TNUoS Tariffs Five Year View for 2025/26– 2029/30 Webinar

ESO Revenue Team

May 2024

Click here to view the webinar recording

ESO

Agenda

Questions?
Go to: www.slido.com
Event code: #TNUOS

1	Introduction
2	Tariff timetable
3	TNUoS Tariffs Uncertainties
4	Key inputs & findings
5	Revenue
6	Generation tariffs
7	Local Tariffs
8	Demand tariffs
9	Sensitivity Analysis
10	Next Steps
11	Q&A

Tariff Forecasting & Setting Team

Nick Everitt

Forecasting and setting TNUoS to recover around £4.2bn of revenue per year from generators and demand; in addition to BSUoS Forecasting and tariff setting and AAHEDC tariff setting.

Sarah Chleboun

- Overall TNUoS tariff setting
- Offshore revenue & local tariffs
- Local substation
- Networks /Generation
- ALFs
- Onshore Local Circuits

Ishtyaq Hussain

- Demand
- EET
- TDR
- Networks /Generation
- Onshore Local Circuits

Alan Fradley

- Networks /Generation
- Onshore Local Circuits

Dan Hickman

- Change Lead
- TDR
- ALFs

Nicky White

- Change
- TDR
- Offshore revenue

Katie Clark

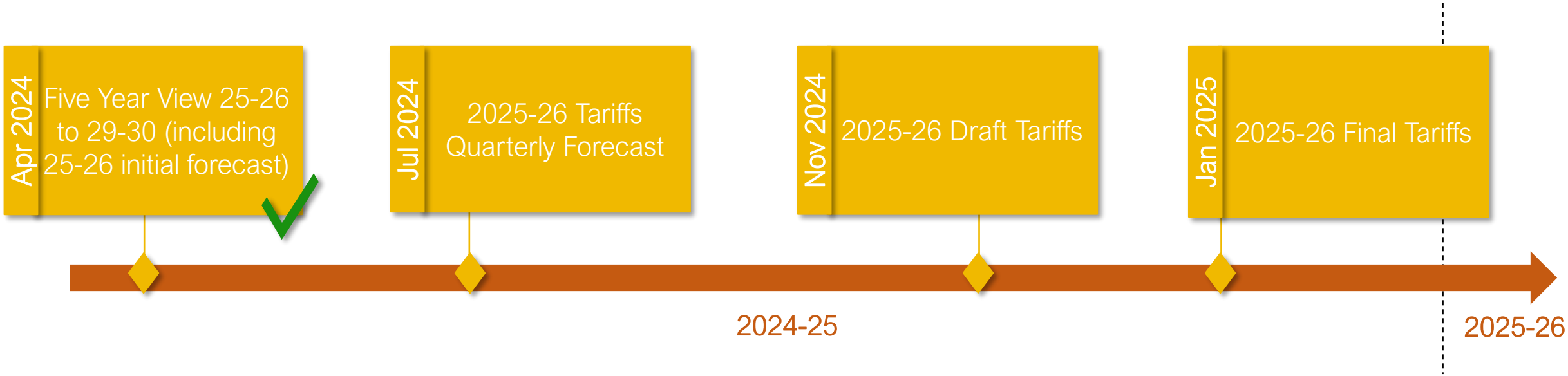
- Revenue
- Demand Charging Base
- Networks /Generation
- BSUoS Forecasting
- BSUoS Tariff Setting

Al-Marwah Az-zahra

- Revenue
- Demand Charging Base
- BSUoS Forecasting
- BSUoS Tariff Setting

Tariff Timetable

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



- The tariffs for 2025/26 will be refined throughout the year.
- Final Tariffs for 2025/26 will be published by 31st January 2025 and will take effect from 1st April 2025.

Tariff Timetable: Publication of Version 2

On 13th May we issued a 2nd version of our 5YV Report and Tables which can be found on our TNUoS Charges webpage.

What has changed?

- Corrections to minor typographical & formatting errors
- Table 30 has been updated to reflect that CMP286 has now been rejected by Ofgem.
- Two Link Specific Expansion Factors were missing within the T&T (Transport and Tariff) model which resulted in the changes to the following tariffs:
    - Wider generation tariffs & Adjustment Tariff
    - Local Circuit Tariffs at Kergord & Mossy Hill
    - Demand Tariffs
    - TDR Tariffs

TNUoS Forecast Changes & Uncertainties

There are several uncertainties over the next 5 years which we have taken into account in the setting of tariffs for 2025/26 onwards.

