TNUoS Tariffs Draft Forecast for 2022/23 Webinar

NGESO Revenue Team

December 2021

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nationalgridESO

Agenda

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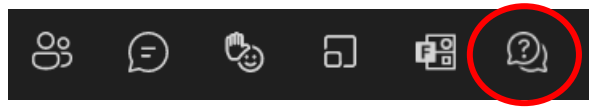

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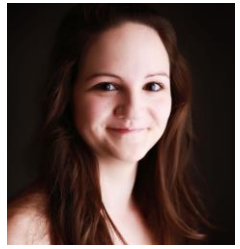
TNUoS Tariff Forecasting & Setting Team



Alice McCormick

Forecasting, setting and billing TNUoS to recover around £3.6bn of revenue per year from generators and demand

Sarah Chleboun

- Overall tariff setting
- Offshore local tariffs

Jo Zhou

- Long term strategy development
- TGR
- Onshore Local Circuits

Matt Wootton

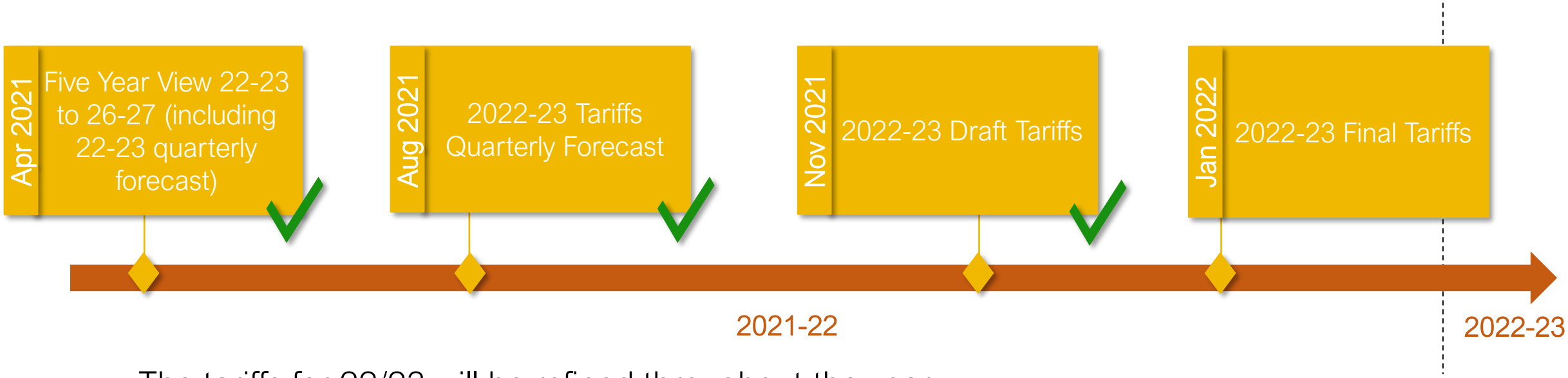
- Demand
- EET
- TDR
- Local substation
- Generation

Heather Stratford

- Revenue
- Demand
- ALFs

Tariff Timetable

NGESO has a licence and CUSC obligation to publish quarterly TNUoS forecast and a 5 year review annually, to enable market participants to make efficient operational and investment decisions.



- The tariffs for 22/23 will be refined throughout the year
- The Final Tariffs will be published by 31st January 2022 and take effect from 1st April 2022.

TNUoS Forecast Uncertainties

For the Draft tariff forecast, except for the ongoing legal challenge there are no other regulatory changes expected ahead of setting tariffs for 2022/23.

Regulatory Uncertainties

- SSE Judicial Review for TGR implementation – decision expected between January and March

Demand Charging Base

- Demand Simulation outputs are still showing signs of the economic scarring due to COVID. Understanding post lockdown demand profile adjustments will become clearer, as we gather 2021/22 out-turn data.
- We continue to make refinements to our simulation outputs to align to expected trends and ongoing challenge and review of these assumptions are taking place.

Revenue

- Onshore TOs CMA Appeal against RIIO2 decisions (Allowed revenue calculation parameters) – final determination received, impact will be seen in final tariffs
- The Western HVDC redress decision and impact of the Annual Iteration Process for network price controls published by Ofgem on 30th Nov. have not been taken into account in this forecast, this will be included in the Final tariffs for 2022/23

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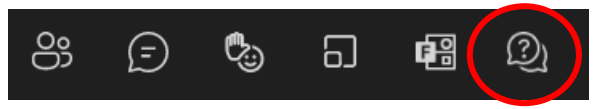
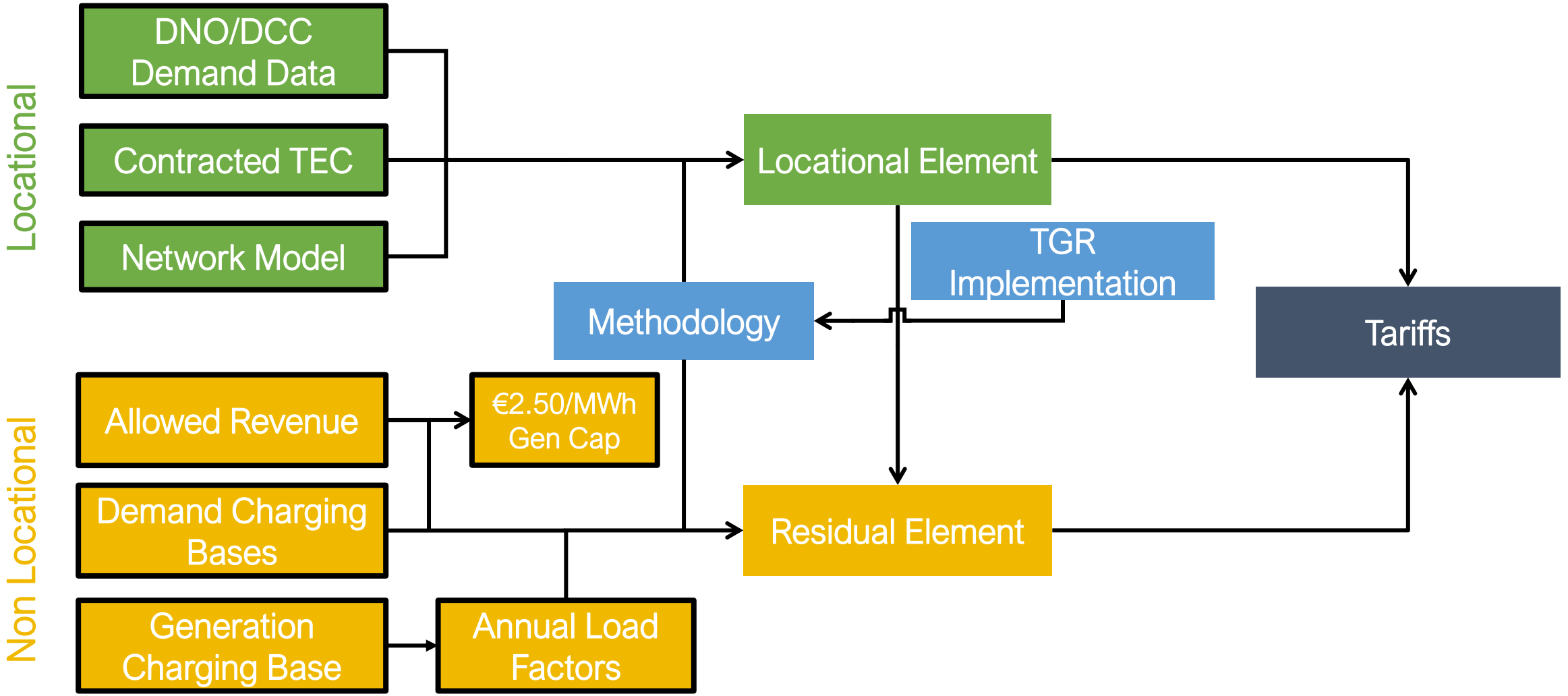


