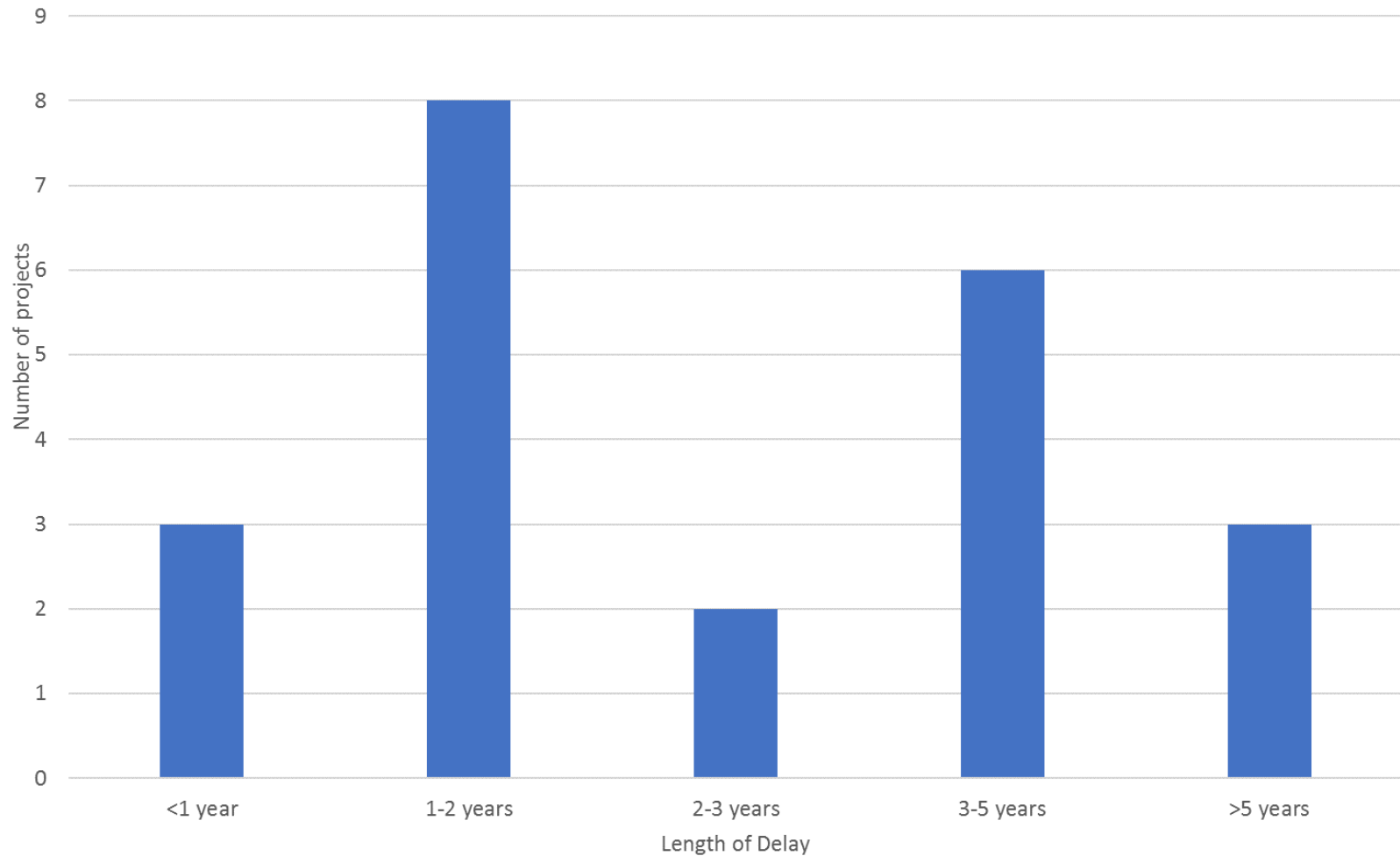


## Action 5

- Using TEC Registers from the National Grid Website published on 03/04/2017 and 05/04/2018 reveals:
  - Connection of 22 England and Wales Generation Projects, totalling 17GW were delayed during 2017-18;
  - Delays ranged from 59 days to 9½ years; and
  - 9 projects delayed by over 3 years.
- National Grid off sanction papers reveal:
  - Customers requested delays to the connection of 21 projects; and
  - One project was delayed by mutual agreement.
- Total expenditure on transmission investments to facilitate the projects up 31-Mar-2017 was £545m:
  - £37.4m on Sole Use Local Enabling Works;
  - £344.4 on Shared Use Local Enabling Works; and
  - £163.7m on Wider Works.