Regulatory Uncertainties

- A new price control will begin in 2026/27 which brings uncertainty regarding onshore TO revenues and charging parameters which are reset ahead of a new price control (some of which are also subject to CUSC modifications). We have assumed the continuation of current parameters since data required to recalculate them is not available until the year ahead of the new price control.
- Substantial change is expected to charging methodology with the TNUoS Taskforce and REMA. These are not taken into account in this 5YV, we have assumed the continuation of the current methodology until the outcomes of any required CUSC modifications are known.

Sensitivities

Having consulted the industry, we have also included sensitivities to provide industry with further information.

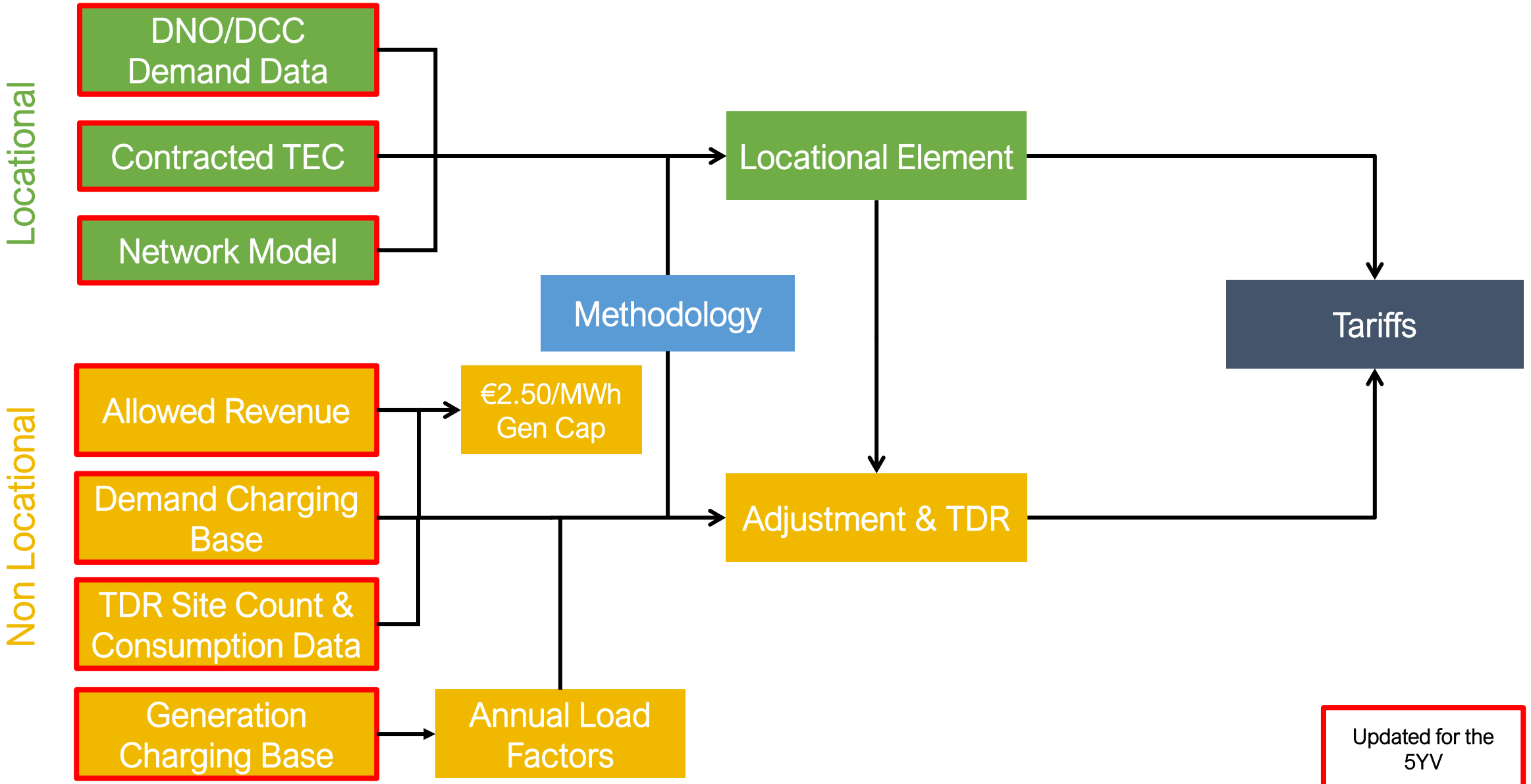
- Impact of Revenue changes
- TDR - Transmission sites
- Expansion Constant variation

