Final TNUoS Tariffs for 2022/23 Webinar

NGESO Revenue Team

February 2022

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Agenda

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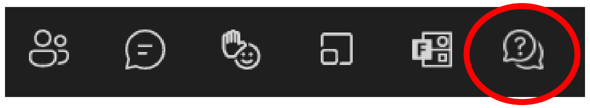

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5	Revenue
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7	Onshore and Offshore Local Tariffs
8	Demand tariffs
9	Next Steps
10	Q&A

TNUoS Tariff Forecasting & Setting Team

Nick Everitt

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

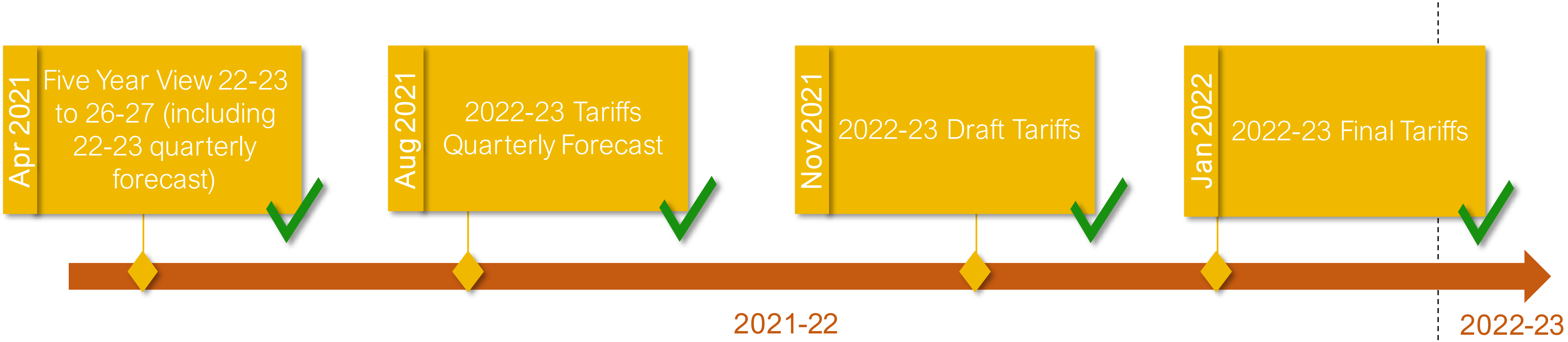
- Demand
- EET
- TDR
- Local substation
- Generation

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 Final Tariffs will take effect from 1st April 2022.
- Final tariffs for 2022/23 incorporate:
  - The Western HVDC redress decision and impact of the Annual Iteration Process for network price controls published by Ofgem on 30th Nov.
  - The impact of the Onshore TOs CMA Appeal against RIIO2 decisions

TNUoS Tariffs Uncertainties

No additional regulatory changes have been incorporated for the 2022/23 Final Tariffs.

Regulatory Uncertainties

- The Judicial Review (JR) of CMA/Ofgem decision on CMP317/327 has not yet concluded (decision expected from anytime now or as late as March)
- It is possible that we will need to recalculate the 2022/23 tariffs once the outcome is published.
- We will identify the impact and plan what to do when the decision is published.

CMP368/369

- Due to the ongoing JR, Ofgem have not made a decision on CMP368/369 which is dependent on the CMP317/327 outcome
- Consequently, the impact of this modification has been removed from our tariffs, to ensure final tariffs are compliant with the existing CUSC.
- The net effect of CMP368/369 would have reduced the generation cap by £10.8m, consequently its removal has moved £10.8m from demand charges back to generation users.
- This £10.8m of revenue “swing” results in around 15p/kW increase to generation tariffs, and 21p/kW decrease to demand tariffs

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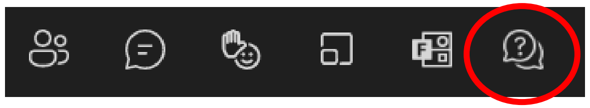
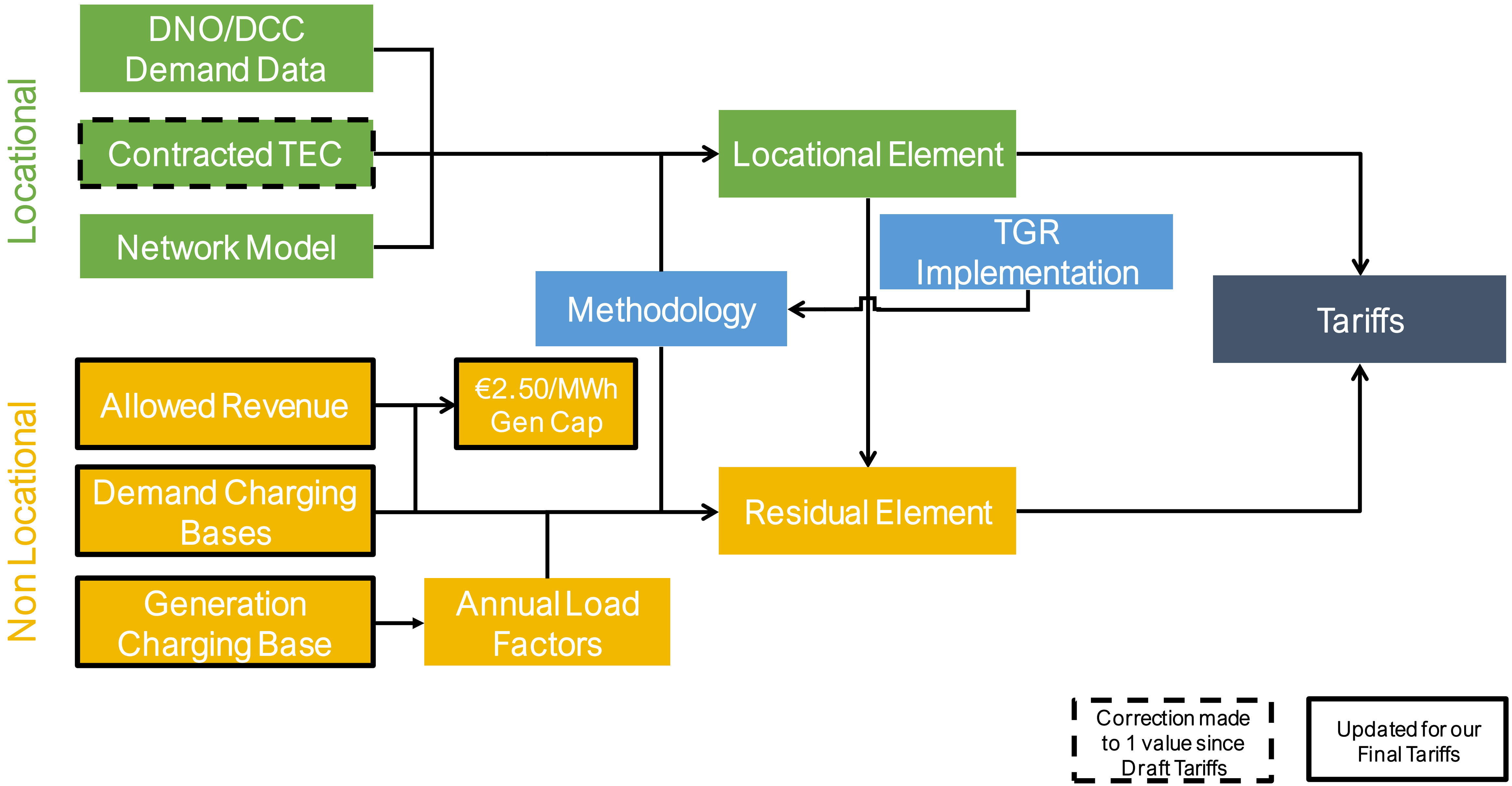


Key inputs and findings

Sarah Chleboun

Key Inputs for TNUoS Tariffs



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	*Correction to 1 value*
	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 **£3.59bn** for FY22/23, a **decrease of £10m** from the Draft forecast. This is due to a revision of the TO MAR (-£40.5m), revisions to OFTO Allowed revenues and forecast OFTO Asset Transfer Dates (+£26.5m), an Ofgem update regarding the Network innovation Fund (+£10m) and refreshed forecasts of bad debt and pass-through items (-£6m).