Key inputs and findings

Key Inputs for TNUoS Tariffs



Updated for our Draft Forecast

Input changes in 2022/23 tariff publication

		April 2021	August 2021	Draft Tariffs November 2021	Final Tariffs January 2022
Methodology		**Open to industry governance**			
Locational	DNO/DCC Demand Data	Initial update using previous year's data source		Week 24 updated	
	Contracted TEC	Latest TEC Register	Latest TEC Register	TEC Register Frozen at 31 October	
	Network Model	Initial update using previous year's data source (except local circuit changes which are updated quarterly)		Latest version based on ETYS	
	Inflation	Forecast	Forecast	Forecast	Actual
Residual/Adjustment	OFTO Revenue (part of allowed revenue)	Forecast	Forecast	Forecast	NGESO best view
	Allowed Revenue (non OFTO changes)	Initial update using previous year's data source	Update financial parameters	Latest TO forecasts	From TOs
	Demand Charging Bases	Initial update using previous year's data source	Revised forecast	Revised forecast	Revised by exception
	Generation Charging Base	NGESO best view	NGESO best view	NGESO best view	NGESO final best view
	Generation ALFs	Previous year's data source		Draft ALFs published	Final ALFs published
	Generation Revenue (G/D split)	Forecast	Forecast	Forecast	Generation revenue £m fixed

- Green highlighting indicates that these parameters are fixed from that forecast onwards.

Key findings

Total Revenue

- Total TNUoS revenue is forecast at **£3.6bn** for FY22/23, an **increase of £169.7m** from the August forecast. This is due to revision of OFTO/TO MAR (+£108.82m), refreshed forecasts of bad debt and pass-through items (+£73.7m) and replacement of the NIC Fund (-£30.9m) with the Strategic Innovation Fund (+£18.04m).

Generation

- Generation revenue is forecasted to be **£816.6m** for FY22/23, a decrease of £18.6m since the August forecast and an increase of £42.6m from FY21/22.
- The generation charging base for FY22/23 has been forecasted as **72.9GW** based on our best view, a **decrease of 0.5GW** since August.

Demand

- Demand revenue for FY22/23 has **increased by £188m** to £2.8bn since the August forecast, driven by the increase of total revenue. This increase has meant there has been a noticeable increase in average NHH & HH Tariffs.

Consumer Bill

- The impact on the end consumer is forecast to be **£39.09** for FY22/23, an **increase of £2.53** from the August forecast. This is due to the increase in the demand revenue driven by an overall increase in revenue.

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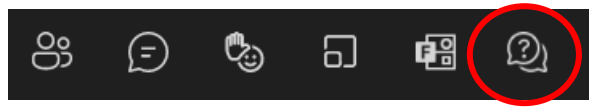


Revenue

TO Revenue

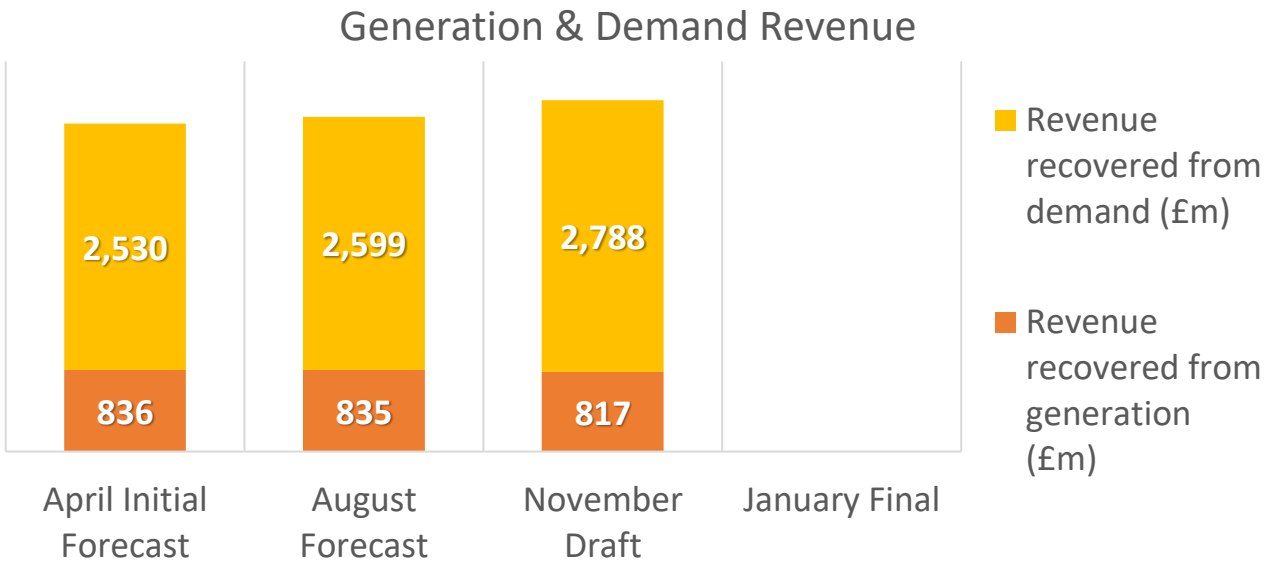
£m Nominal	2022/23 TNUoS Revenue			
	April Initial Forecast	August Forecast	November Draft	January Final
TO Income from TNUoS				
National Grid Electricity Transmission	1,764.5	1,764.5	1,863.6	-
Scottish Power Transmission	348.7	371.9	350.5	-
SHE Transmission	632.7	632.6	652.8	-
Total TO Income from TNUoS	**2,745.8**	**2,768.9**	**2,866.9**	**-**
Other Income from TNUoS				
Other Pass-through from TNUoS	67.3	108.5	169.3	-
Offshore (plus interconnector contribution / allowance)	552.8	557.2	568.0	-
Total Other Income from TNUoS	**620.2**	**665.7**	**737.4**	**-**
Total to Collect from TNUoS	**3,366.0**	**3,434.6**	**3,604.3**	**-**