Questions?
Go to: www.slido.com
Event code: #TNUOS

Key inputs and findings

Sarah Chleboun

Key Inputs for TNUoS Tariffs



Input changes in this tariff publication

		April 2024	July 2024	Draft Tariffs November 2024	Final Tariffs January 2025
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
Non-locational	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 (incl. TDR Site Count)	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
	TDR Consumption Data	Initial update using previous year’s DN data		DN data updated	Revised by exception

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

Key findings

Total Revenue

- The total TNUoS revenue is forecast at £5.28bn for FY2025/26, (an increase of £1.09bn from 2024/25 final tariffs). This is set to increase to £6.18bn in 2029/30, based on TOs latest data.

Generation

- Generation revenue is forecast to be **£1.13bn** for FY25/26, an increase of **£71m** from FY24/25 final tariffs.
- It is forecast to grow to **£1.44bn** by FY29/30, an increase of **£314m**, mainly driven by the increase in offshore generation local charges.
- The generation charging base for FY25/26 has been forecasted as **83GW** based on our best view, increasing to **119GW** in FY29/30.
- The average generation tariff for 2025/26 is forecast at **£13.58/kW**, an increase of £0.82/kW from 2024/25. It is expected to fluctuate with a high in 2025/26 and a low of **£11.95/kW** in 2028/29.

Demand

- Demand revenue for FY25/26 is forecast to be **£4.15bn**, an increase of **£1.02bn** from FY24/25. This has been driven by the increase of total TNUoS revenue. From FY25/26 the demand revenue is forecast to increase year on year to **£4.73bn** by FY29/30 in-line with the year-on-year increase in total revenue.

Consumer Bill

- The impact on the end consumer is forecast to be **£52.21** for FY25/26, an increase of **£12.42** from the 2024/25 Final tariffs forecast. This is due to the increase in the demand revenue, driven by an overall increase in TNUoS revenue. The consumer bill impact for 25/26 represents **5.93%** of the average annual electricity consumer bill, an increase of 1.8% since 24/25 Final Tariffs.