Generation

- Generation revenue is forecasted to be **£842m** for FY22/23, a **£25m** increase since Draft tariffs (an increase of **£68m** from FY21/22). This is driven by the increase in revenue from offshore generators and the removal of CMP368/369.
- The generation charging base for FY22/23 has been forecasted as **72.4GW** based on our best view, minimal change since Draft.
- The average generation tariff is £11.62/kW, an increase of £0.36/kW due to the increase in generation revenue.

Demand

- Demand revenue for FY22/23 has **decreased by £35m** to £2.75bn since the Draft forecast, driven by the reduction of total revenue and the increase in revenue recovered through generation since Draft tariffs.
- This decrease has meant there has been a decrease in average NHH & HH Tariffs.

Consumer Bill

- The impact on the end consumer is forecast to be **£38.14** for FY22/23, a **decrease of £0.95** from the Draft forecast. This is due to the decrease in the demand revenue driven by an overall decrease in revenue. This is an increase of £1.73 since FY21/22, largely driven by increased onshore/offshore TO allowed revenue.

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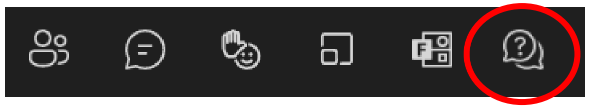

Revenue

Heather Stratford

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TO Revenue

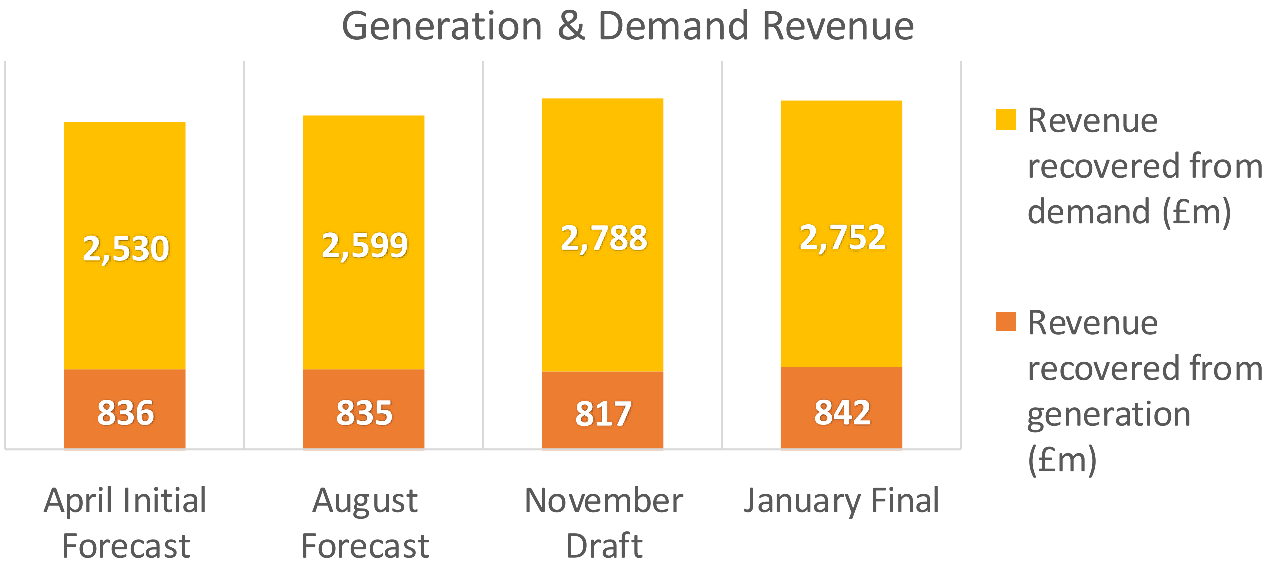
£m Nominal	2021/22 TNUoS Revenue	2022/23 TNUoS Revenue			
	January Final	April Initial Forecast	August Forecast	November Draft	January Final
TO Income from TNUoS					
National Grid Electricity Transmission	1,755.3	1,764.5	1,764.5	1,863.6	1,795.1
Scottish Power Transmission	375.8	348.7	371.9	350.5	357.9
SHE Transmission	582.6	632.7	632.6	652.8	673.2
Total TO Income from TNUoS	**2,713.7**	**2,745.8**	**2,768.9**	**2,866.9**	**2,826.2**
Other Income from TNUoS					
Other Pass-through from TNUoS	49.6	67.3	108.5	169.3	173.6
Offshore (plus interconnector contribution / allowance)	555.2	552.8	557.2	568.0	594.5
Total Other Income from TNUoS	**604.8**	**620.2**	**665.7**	**737.4**	**768.1**
Total to Collect from TNUoS	**3,318.5**	**3,366.0**	**3,434.6**	**3,604.3**	**3,594.3**

- Total revenue is forecast to be £3,594m in 2022/23, a decrease of £10m from the draft tariffs and an increase of £276m from the 2021/22 final tariffs.
- The TOs have provided their final submission to us which has decreased the TO income by £40m. Although the TO MAR increased due to the final CMA determination and increasing interest rates, this was counteracted by the Western Link Project Ofgem decision (redress of £158m between NGET and SPT).
- The ESO pass-through has increased by £4m from the draft as forecasted items are replaced with actual data.
- There has also been a £26m increase in Offshore following updated revenue forecasts from the OFTOs and the latest RPI data.

Summary of revenue to be recovered

Revenue	2022/23 Tariffs			
	April Initial	August Forecast	November Draft	January Final
Total Revenue (£m)	3,366.0	3,434.6	3,604.3	3,594.3
Generation Output (TWh)	210.0	196.4	196.4	196.4
% of revenue from generation	24.84%	24.32%	22.66%	23.43%
% of revenue from demand	75.16%	75.68%	77.34%	76.57%
Revenue recovered from generation (£m)	836.2	835.2	816.6	842.0
Revenue recovered from demand (£m)	2,529.8	2,599.4	2,787.7	2,752.3

- Demand revenue decreased by £35.4m compared to November, made up of £7.8m from the revenue decrease and £27.6m from variation in the components that form the revenue split.
- Generation revenue increased by £25.4m compared to November, made up of -£2.3m from the revenue decrease and £27.6m 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 increased by £17m and the Connection Exclusion which increased by £19m.



