

# **Forecasted Contracted Capacity (FCC) Methodology**

## **Consultation – March 2021**

**Organisation: Storengy UK Limited**

**Representative: Alex Nield**

**Date of Representation: 30/03/21**

### **Question 1: Do you support the use of the principles within the FCC Methodology?**

Storengy supports use of historic flows and capacity utilisation as the main inputs to the FCC calculations, and the change to forecasting by month to provide greater granularity and better reflect the seasonal nature of flows (and capacity bookings) at different NTS points.

In calculating historic flows we believe that an average of historic bookings should provide a good estimation of future flows for most NTS points, and so welcome the approach to using a five year average. However, we feel that the period over which the average is taken and the number of years that flows are averaged over should be reviewed on as regular basis, as further data is gathered on the change in flows and booking behaviours under the charging regime. We would also encourage further flexibility in this approach based on flow trends from year to year and known expected changes to flows, such as the development of our site at Stublach where site development was completed a year ago, and so flows are currently expected to be far higher than those in previous years when site gas storage capacity was far lower.

Although we agree that some normalisation of flows may be required in the FCC calculations, and that normalisation to the Future Energy Scenarios (FES) may provide a suitable initial approach, again we would welcome regular review of this approach to ensure that it provides reliable estimates of future flows.

In future reviews of the FCC we would encourage National Grid to carry out sensitivity analysis of the key principles at varying NTS points to better understand the impacts of slight fluctuations in the factors on the final calculations, and help in formulating FCCs for future years.

### **Question 2: Do you agree that this FCC Methodology is an improvement on existing FCC Methodology which is in place currently?**

Yes, Storengy welcomes the proposed changes in methodology. As expected, under the new charging regime capacity bookings have become much more closely aligned to flows, as network users look to rationalise their bookings to minimise capacity costs, and therefore minimise capacity over-booking. We expect this trend to continue as businesses continue to develop more efficient booking practices, and try to minimise excess capacity costs.