Questions?
Go to: www.slido.com
Event code: #TNUOS

Revenue

Marwah Az-zahra

TO Revenue

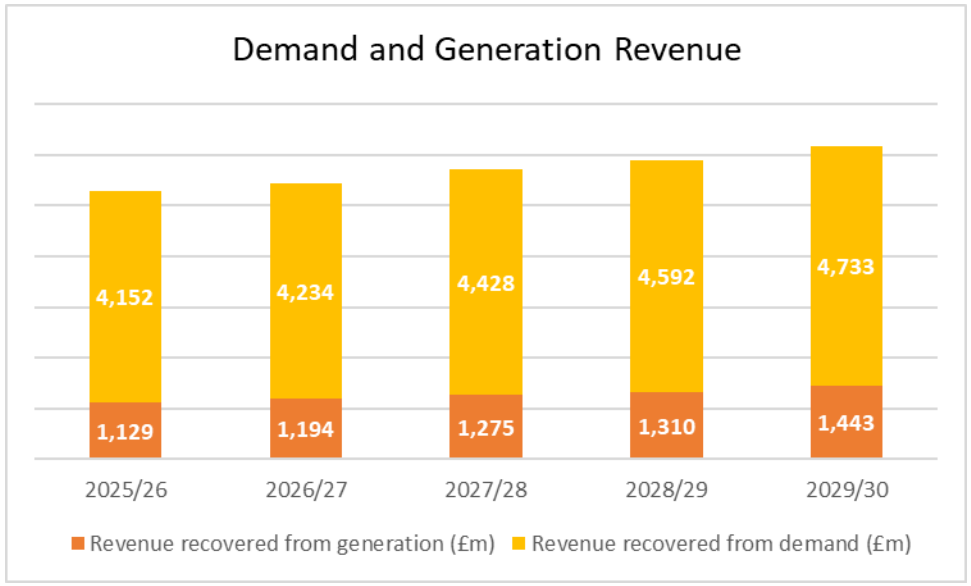
£m Nominal	2025/26	2026/27	2027/28	2028/29	2029/30
TO Income from TNUoS					
National Grid Electricity Transmission	2,502.8	2,616.6	2,669.0	2,722.4	2,776.8
Scottish Power Transmission	502.9	523.6	575.7	636.7	721.3
SHE Transmission	1,197.3	1,228.9	1,283.1	1,330.2	1,383.9
Total TO Income from TNUoS	**4,202.9**	**4,369.1**	**4,527.7**	**4,689.2**	**4,882.0**
Other Income from TNUoS					
Other Pass-through from TNUoS	131.5	118.8	88.7	59.5	47.6
Offshore (plus interconnector contribution / allowance)	946.3	940.3	1,086.6	1,152.8	1,246.5
Total Other Income from TNUoS	**1,077.8**	**1,059.0**	**1,175.3**	**1,212.3**	**1,294.1**
Total to Collect from TNUoS	**5,280.8**	**5,428.1**	**5,703.0**	**5,901.5**	**6,176.1**

- The total TNUoS revenue is forecast at £5.28bn for FY2025/26, (an increase of £1.09bn from 2024/25 final tariffs). This is set to increase to £6.18bn in 2029/30, based on TOs latest data.
- The majority of the increase between the 2024/25 final tariffs and the 2025/26 initial view is because of the TO Allowed Revenues that were submitted in January in line with STCP 24-1 by NGET (+£479.9m), SHET (+£416.2m) and SPT (£58.2m). This is mainly driven by updates to financial parameters (inflation, capital allowances and business rates). OFTO revenue is also forecast to increase in the next five years.

Summary of revenue to be recovered

Revenue	2025/26	2026/27	2027/28	2028/29	2029/30
Total Revenue (£m)	5,280.77	5,428.12	5,703.05	5,901.53	6,176.11
Generation Output (TWh)	209.11	228.51	241.86	249.18	292.77
% of revenue from generation	21.4%	22.0%	22.4%	22.2%	23.4%
% of revenue from demand	78.6%	78.0%	77.6%	77.8%	76.6%
Revenue recovered from generation (£m)	1,129.06	1,194.13	1,275.31	1,309.80	1,443.03
Revenue recovered from demand (£m)	4,151.71	4,233.99	4,427.73	4,591.73	4,733.08

- The generation output is set to increase between 2025/26 and 2029/30. The % of revenue recovered from generation is set to increase by 2% from £1.12bn to £1.44bn.
- Despite the 2% decrease in revenue to be recovered from Demand, a £581m increase is forecasted between 2025/26 and 2029/30, which is in line with the year-on-year increase in total TNUoS revenue.