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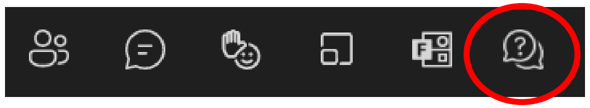


Generation Tariffs

Matt Wootton

Contracted, Modelled & Chargeable Generation Capacity

- The generation charging base for 2022/23 is forecast at **72.4GW**
- This is a **decrease of 0.1GW** since Draft tariffs
- This is driven by several small generators delaying their connection date.
- The forecast is based on the TEC registers as of 31st October. Due to an error in the Draft tariffs the contracted TEC has been updated for the Final tariffs.
- Our best view and chargeable TEC have been updated for Final tariffs. Best view considers revised completion dates for new generators and TEC changes
- Gen cap calculations are based on FES generation forecasts – where impact of COVID will be factored

	2021/22	2022/23 Tariffs			
Generation (GW)	**Final**	**Initial**	**August**	**Draft**	**Final**
Contracted TEC	89.90	89.91	87.66	85.50	85.03
Modelled Best View TEC	89.90	84.32	82.79	85.50	85.03
Chargeable TEC	70.10	74.93	73.40	72.53	72.44

- CONTRACTED:
  - Full TEC register used – Update to Moyle (Auchencrosh) Interconnector due to error in inputs for Draft tariffs*
- MODELLED:
  - Reduction in TEC in line with FES forecast and internal best view
- CHARGEABLE:
  - Modelled TEC minus interconnector capacity

*impact of change is also reflected in Modelled TEC, chargeable is not impacted by interconnector changes

Generation TNUoS Tariffs – Wider tariffs

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

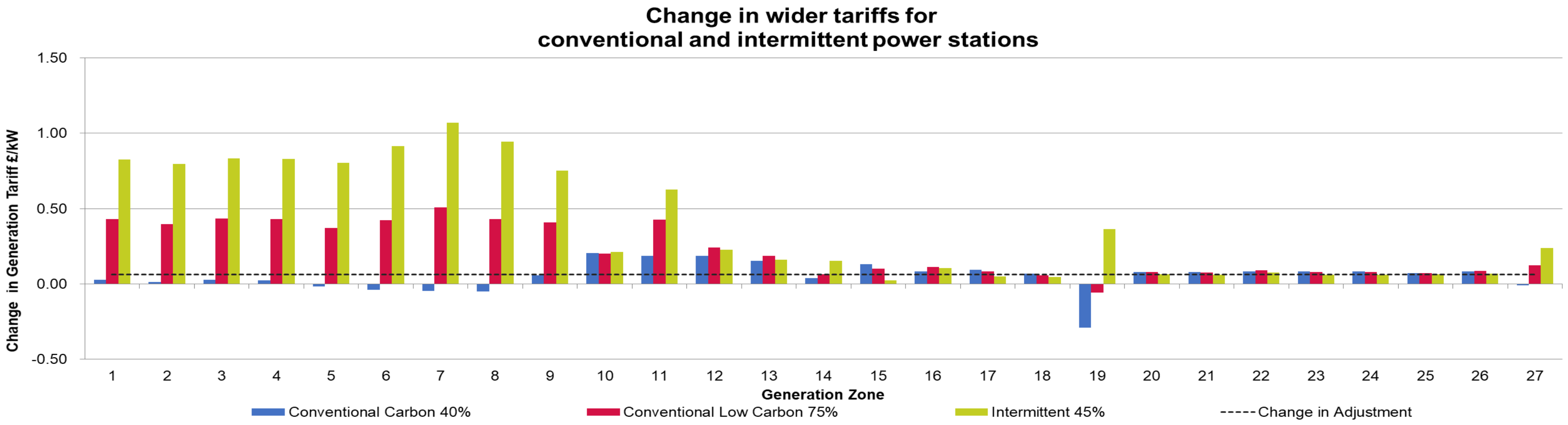
- Peak Security
- Year Round Shared
- Year Round Not Shared
- Generator Adjustment

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 were 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 contracted TEC has had the biggest impact on the generation tariffs, causing an increase across the majority of zones and especially the northern zones for Intermittent and Conventional Low Carbon (in the above scenarios), due to the change in locational signal. For zones not significantly impacted by the change in locational, there has been a slight increase in the generation adjustment.
- For zones 5 to 8 and 27 there has been a slight reduction for conventional carbon (for the given scenario of 40% ALF), with zone 19 showing the largest reduction as well as a decrease to the Conventional Low Carbon (for the given scenario of 75% ALF)

The above described variances and changes are based on the example scenarios, variances in tariffs will vary under different variables.

Transmission Generation Residual (TGR)

- This forecast includes the implementation of the TGR (CMP317/327), which took effect from April 2021. In addition. CMP368/369 has been removed in the Final tariffs, as the decision to implement it to the charging methodology has not yet been made.
- 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.
- The impact of CMP368/389 has been reversed since Draft tariffs. Which will have reverted the impact it had on tariffs and notably the generation adjustment tariff.
- Generation output and charges associated with TNUoS-liable large embedded generators, previously excluded have been re-introduced to the calculation of tariffs.
- The adjustment tariff has been introduced under the TGR, to ensure compliance with the €2.50/MWh cap

Generation Tariffs (£/kW)	2021/22 Final	2022/23 Draft	2022/23 Final	Change since last forecast
Adjustment	- 0.432600	- 0.292593	- 0.228726	0.063867
Average Generation Tariff*	11.035859	11.258529	11.622336	0.363807

* 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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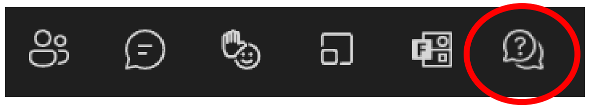

Local Tariffs

Jo Zhou/Sarah Chleboun

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Onshore Local Substation Tariffs

- Onshore local substation tariffs are inflated annually, in line with the increase of May-Oct CPIH
- The local substation tariffs for 2022/23 have been “locked down” since the Draft forecast in November

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 were updated in November, 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.

Substation Name	(£/kW)	Substation Name	(£/kW)	Substation Name	(£/kW)
Aberdeen Bay	2.671000	Edinbane	7.171952	Middleton	0.154278
Achruach	- 2.616009	Ewe Hill	1.558191	Millennium South	0.494319
Aigas	0.685223	Fallago	- 0.067330	Millennium Wind	1.720497
An Suidhe	- 0.979390	Farr	3.652465	Mossford	2.951276
Arecleoch	2.176008	Fernoch	4.608469	Nant	- 1.287043
Beinneun Wind Farm	1.380647	Ffestiniogg	0.259176	Necton	1.165832
Bhlaraidh Wind Farm	0.676448	Finlarig	0.335473	Rhigos	0.108099
Black Hill	1.590910	Foyers	0.300069	Rocksavage	0.018502
Black Law	1.830721	Glen Kyllachy	0.479246	Saltend	0.017775
Blackcraig Wind Farm	6.089148	Glendoe	1.927155	Sandy Knowe	5.244576
Blacklaw Extension	3.882282	Glenglass	4.929012	South Humber Bank	- 0.190400
Clyde (North)	0.114898	Gordonbush	1.269706	Spalding	0.274973
Clyde (South)	0.132874	Griffin Wind	9.937450	Strathbrora	0.860658
Corriegarth	3.035227	Hadyard Hill	2.899919	Strathy Wind	2.029769
Corriemoillie	1.706045	Harestanes	2.448949	Stronelairg	1.114237
Coryton	0.047861	Hartlepool	0.091422	Wester Dod	0.356506
Creag Riabhach	3.514474	Invergarry	0.383397	Whitelee	0.111191
Cruachan	1.869753	Kilgallioch	1.102649	Whitelee Extension	0.309112
Culligran	1.815856	Kilmorack	0.206913		
Deanie	2.983193	Kype Muir	1.554002		
Dersalloch	2.523707	Langage	0.674171		
Dinorwig	2.457864	Lochay	0.383397		
Dorenell	2.149878	Luichart	0.589179		
Dumnaglass	1.187466	Marchwood	0.391622		
Dunhill	1.467292	Mark Hill	0.917330		
Dunlaw Extension	1.553756	Middle Muir	2.407415		

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 are unchanged since Draft Tariffs.
- Of those that have changed, most have increased slightly, due to finalisation of 2021 RPI data.
- Projects expected to asset transfer during 2021/22 or 2022/23 will have tariffs calculated once asset transfer has taken place.