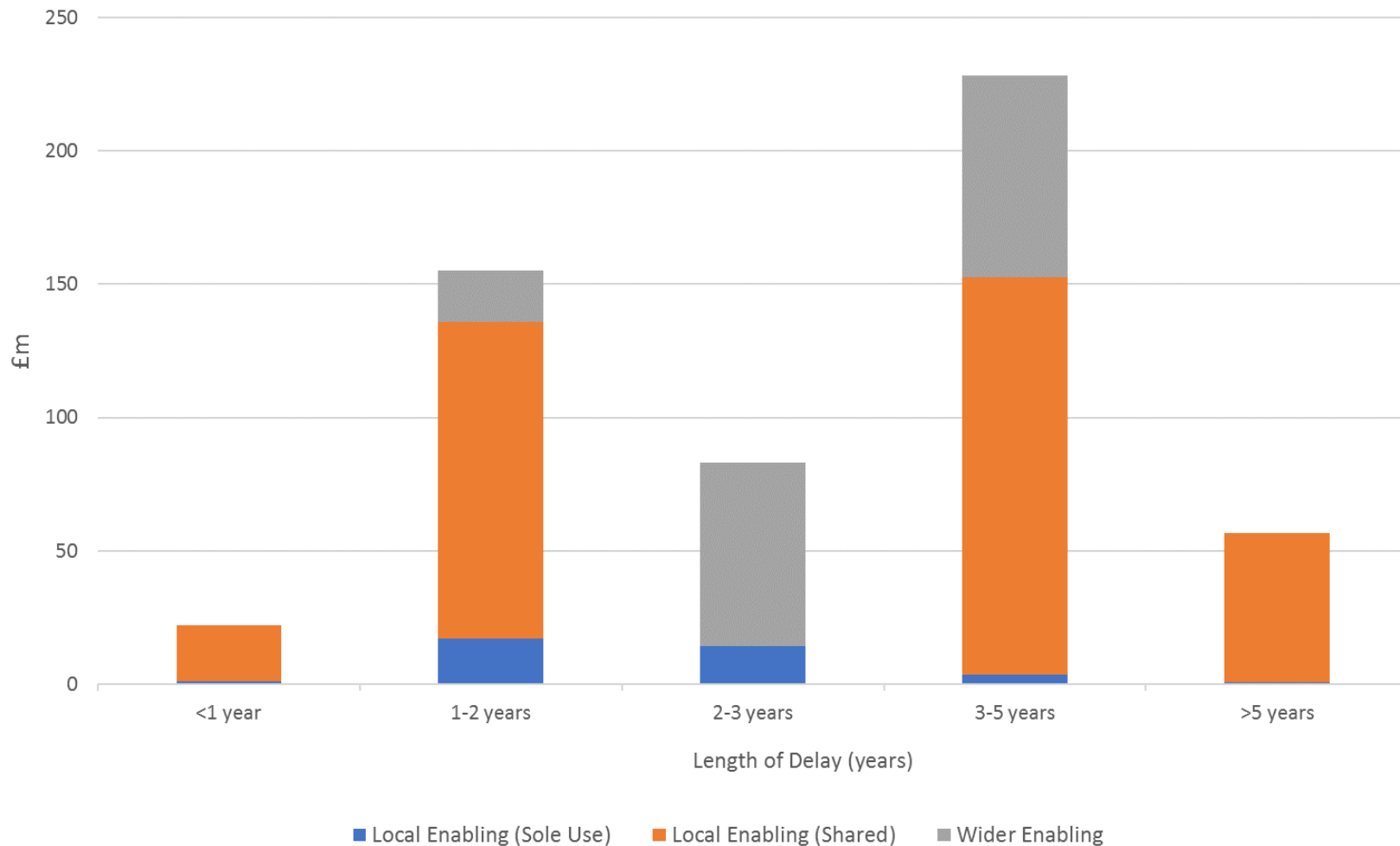
# Action 5 (continued)