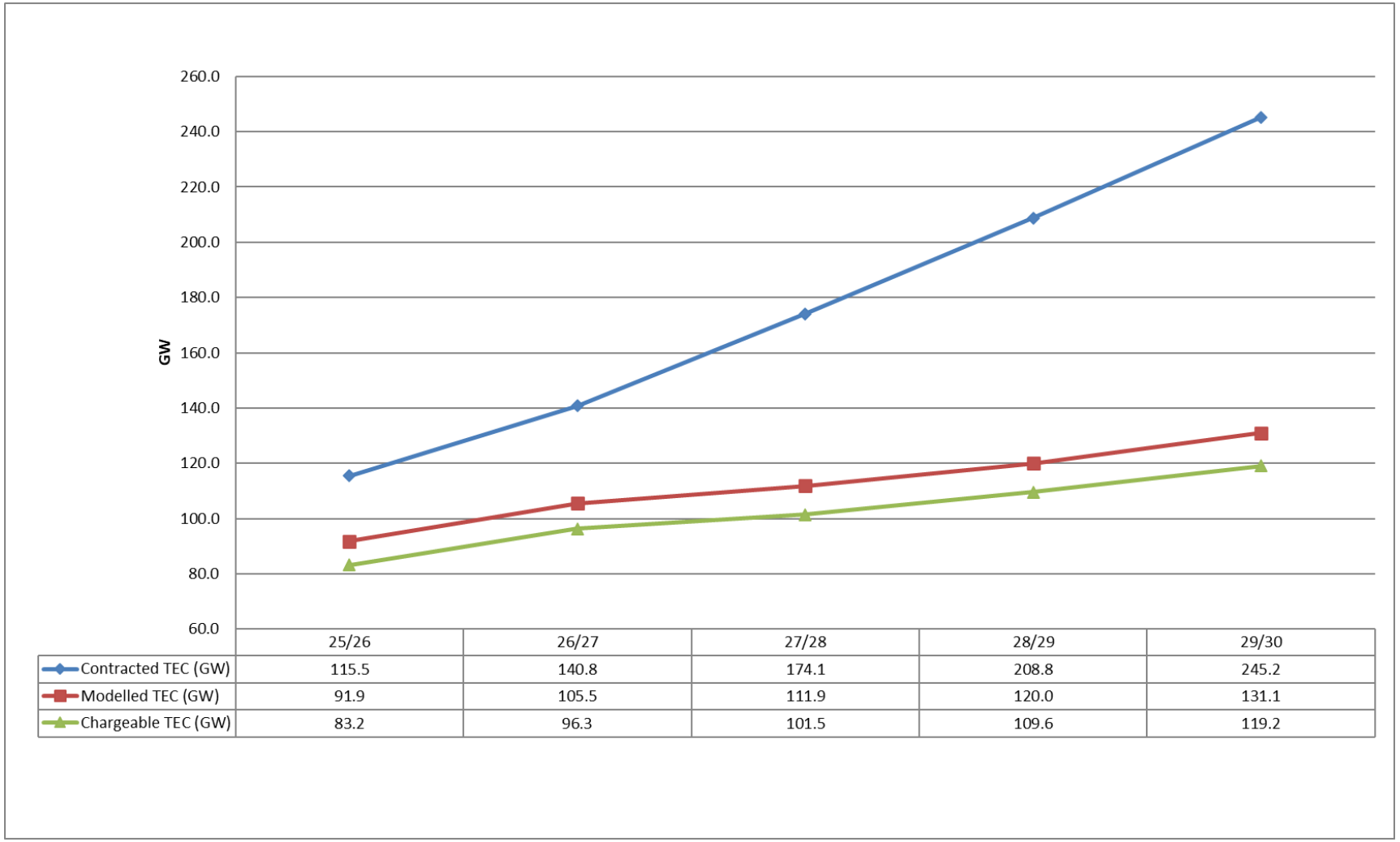
Questions?
Go to: www.slido.com
Event code: #TNUOS

Generation Tariffs

Sarah Chleboun

Contracted, Modelled & Chargeable Generation Capacity

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



	25/26	26/27	27/28	28/29	29/30
Contracted TEC (GW)	115.5	140.8	174.1	208.8	245.2
Modelled TEC (GW)	91.9	105.5	111.9	120.0	131.1
Chargeable TEC (GW)	83.2	96.3	101.5	109.6	119.2

Generation Tariffs

- The Limiting Regulation requires the total TNUoS recovery from generators to be within the range of €0-2.50/MWh on average.
- All local onshore and local offshore tariffs are excluded in the Limiting Regulation €2.50/MWh cap for generator transmission charges, except for TNUoS local charges associated with pre-existing assets.
- The adjustment tariff was introduced to ensure compliance with the €2.50/MWh cap. It is forecast to decrease, to become more negative, changing from -£1.83/kW in 2025/26 to -£4.02/kW by 2029/30.

Generation Tariffs (£/kW)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Adjustment Tariff	- 1.529118	- 1.825822	- 2.275603	- 2.278411	- 3.003818	- 4.019642
Average Generation Tariff*	12.755275	13.576645	12.399285	12.568717	11.951699	12.109220

- *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*

- The average generation tariff is forecast to be £13.58/kW for 2025/26, an increase of £0.82/kW since 2024/25. It is expected to fluctuate with a high in 2025/26 and a low of £11.95/kW in 2028/29.