- Total revenue is forecast to be £3,604m in 2022/23, an increase of £170m from April
- £61m of this increase is due to revised forecasts of bad debt (+£12m), the inclusion of RIIO_ET1 pass-through items (+£38m), the move from NICF to SIF (-£13m) and movement within the adjustment factor as FY22 is closed out (+£14m)
- £100m of this increase is following an update from the TOs who have supplied their first full re-forecast of FY23 since April and as such there have been significant changes as they update various parameters including legacy adjustments and inflation

Summary of revenue to be recovered

Revenue	2022/23 Tariffs		
	August Forecast	November Draft	Change
Total Revenue (£m)	3,434.6	3,604.3	169.7
Generation Output (TWh)	196.4	196.4	0.0
% of revenue from generation	24.32%	22.66%	-1.66%
% of revenue from demand	75.68%	77.34%	1.66%
Revenue recovered from generation (£m)	835.2	816.6	-18.6
Revenue recovered from demand (£m)	2,599.4	2,787.7	188.3

- Demand revenue increased by £188.3m compared to August, made up of £128.4m from the revenue increase and £59.9m from variation in the components that form the revenue split.
- Generation revenue decreased by £18.6m compared to August, made up of £41.3m from the revenue increase and -£59.9m from variation in the components that form the revenue split.
- The largest variation in the components behind the revenue split was the Generator share which decreased by £31m and the Connection Exclusion which decreased by £30m.



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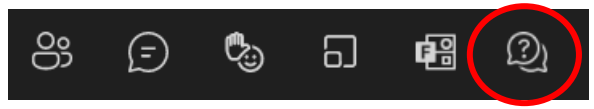


Generation Tariffs

Contracted, Modelled & Chargeable Generation Capacity

- The generation charging base for 2022/23 is forecast at **72.9GW**
- This is a **decrease of 0.5GW** since the August forecast
- This is driven by several small generators delaying their connection date.
- The forecast is based on the TEC registers as of 31st October and the contracted TEC will not be updated for the Final tariffs
- Our best view and chargeable TEC will be updated ahead of the Final tariffs.

Generation (GW)	2021/22 Final	2022/23 Tariffs Initial	August	Draft
Contracted TEC	89.90	89.91	87.66	85.88
Modelled Best View TEC	89.90	84.32	82.79	85.88
Chargeable TEC	70.10	74.93	73.40	72.91

- CONTRACTED:
  - Full TEC register used
- MODELLED:
  - Reduction in TEC in line with FES forecast and internal best view
- CHARGEABLE:
  - Modelled TEC minus interconnector capacity

Generation TNUoS Tariffs – Wider tariffs

The generation TNUoS wider tariffs are made of the four elements below:

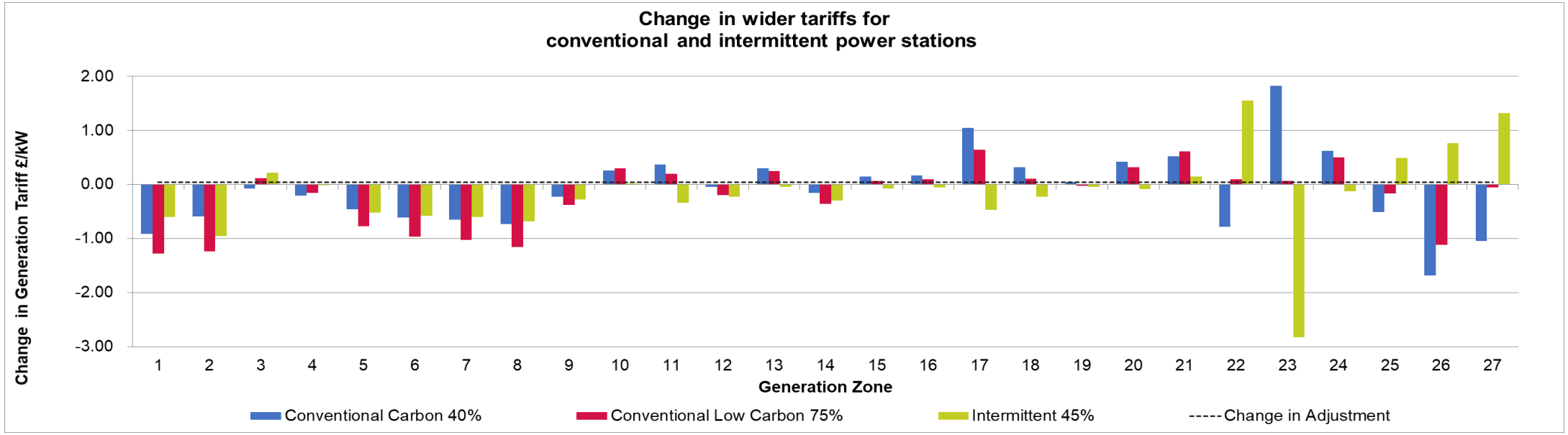
Peak Security | Year Round Shared | Year Round Not Shared | Generator Adjustment

Year Round Shared and Year Round Not Shared elements are multiplied by Annual Load Factors (ALFs) dependent on generation type