Delays to connections during 2017-18

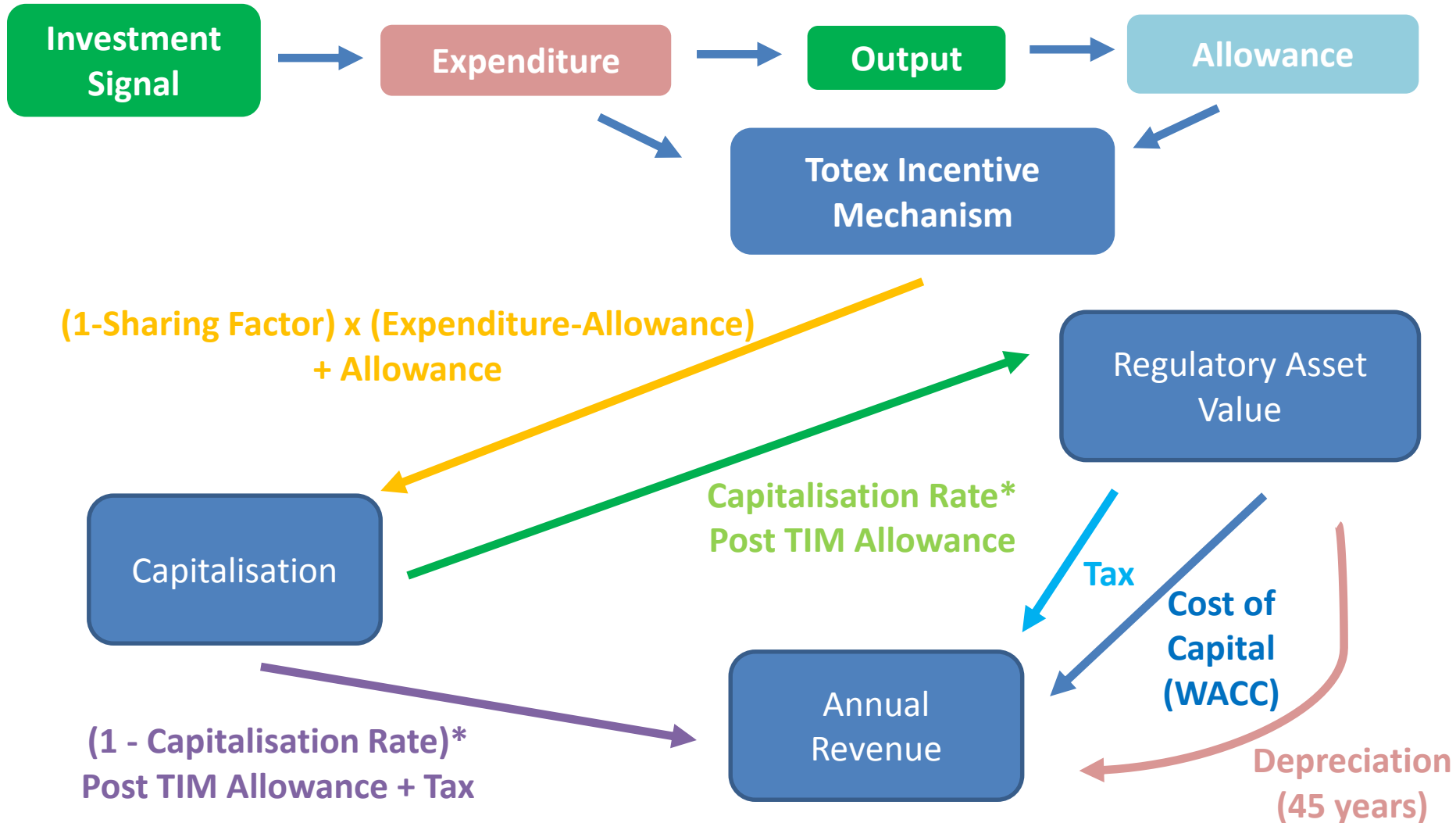


# Action 5 (continued)

Expenditure up to Mar-2017 on Enabling Works for Generation delayed in 2017-18



# Action 4: TO Price Control 101



# Single year spend/allowance example

If a TO spends £10m in a single year to deliver an output, and receives a £10m allowance then with no delay:

- TIM adjustment = £0 as spend=allowance in the year;
- £1.5m can be recovered in the year (adjusted for tax); and
- £8.5m is added to the Regulatory Asset Base, with Cost of Capital, Depreciation, and associated tax are recovered annually.

However, if a 1 year delay to the allowance occurs:

- In year 1, TIM adjusts the £0 allowance up by £5.3m resulting in:
- £0.8m can be recovered in the year (adjusted for tax); and
- £4.5m is added to the Regulatory Asset Base, with Cost of Capital, Depreciation, and associated tax are recovered annually.
- The TO funds the remaining £4.7m expenditure, until year 2

# Single year spend/allowance example

- In year 1, TIM adjusts the £10m allowance down by £5.3m resulting in:
- £0.7m can be recovered in the year (adjusted for tax); and
- £4.0m is added to the Regulatory Asset Base, with Cost of Capital, Depreciation, and associated tax are recovered annually.

Total impact of 1 year delay: £440k, as shown in the following Excel Model...

# Action 3/6

Enabling Works Expenditure for Generation Connections (up to end Mar-18)