Offshore Generator	2022/23 Final Tariff Component (£/kW)		
	Substation	Circuit	ETUoS
Barrow	9.193620	48.569420	1.206045
Beatrice	7.738282	21.105031	-
Burbo Bank	11.581837	22.384141	-
Dudgeon	16.940266	26.579538	-
Galloper	17.340653	27.426026	-
Greater Gabbard	17.129624	39.639672	-
Gunfleet	20.007271	18.450293	3.448466
Gwynt y mor	21.749280	21.503123	-
Hornsea 1A	7.741153	27.389407	-
Hornsea 1B	7.741153	27.389407	-
Hornsea 1C	7.741153	27.389407	-
Humber Gateway	12.799572	29.366622	-
Lincs	17.768864	69.878865	-
London Array	12.058331	41.343394	-
Ormonde	28.266390	52.836011	0.421059
Race Bank	10.258559	28.492731	-
Rampion	8.380255	21.922390	-
Robin Rigg	- 0.620411	35.215839	11.282931
Robin Rigg West	- 0.620411	35.215839	11.282931
Sheringham Shoal	26.445404	31.146260	0.677028
Thanet	20.194388	37.834233	0.910803
Walney 1	24.413618	48.809029	-
Walney 2	22.713291	46.223810	-
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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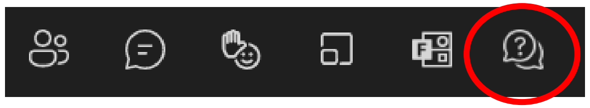

Demand Forecasts

Matt Wootton

System Peak, HH/NHH demand & Chargeable Export Forecast

	2021/22 Final	2022/23 Draft	2022/23 Final	2022/23 Change
Average System Demand at Triad (GW)	50.00	50.47	50.44	-0.03
Average HH Metered Demand at Triad (GW)	18.32	19.36	19.41	0.05
Chargeable Export Volume (GW)	6.95	7.36	7.53	0.17
NHH Annual Energy between 4pm and 7pm (TWh)	24.90	24.70	24.96	0.26

- 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 Draft tariffs with Chargeable Export Volume eliciting the greatest proportional variance
- The charging base forecast has been refined in the run up to Final tariffs and trends from 2021/22 outturn data have been analysed with the ongoing impact of COVID-19 being assessed.

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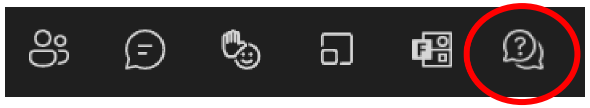


Demand Tariffs

Matt Wootton

nationalgridESO

Demand Tariffs

- In light of Ofgem's minded to decision on TDR, demand charging methodology for 2022/23 tariffs remains the same as 2021/22

- Demand revenue for 2022/23 Final tariffs decreased by £35m compared to Draft tariff forecast, with an reduction to the average HH and NHH tariffs and a slight increase to EET

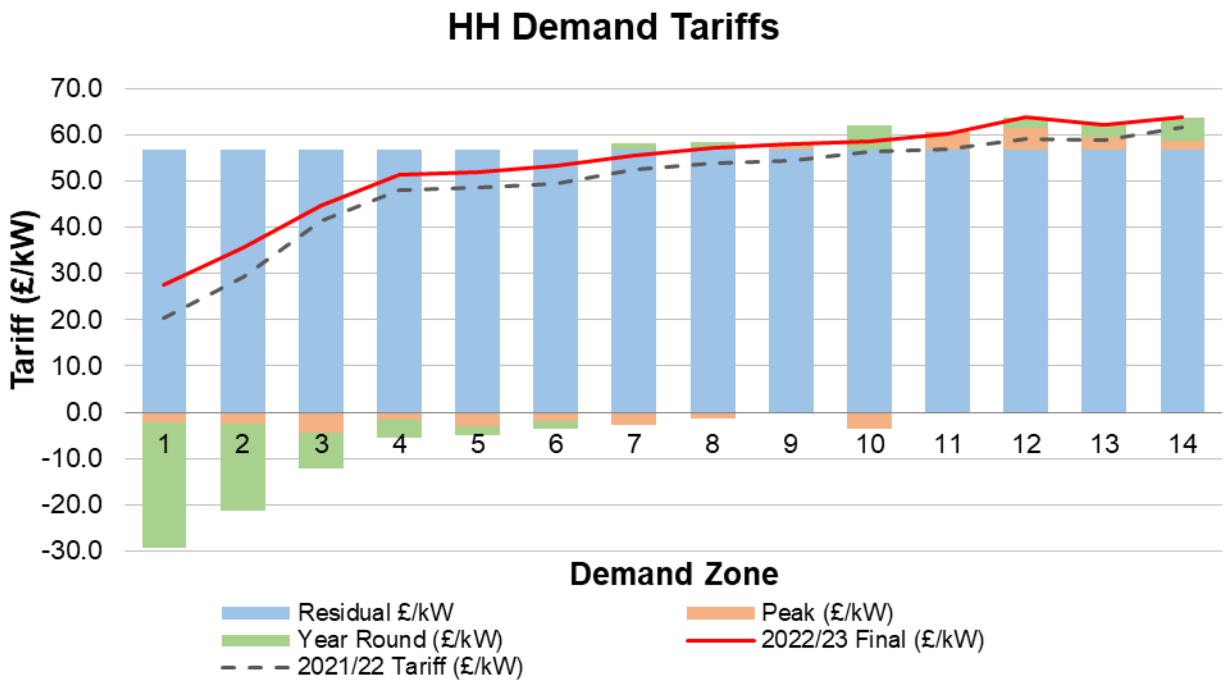
		2022/23		
HH Tariffs	**2021/22 Final**	**Draft**	**Final**	**Change**
Average Tariff (£/kW)	51.360891	55.709982	55.062816	- 0.647166
Residual (£/kW)	53.231669	57.495438	56.861767	- 0.633671

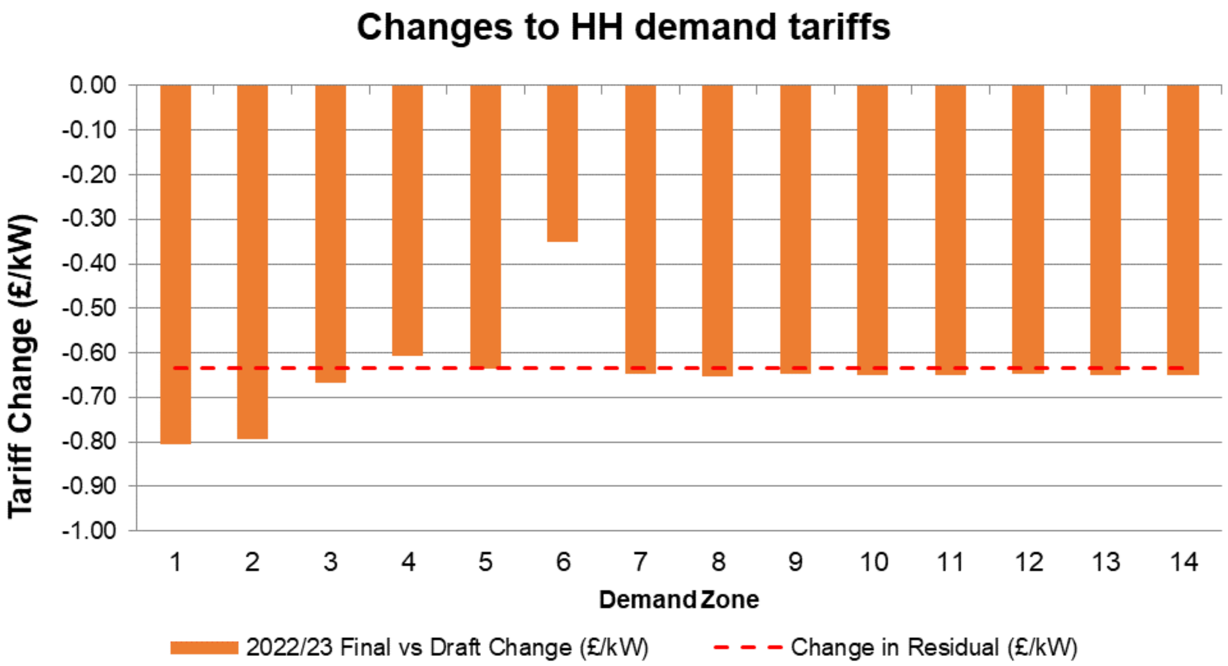
EET		**2022/23 Draft**	**2022/23 Final**	**Change**
Average Tariff (£/kW)	2.144791	1.947578	2.075319	0.127741
AGIC (£/kW)	2.282036	2.344515	2.344515	-
Embedded Export Volume (GW)	6.949440	7.361318	7.533414	0.172097
Total Credit (£m)	14.905099	14.336744	15.634242	1.297498