We publish examples for each generation type calculation using example ALFs, the example ALFs have been updated in the August forecast to more accurately reflect the ALFs we would expect to see for these fuel types:

Conventional Carbon 40%	Conventional Low Carbon 75%	Intermittent 45%
Biomass	Nuclear	Offshore wind
CCGT/CHP	Hydro	Onshore wind
Coal		Solar PV
OCGT/Oil		Tidal
Pumped storage (including battery storage)		

Generation Tariffs



- The update to the week 24 nodal demand data has had the biggest impact on the generation tariffs, causing a decrease in majority of the northern zones, due to the decrease in locational demand.
- In the south, the changes to the tariffs are less uniform due to some zones forecasted to have an increase in demand, causing an increase in the tariff and vice versa.
- The changes in the south are also caused by some large changes in the contracted TEC, with the delay of Damhead Creek 2, a 1.8GW CCGT in zone 24 causing some tariffs to increase, and the inclusion of Shoreham, a 0.4GW CCGT in zone 25 which caused a slight decrease in some conventional generation tariffs.

Transmission Generation Residual (TGR)

- This forecast includes the implementation of the TGR (CMP317/327), which took effect from April 2021. In addition, we have also included CMP368/369 in our forecast.
- All local onshore and local offshore tariffs are excluded in the European €2.50/MWh cap for generator transmission charges, in line with the final decision on CMP317/327 with a few exceptions to be clarified under CMP368/389.
- To provide an indicative view of the likely tariffs under CMP368/389, we have forecast local charges associated with pre-existing transmission assets (based on CMP368/369 original proposal), when calculating the generation adjustment tariff.
- We have also excluded generation output and charges associated with TNUoS-liable large embedded generators
- The adjustment tariff has been introduced under the TGR, to ensure compliance with the €2.50/MWh cap

Generation Tariffs (£/kW)	2022/23 August	2022/23 November	Change since last forecast
Adjustment	- 0.332681	- 0.292593	0.040088
Average Generation Tariff*	11.378736	11.258529	- 0.120207

* The average generation tariff is calculated by dividing the total revenue payable by generation over the generation charging base in GW. It includes local charges.

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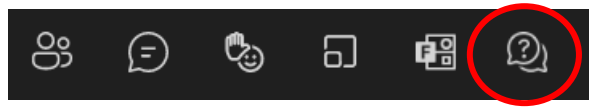

Local Tariffs

Onshore Local Substation Tariffs

- In this forecast view, tariffs have increased slightly, in line with the increase of May-Oct CPIH
- The local substation tariffs for 2022/23 have now been “locked down”

Local substation tariffs for 2022/23

2022/23 Local Substation Tariff (£/kW)				
Substation Rating	Connection Type	132kV	275kV	400kV
<1320 MW	No redundancy	0.150770	0.075388	0.051999
<1320 MW	Redundancy	0.317689	0.161359	0.114575
>=1320 MW	No redundancy	-	0.221489	0.157694
>=1320 MW	Redundancy	-	0.333303	0.239726

Onshore Local Circuits Tariffs

- Local circuits models have been updated with the new ETYS data.
- We list the local circuit tariffs for non-MITS sites that are forecast to have directly-connected generators in the specific charging year.
- Tariffs can be positive or negative, depending on the "incremental" impact on the local networks.
- CMP368/369 (large EG and pre-existing charge in gen cap) will only affect the adjustment tariff, and not affect individual generator's local charges.

Substation Name	(£/kW)	Substation Name	(£/kW)	Substation Name	(£/kW)
Aberdeen Bay	2.671000	Edinbane	7.171952	Middle Muir	2.407415
Achruach	-2.616183	Ewe Hill	1.558191	Middleton	0.154351
Aigas	0.685223	Fallago	-0.067057	Millennium South	0.494319
An Suidhe	-0.979562	Farr	3.652465	Millennium Wind	1.720497
Arecleoch	2.176008	Fernoch	4.608469	Moffat	-
Beinneun Wind Farm	1.380647	Ffestiniogg	0.259176	Mossford	2.951276
Bhlaraidh Wind Farm	0.676448	Finlarig	0.335473	Nant	-1.287043
Black Hill	1.590910	Foyers	0.300069	Necton	1.165832
Black Law	1.830721	Galawhistle	-	Rhigos	0.108099
Blackcraig Wind Farm	6.089148	Glen Kyllachy	0.479246	Rocksavage	0.018502
Blacklaw Extension	3.882282	Glendoe	1.927155	Saltend	0.017775
Clyde (North)	0.114898	Glenglass	4.929012	Sandy Knowe	5.244576
Clyde (South)	0.132874	Gordonbush	1.268972	South Humber Bank	-0.190400
Corriegarth	3.035227	Griffin Wind	9.937485	Spalding	0.274972
Corriemoillie	1.706045	Hadyard Hill	2.899919	Strathbrora	0.859979
Coryton	0.047861	Harestanes	2.448949	Strathy Wind	2.031118
Creag Riabhach	3.514474	Hartlepool	0.091475	Stronelairg	1.114291
Cruachan	1.869759	Invergarry	0.383397	Wester Dod	0.356506
Culligran	1.815856	Kilgallioch	1.102649	Whitelee	0.111191
Deanie	2.983193	Kilmorack	0.206913	Whitelee Extension	0.309112
Dersalloch	2.523707	Kype Muir	1.554002		
Dinorwig	2.457864	Langage	0.674171		
Dorenell	2.149878	Lochay	0.383397		
Dumnaglass	1.187466	Luichart	0.589179		
Dunhill	1.467292	Marchwood	0.391622		
Dunlaw Extension	1.553989	Mark Hill	0.917330		

Pre-existing Asset Tariffs

- Under the CMP368/9 original proposal, local charges associated with pre-existing assets are not part of the “connection exclusion”.
- We are in the process to separate the local assets that have already existed, and to calculate the associated the pre-existing asset tariffs.
- These tariffs, combined with the TEC values in the original connection agreements, are used to derive the pre-existing charges.
- Individual generator’s local charges are not affected. The pre-existing asset charges are included in the calculation of the gen cap .

