexibility;
- Inability to operate Beattock compressor station in series mode;
- Higher demands occurring than forecasted demand.

- Respondents questioned:
 - Probabilities of supply/demand assumptions of occurring?
 - Probability of wind fluctuations/large renoms on a 1 in 50 peak day?
 - Probability of peak demand days for gas and power coincident?
 - Other demand assumptions: latest GAR projections, GDP growth, GCV levels at the Moffat Entry point.

- Respondents questioned:
 - Expected duration and size of 13/14 capacity shortfall?
 - Projected capacity shortfall – at contracted pressure? – for swing/stepped profile?
 - Dates and durations of previous reductions in Moffat pressures?
 - Introduction of additional compressors at Beattock and/or Twynholme?
 - Higher pressures via National Grid/Ofgem/DECC?
 - Use of E-W electricity interconnector?
 - Use of IC, SNIP and/or SN linepack?

- Respondents questioned:
 - Analysis on potential technical capacity increase by c.10% - 15%?
 - CBA over short and long term?
 - Market test for capacity?
 - Impact assessment on shippers and customers?
 - Impact on network tariffs in RoI and NI?
 - Impact on ongoing costs associated with SWOS and IC system?

- Is regulatory intervention required?
- Reinforcement – short term vs long term benefits?
- Impact on network tariffs?
- Other supply and demand side measures?

- Examination of BGN reinforcement proposal and other potential measures ongoing as part of CER PC3 review.
- RAs expect to come to decision in the coming weeks.