NHH Tariffs		**2022/23 Draft**	**2022/23 Final**	**Change**
Average (p/kWh)	6.500873	6.977935	6.809814	- 0.168121

HH Demand Tariffs

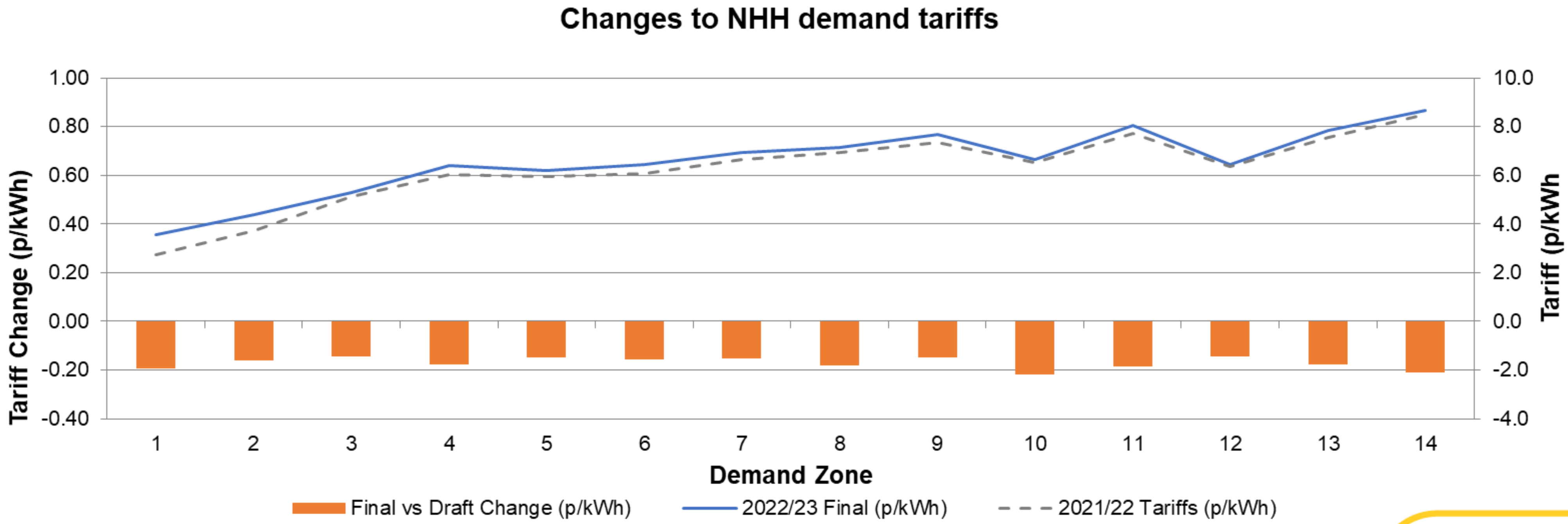
- Average HH demand tariff decreased by £0.65/kW to £55.06/kW
- The cause of this decrease is due to the reduction in overall demand revenue
- No changes have been made to locational demand from Draft tariffs
- Changes to the locational signal due to changes in contracted and modelled generation, have created fluctuations in the demand locational element of demand charges
- All Zones have seen a decrease due to the reduction in the demand residual





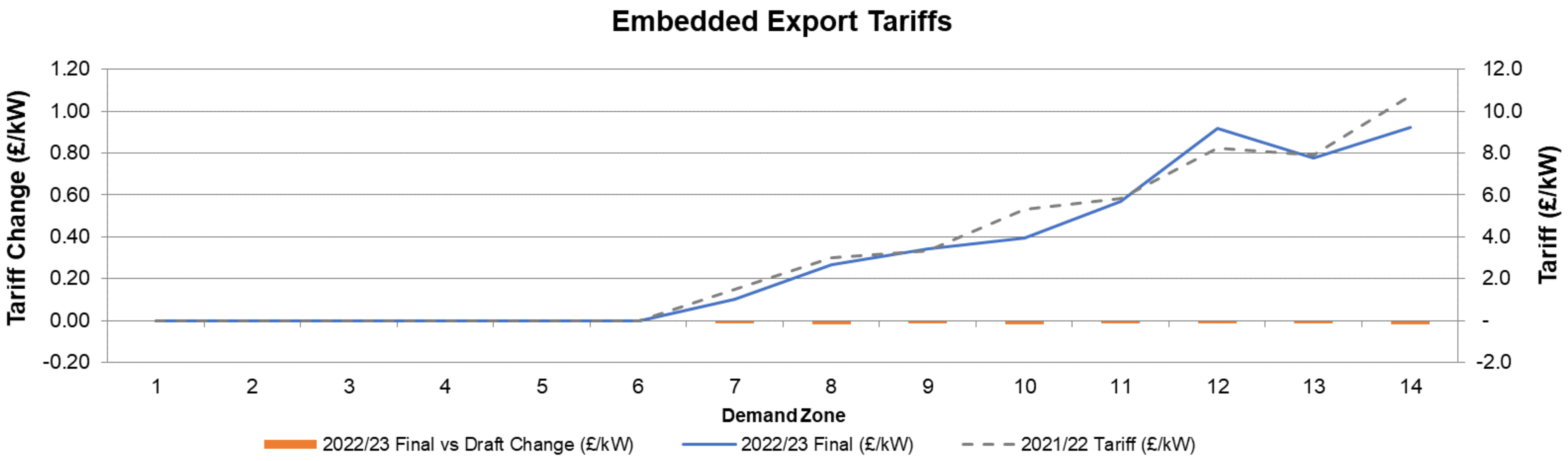
NHH Tariffs

- Average NHH tariffs have decreased by 0.17p/kWh to 6.81p/kWh
- Fluctuations in NHH zonal tariffs can be attributed to:
  - decrease in overall demand revenue
  - The change in the locational signal, due to the impact the adjustment to generator TEC (as per previous slide)
  - Marginal 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 decreased, with zones 10 and 14 seeing that largest decrease of just over 0.2p/kWh and the majority of zones seeing a reduction between 0.15p/kWh and 0.20p/kWh



Embedded Export

- The average EET has increased by £0.13/kW to £2.08/kW, due to the increase in forecast Embedded Export.
- Decrease in tariff for all zones (not floored)
- Change in zonal tariffs is minimal across all zones
- Avoided GSP Infrastructure Costs (AGIC) tariff has not changed since Draft tariffs and remains at £2.32/kW