Project Name	Pre-existing local circuit tariff (£/kW)	Aggregated pre-existing TEC (MW)
Aigas (part of the Beauly Cascade)	0.685223	
Aikengall IIa Wind Farm	0.356506	
An Suidhe Wind Farm - Argyll (SRO)	- 0.979562	
Blackcraig Wind Farm	6.089148	
Corriemoillie Wind Farm	1.706045	
Culligran (part of the Beauly Cascade)	1.815856	
Deanie (part of the Beauly Cascade)	2.983193	
Edinbane Wind - Skye	7.171952	
Farr Wind Farm - Tomatin	3.652465	
Ffestiniog	0.259176	
Finlarig	0.335473	
Foyers	0.300069	
Glendoe	1.927155	
Hirwaun Power Station	0.108099	
Invergarry (part of the Garry Cascade)	0.383397	13,334
Keith Hill Wind Farm	1.553989	
Kilbraur Wind Farm	0.859979	
Kilgallioch	1.102649	
Luichart (part of the Conon Cascade)	0.589179	
Mark Hill Wind Farm	0.917330	
Millennium South	0.494319	
Mossford (part of the Conon Cascade)	2.951276	
Nant	- 1.287043	
Rocksavage	0.018502	
Saltend	0.017775	
South Humber Bank	- 0.190400	
Spalding	0.274972	
Strathy North Wind	2.031118	
Tralorg Wind Farm	0.917330	

Project Name	Pre-existing substation Tariff (£/kW)	Aggregated pre-existing TEC (MW)
Pogbie Wind Farm	0.317689	41.7
Toddleburn Wind Farm	0.317689	
Keith Hill Wind Farm	-	

Offshore Local Tariffs

- Tariffs are set at asset transfer, or the beginning of a price control, and are indexed in line with the OFTO licence.
- Most tariffs have increased slightly, due to inflation updates.
- Offshore tariffs for any generators where the relevant OFTO's inflation term is linked to September RPI are now finalised. The remaining tariffs will be finalised in January, using updated inflation data.
- Projects expected to asset transfer during 2021/22 will have tariffs calculated later this year.

Offshore Generator	2022/23 November Tariff Component (£/kW)		
	Substation	Circuit	ETUoS
Barrow	9.152308	48.351171	1.200626
Beatrice	7.738282	21.105031	-
Burbo Bank	11.581837	22.384141	-
Dudgeon	16.940266	26.579538	-
Galloper	17.340653	27.426026	-
Greater Gabbard	17.050227	39.455940	-
Gunfleet	19.917368	18.367386	3.432970
Gwynt y mor	21.749280	21.503123	-
Hornsea 1A	7.654351	27.082288	-
Hornsea 1B	7.654351	27.082288	-
Hornsea 1C	7.654351	27.082288	-
Humber Gateway	12.799572	29.366622	-
Lincs	17.768864	69.878865	-
London Array	12.058331	41.343394	-
Ormonde	28.139373	52.598589	0.419167
Race Bank	10.258559	28.492731	-
Robin Rigg	-0.617624	35.057595	11.232230
Robin Rigg West	-0.617624	35.057595	11.232230
Sheringham Shoal	26.326570	31.006302	0.673986
Thanet	20.103644	37.664222	0.906711
Walney 1	24.303914	48.589703	-
Walney 2	22.611227	46.016100	-
Walney 3	10.537649	21.348645	-
Walney 4	10.537649	21.348645	-
West of Duddon Sands	9.424073	46.977768	-
Westermost Rough	19.162273	32.611753	-

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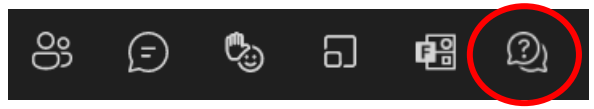

Demand Forecasts

System Peak, HH/NHH demand & Chargeable Export Forecast

	August	Draft	Change
Average System Demand at Triad (GW)	50.61	50.47	-0.14
Average HH Metered Demand at Triad (GW)	19.17	19.36	0.19
Chargeable Export Volume (GW)	7.01	7.36	0.35
NHH Annual Energy between 4pm and 7pm (TWh)	24.84	24.70	-0.14

- Demand data is used for calculation of the residual tariff
- We revise these forecasts for each publication and as such we now have more data available to forecast
- The changes have been minimal in comparison to August with Chargeable Export Volume eliciting the greatest proportional variance (+5%)
- The charging base forecast will continue to be refined as trends from 2021/22 outturn data are analysed and the ongoing impact of COVID-19 is assessed.

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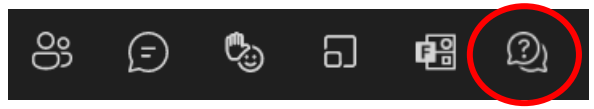


Demand Tariffs

Demand Tariffs

- In light of Ofgem's minded to decision on TDR, we have continued with the current demand charging methodology for 2022/23 tariffs
- Demand revenue in our current forecast for 2022/23 increased by £188m compared to our August forecast, with an increase to the average HH and NHH tariffs and a slight reduction to EET.

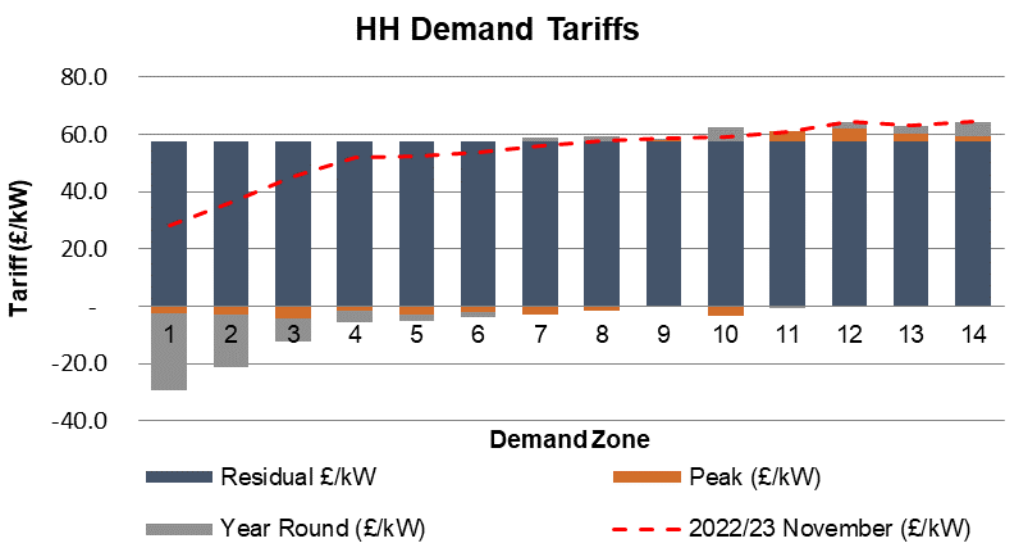
HH Tariffs	2022/23 August	2022/23 November	Change
Average Tariff (£/kW)	51.847329	55.709982	3.862653
Residual (£/kW)	53.772794	57.495438	3.722644