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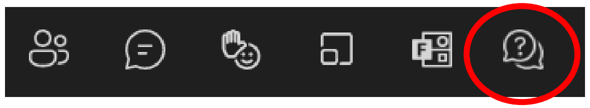
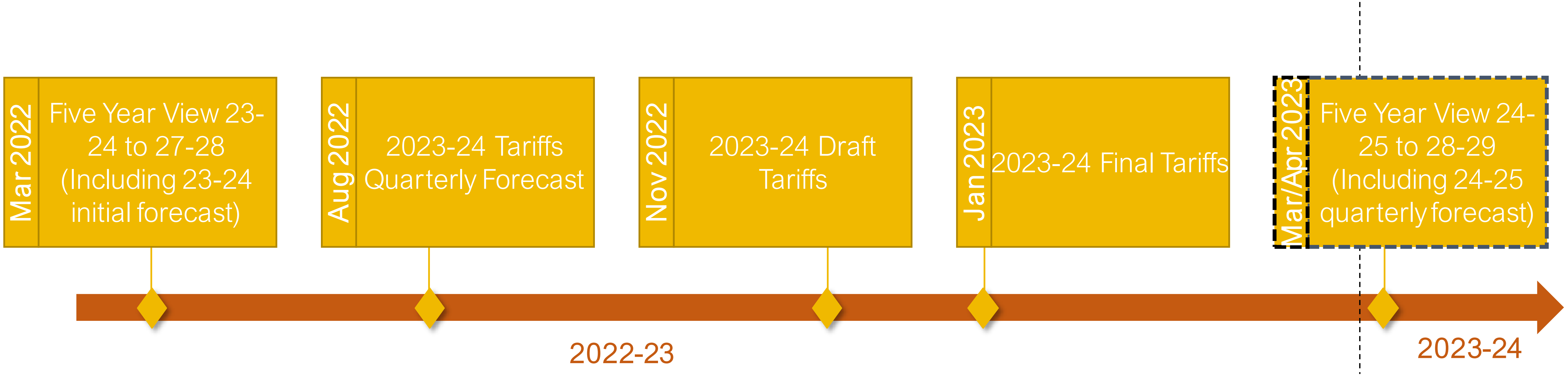


Next Steps

Nick Everitt

Tariff Timetable



- The next publication will be the five year view of tariffs for 2023/24 to 2027/28 which will be published in March 2022.
- If you have any suggestions for forecasting sensitivities to include in the 5 Year View, please get in touch at TNUoS.queries@nationalgrideso.com by 28th February 2022.
- We may review this forecast timetable once the outcome of the judicial review has been published, depending on its impact. We will engage with you on any changes required.

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.

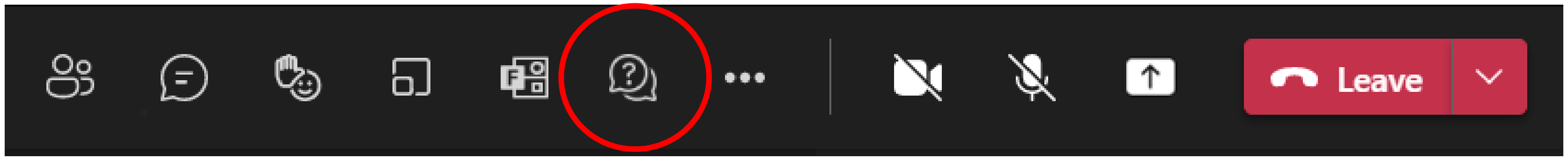
Transport and Tariff Model Training

- 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

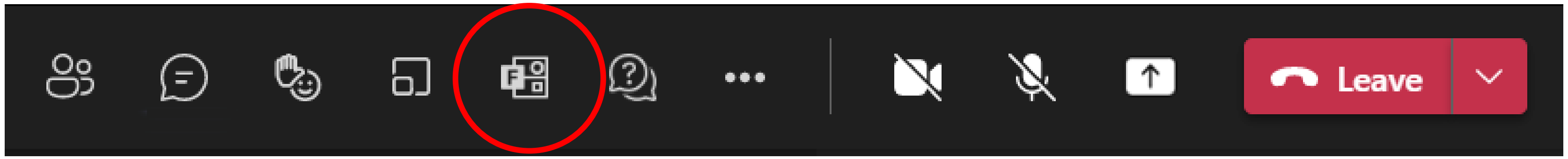
Q&A

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 or via email to:

Tnuos.queries@nationalgrideso.com

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

Under what scenarios will you have to recalculate tariffs?

- In theory, the Judicial Review (JR) decision may lead to tariff reset. In practice, if this happens, we will not know what the tariffs will look like immediately after the JR decision, because we set the tariffs according to the existing CUSC. An urgent CUSC mod needs to be raised following the JR decision, and some practical consideration regarding tariff reset will be considered within the urgent CUSC mod.

Are there any scenarios that can be shared with the industry on potential/considered actions if the charges will need to be recalculated - i.e mid year change in invoices, recovery via reconciliation etc?

- A wide range of scenarios have been discussed in the CMP317/327 workgroup. Depending on the scenario, the potential change vary from “no change” to hundreds of millions of swing between the gen pot and demand pot. This wide range makes the sensitivity analysis almost impossible. However, the CMP317/327 workgroup analysis can be downloaded on the website here https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp317-cmp327

Depending on the judicial review outcome, could CMP368 be implemented in 2022?

- In theory yes, if the JR outcome requires the CUSC to be modified as per CMP368/369. However, considering we are now in February, and the CUSC requires us to give customers two months’ notice, before we can change the tariffs, unless Ofgem directs us to do the changes within shorter timeframes. Therefore, include the new changes into next year tariffs (going live from April) will also need Ofgem’s direction, which allows us to override the default lead time under the CUSC.

Q&A

Do you have any comments on the impact of 'CMP316: TNUoS Arrangements for Co-located Generation Sites'?

- CMP316 was raised by the ESO, to "split" co-located generation of multiple technologies into "child" power stations. This mod is still at workgroup phase, and therefore we are not including it in the 2022/23 tariffs. If you would like to discuss the impacts (on tariffs/charges?), please do not hesitate to contact us via the usual channels.

Can CMP316 be included the 5-yr sensitivities since it is still ongoing but the planned implementation is April 2023?

- Thanks for the suggestion. We will take this away and consider the number of co-located sites in the next few years, and consider the range of sensitivities.

Q&A

If the 5-year forecast is published before the judicial review decision, will the 5-year forecast be re-published once a decision is known?

- We don't want to pre-empt the Judicial Review decision and promise anything before we know what the impact of that decision is or the timing. Once the decision has been published and we have identified the impact, we will discuss any proposed changes to our forecast timetable at TCMF, so you will have a chance to feed in what you think would be useful in terms of the remaining forecasts.

Can 5-year tariffs be delayed (slightly) to include CMP343 final decision, which is also due from Ofgem by end of March? This would remove the need for various sensitivities (multiple transmission bands, floored/unfloored locational charges etc...) and give more certainty.

- Thanks for your feedback. We take this away, look at the interacting timings and consider what will be the best approach for our 5 Year View publication. If we propose any changes to the forecast timetable, we will discuss it at TCMF.

Q&A

What is the fundamental diff between Contracted vs Chargeable TEC?

- Contracted TEC is the total Transmission Entry Capacity (TEC) on the Network. As Interconnectors are not charged TNUoS, the total Chargeable TEC is the Contracted TEC less the total TEC of the Interconnectors.

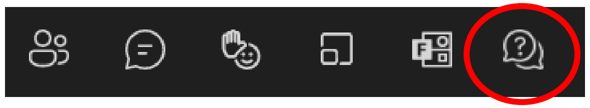
What is the reason for the different variations to tariffs seen in Zone 19 compared to the surrounding zones?

- Gen Zone 19 can be sensitive to changes in flows in the North due to the way it links into the network flow (as can be seen if you look at the ‘connection map’ tab in the DCLF ICRP External Model). The Moyle interconnector TEC error whilst directly impacting Zones 10/11 also has a flow impact through to zone 19 due to the HVDC link that connects from Zone 11 through to zone 16 which zone 19 links to.

On the Embedded Export Tariff, where does the data to forecast more embedded generation come from? Is it the DNO registers or something else?

- The Forecast Embedded Export values that are used in the demand Charging Bases, are calculated through the same Monte Carlo simulations that are used for the HH and NHH forecasts. This process uses outturn demand and embedded export data for trending as well as forward looking weather forecast data.

Questions? Go to:



Appendix

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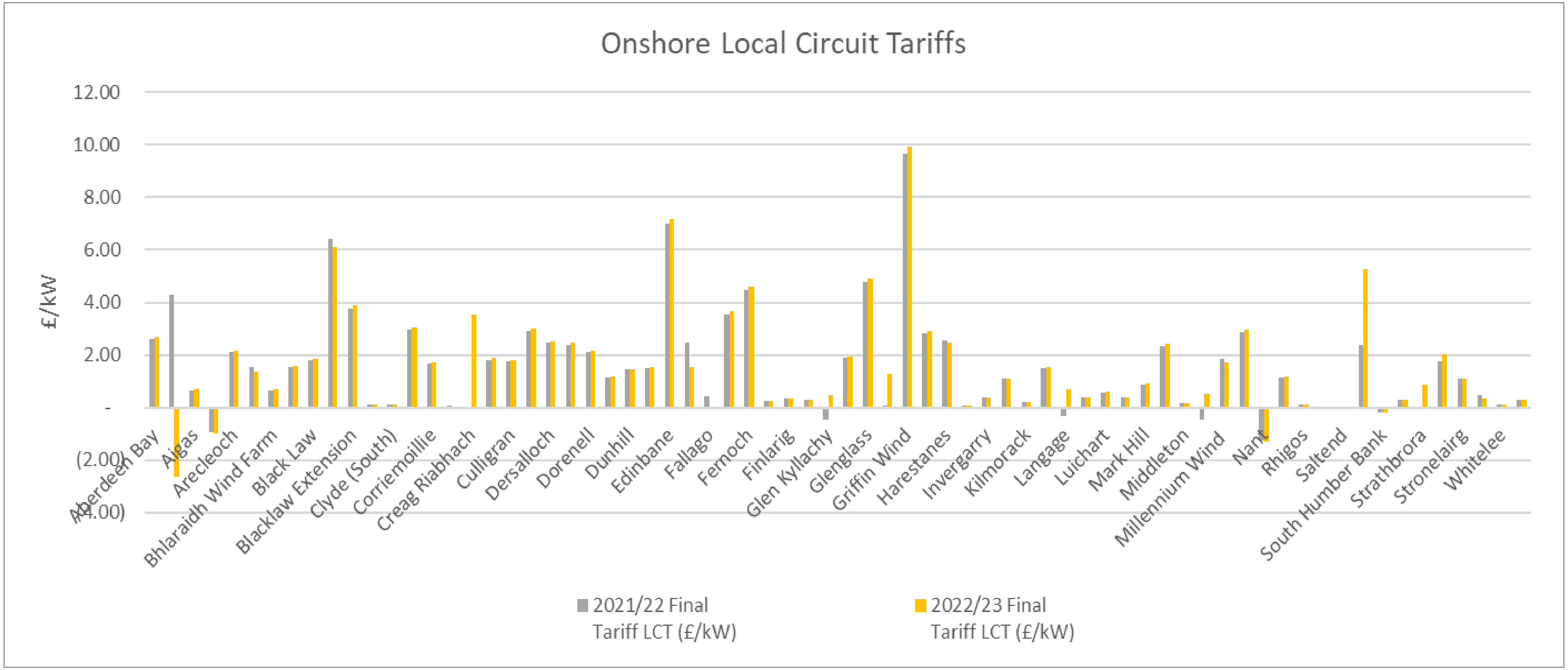
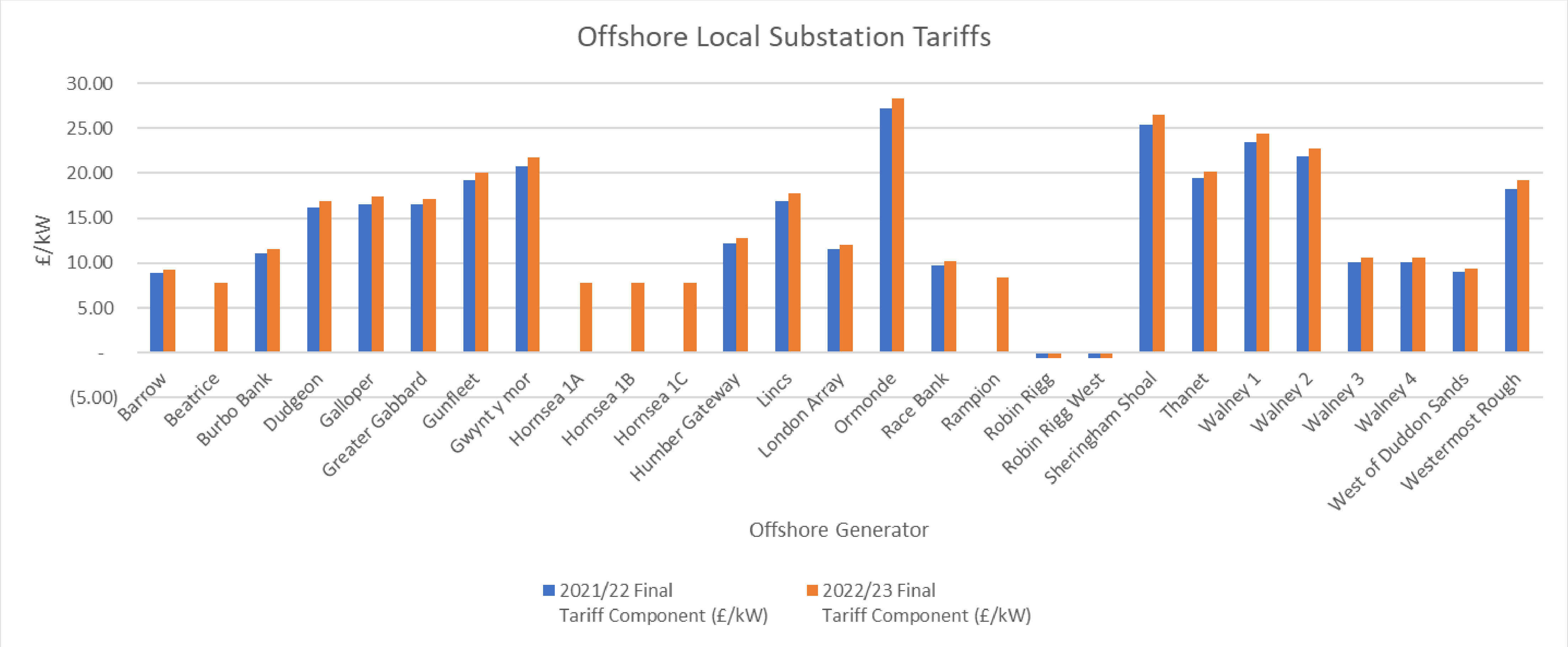
Changes to Onshore Local Circuit Tariffs since FY 21/22