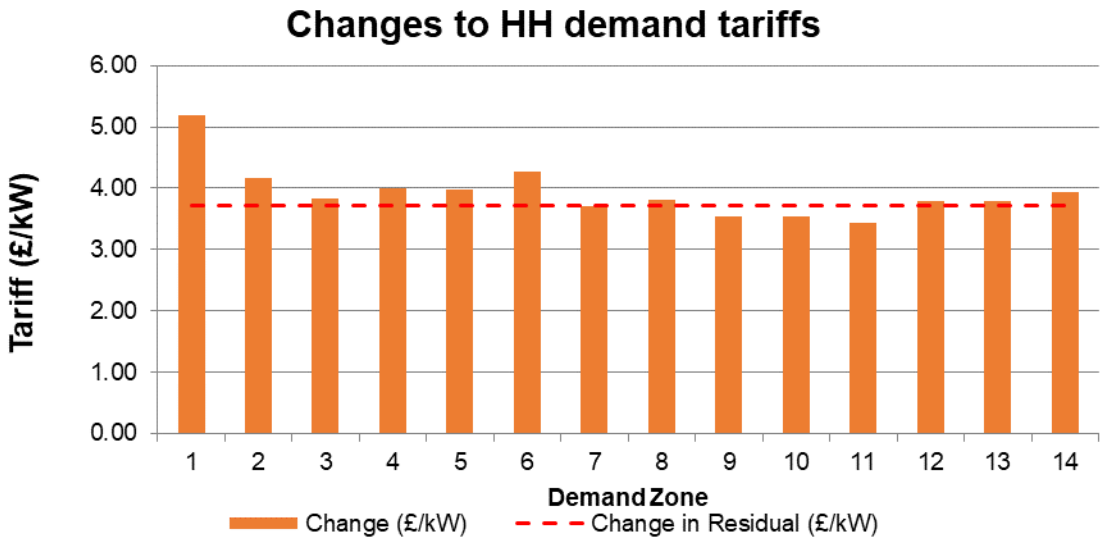
EET	2022/23 August	2022/23 November	Change
Average Tariff (£/kW)	2.223457	1.947578	- 0.275879
Phased residual (£/kW)	-	-	-
AGIC (£/kW)	2.319241	2.344515	0.025274
Embedded Export Volume (GW)	7.005698	7.361318	0.355620
Total Credit (£m)	15.576867	14.336744	- 1.240123

NHH Tariffs	2022/23 August	2022/23 November	Change
Average (p/kWh)	6.527043	6.977935	0.450892

HH Demand Tariffs

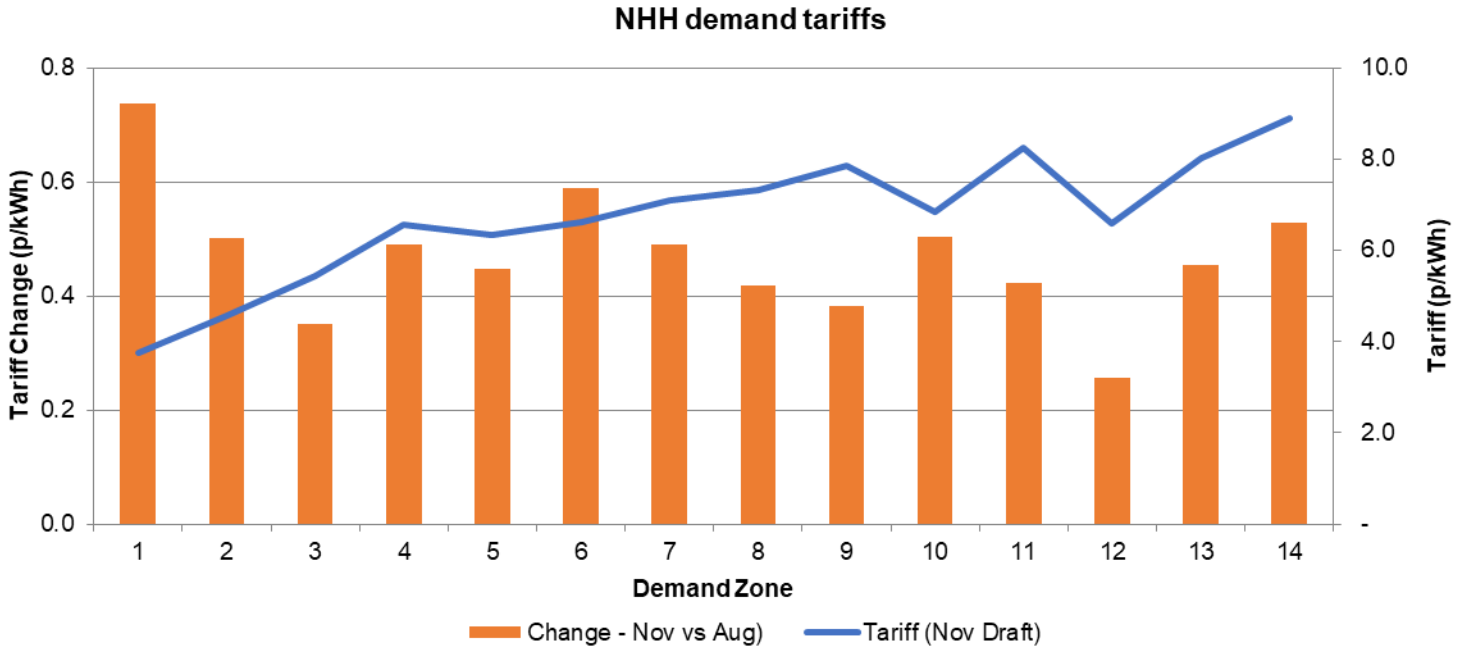
- Average HH demand tariff increasing by £0.45/kW to £51.85/kW
- The increase in overall demand revenue is the main cause of this increase
- Demand locational (Week 24 data) has been updated in this forecast
- Changes to the locational signal due to changes in generation, have also created fluctuations in the demand locational element of demand charges
- All Zones have seen an increase due to the increase in demand residual