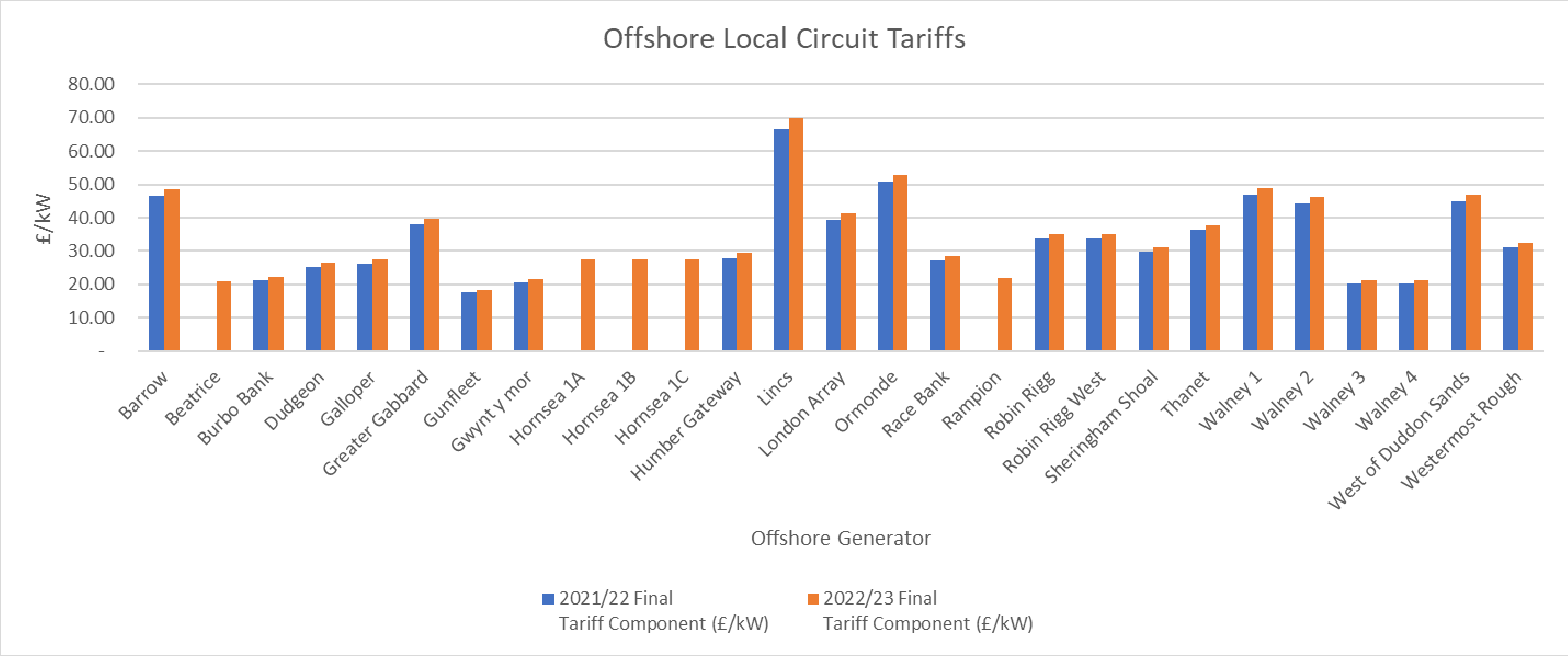


Changes to Offshore Local Substation Tariffs since FY 21/22



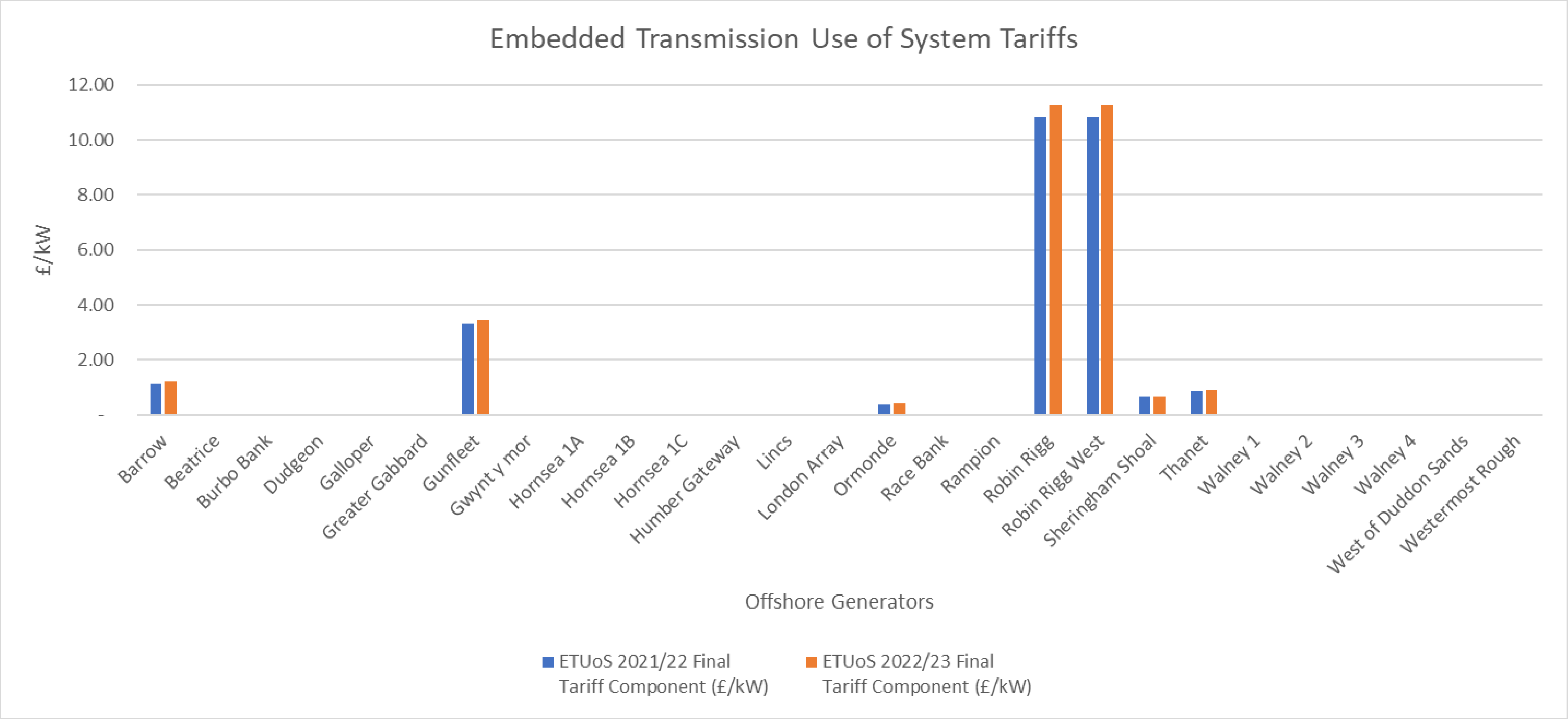
- Please note that Offshore Generators that have asset transferred since 21/22 final tariff setting will have no prior year comparison.

Changes to Offshore Local Circuit Tariffs since FY 21/22



- Please note that Offshore Generators that have asset transferred since 21/22 final tariff setting will have no prior year comparison.

Changes to ETUoS Tariffs since FY 21/22



- Please note that Offshore Generators that have asset transferred since 21/22 final tariff setting will have no prior year comparison.