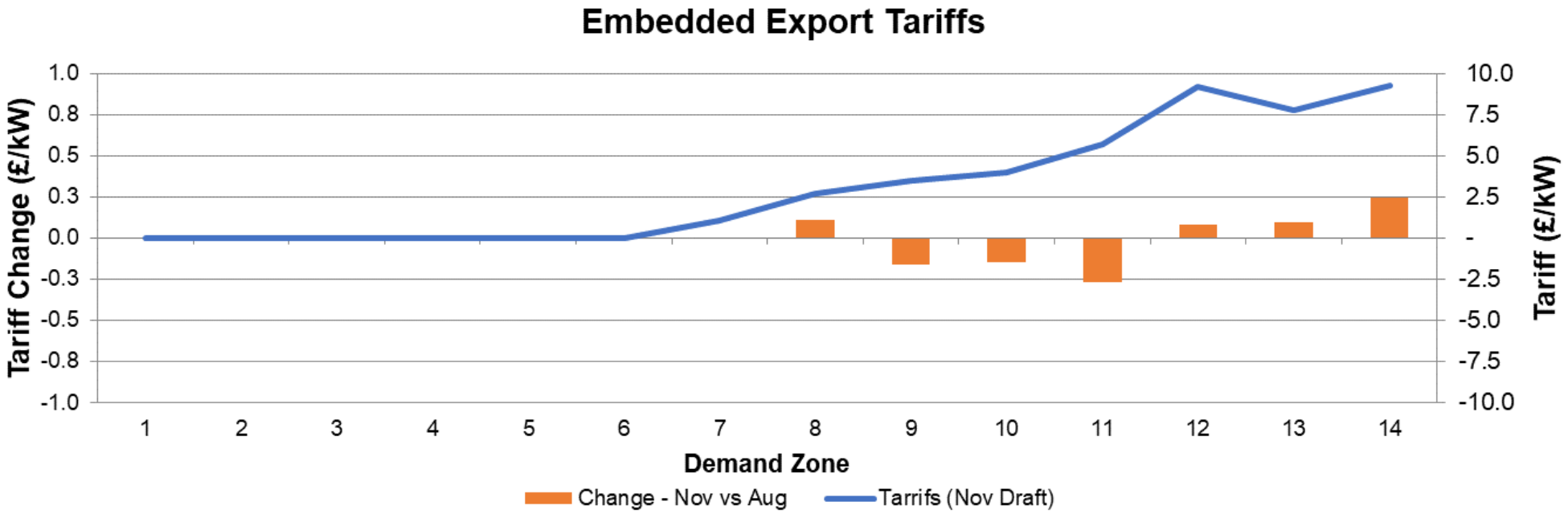
NHH Tariffs

- Average NHH tariffs have increased by 0.45p/kWh to 6.98p/kWh
- Fluctuations in NHH zonal tariffs can be attributed to:
  - Increase in overall demand revenue
  - The change in the locational demand tariffs (as per previous slide)
  - Changes in the HH and NHH charging bases (overall and zonal changes) and the proportion of demand revenue to be recovered across each, respectively.
- All zones have increased, with zone 1 seeing that largest increase of nearly 0.8p/kWh and zone 12 seeing only an increase of just over 0.3p/kWh

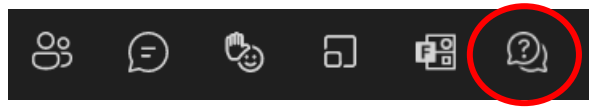


Embedded Export

- The average EET has decreased by £0.27/kW to £1.94/kW, due to the increase in forecast Embedded Export and the changes in locational tariffs
- Decrease in tariff for zones 9 to 11 (noticeable decrease in zone 11)
- Zones 1 to 6 remain floored at £0/kW with minimal movement in zone 7
- Avoided GSP Infrastructure Costs (AGIC) increase slightly from £2.32/kW to £2.34/kW, due to an increase in inflation

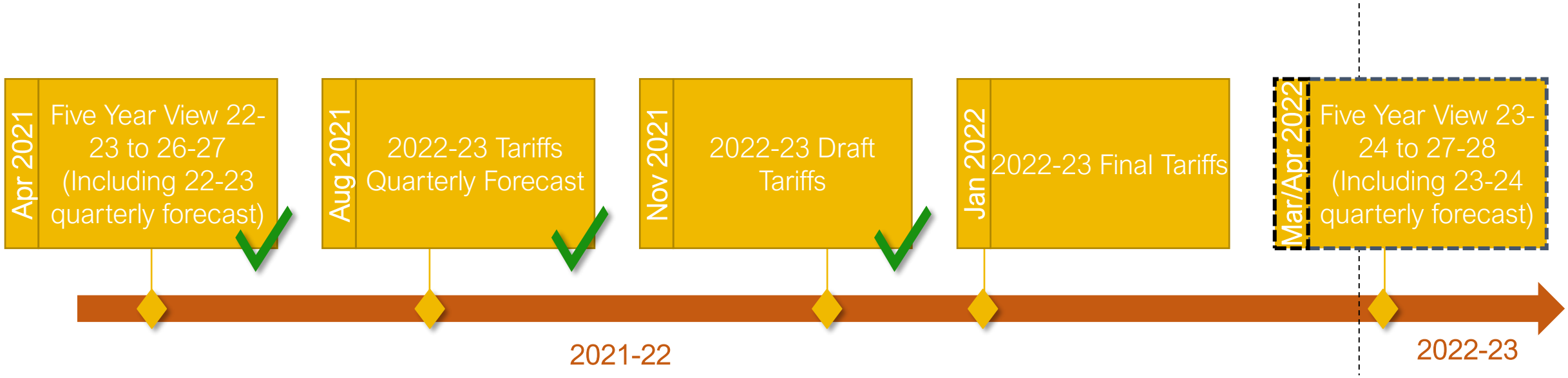


Questions? Go to:



Next Steps

Tariff Timetable



- The next publication will be the final tariffs for 2022/23 which will be published in January 2022 and will apply from April 2022
- The TNUoS forecast timetable for 2023/24 will be published end of January 2022
- We endeavour to publish the next five-year view in March or April 2022 subject to the final forecast timetable

Getting involved

Transmission Charging Methodology Forum (TCMF)

- We will continue to engage with you on our TNUoS forecast via the monthly TCMF meetings.
- Interested? Further details can be found on the NGESO website

Charging Future Forum

- One place to learn, contribute and shape the reform of GB's electricity network access and charging arrangements
- Interested? Further information can be found on the Charging Futures Website or sign up to receive more information here.

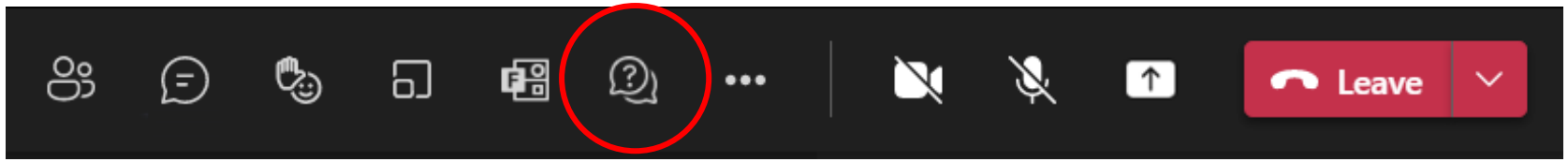
Transport and Tariff Model Training

- We plan on running more Transport and Tariff Model training sessions, which will be scheduled soon.
- Please provide suggestions and register your interest via TNUoS.queries@nationalgrideso.com

If you're not already subscribed to our mailing list you can subscribe here

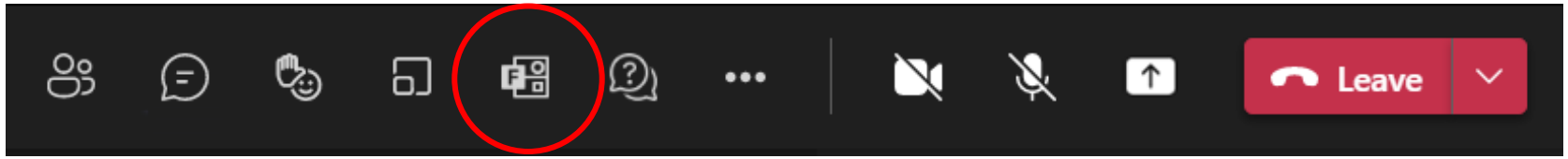
Q&A

Go to: Q&A icon in the menu bar at the top of your screen in Teams



Thank You

Please respond to the 2 polls which should pop up on your screen now.
Alternatively, you can find them using the following icon at the top of your screen.



Please leave any other feedback that you have in the chat.

TNUoS Queries

E: Tnuos.queries@nationalgrideso.com

Q&A

The following slides give an overview of the questions received during the webinar and their answers.

Q&A

The legacy K correction term in the revenue table of the forecast sums to £5.2m for the onshore TOs. Please can you clarify if this has been updated by the TOs, as I anticipated it would be much larger with the demand impact of covid in 2020/21.

- The FY22 legacy K value is from FY20 under/over collection i.e. there is a 2-year lag, and this number has been updated by the TOs. The reason there is a 0 in FY23 in legacy K is the RIIO2 license then moves to a 1-year lag, rather than a 2-year lag. Therefore, the FY21 under/over collection comes in FY22 through 'normal' K and not legacy K.

Has an estimate for the CMA appeal outcome been included in the draft tariff revenue, or will the full impact be included only in the final tariffs?

- The TO revenue data for this forecast was submitted prior to the publication of the CMA appeal (on RIIO-T2 price control) outcome. As such, we were not able to include the impact of the CMA appeal within the draft tariff publication, but the full impact will be included in the January final tariffs.

Q&A

Do you expect the increases in revenue and demand tariffs (since the last forecast) for 2022/23 tariffs to also affect tariffs for 2023/24 onwards?

- The Maximum Allowed Revenue is a summary of several figures which are liable to increase or decrease. All figures are subject to inflation which we would expect to increase. The amount of revenue required for the Strategic Innovation Fund is likely to increase as more applicants join and existing applicants progress through, although this will be a very small figure overall. The level of revenue required from the TOs and OFTOs is subject to their own business models which we are not party too at this stage.
- Our most recent view of 2023/24 can be found in the April 2021 5-year forecast (available here). The revenue required by TOs does appear to be projected to decrease, as shown in tables 36 and 38, relative to the 2022/23 Maximum Allowed Revenue projection at the time.

How will the HVDC redress be reflected in the 2022/23 tariffs? Is it an adjustment to total revenue?

- Yes, the HVDC redress results in an adjustment to the total revenue, which will then feed into the demand residual tariffs. Other elements of the TNUoS tariffs are not affected. The revenue adjustment of around £158 million was already included in the latest PCFM that was published by Ofgem on 30th November, the same day that we published our draft tariffs. Our final tariffs will be updated to reflect the PCFM decision. Ofgem's publication on the HVDC redress can be found here.

Q&A

Could the outcome of the judicial review lead to 2022/23 tariffs (or even 2021/22 tariffs) being re-opened if the decision is not known until Feb?

- Depending on the outcome of the judicial review and it's timing, yes, the tariffs could potentially be re-opened. Currently, there is not enough information available to know what the outcome may be.

Is there any update on the TNUoS Reform CfE that Ofgem ran in October? Also, are we still expecting TNUoS application to Embedded Generators to be removed from the SCR scope and developed in a separate TNUoS Reform?

- Applying TNUoS to embedded generators was considered under the Access SCR. In their consultation on the Access SCR minded-to decision (for which the consultation closed on 25th August 2021), Ofgem indicated a number of implementation approaches for Distributed Generation paying TNUoS, with implementation dates no earlier than 2023. Separately, in the TNUoS reform CfE, Ofgem indicated that changes to the TNUoS methodology will be subject to the usual decision-making process. The CfE closed in November 2021, and Ofgem will publish any updates on their website.

Q&A

In considering the 5-year forecast expected in March, is there anything that you can share (from potential discussions with Ofgem) that will consider the potential longer-term reform of TNUoS? Sensitivities etc

- We have not yet decided what sensitivities will be included in our five-year forecast and hope to get input from the industry on what people would like to see. If there are any sensitivities that you would like us to include, please feel free to drop us an email to Tnuos.queries@nationalgrideso.com. We also plan to discuss potential sensitivities in a TCMF meeting in advance of the five-year forecast.

It would be great to see a comparison of the number against previous years instead of just previous forecasts.

- Thanks for your feedback, we take this away and consider how to include this prior to our future webinars.