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

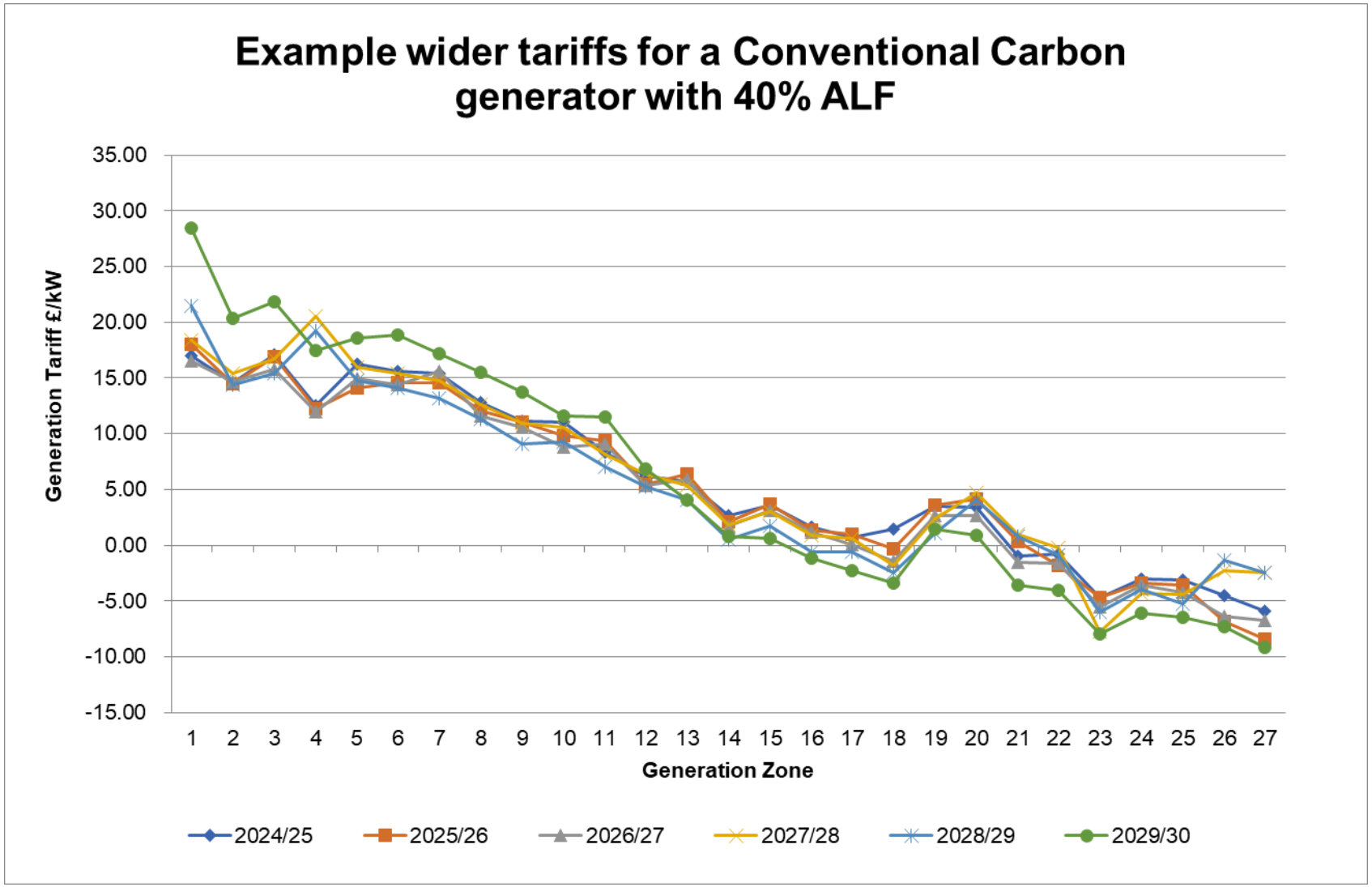
Year Round Shared and Year Round Not Shared elements are multiplied by Annual Load Factors (ALFs) dependent on generation type

We publish examples for each generation type calculation using example ALFs:

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		
Battery storage		
Reactive Compensation		

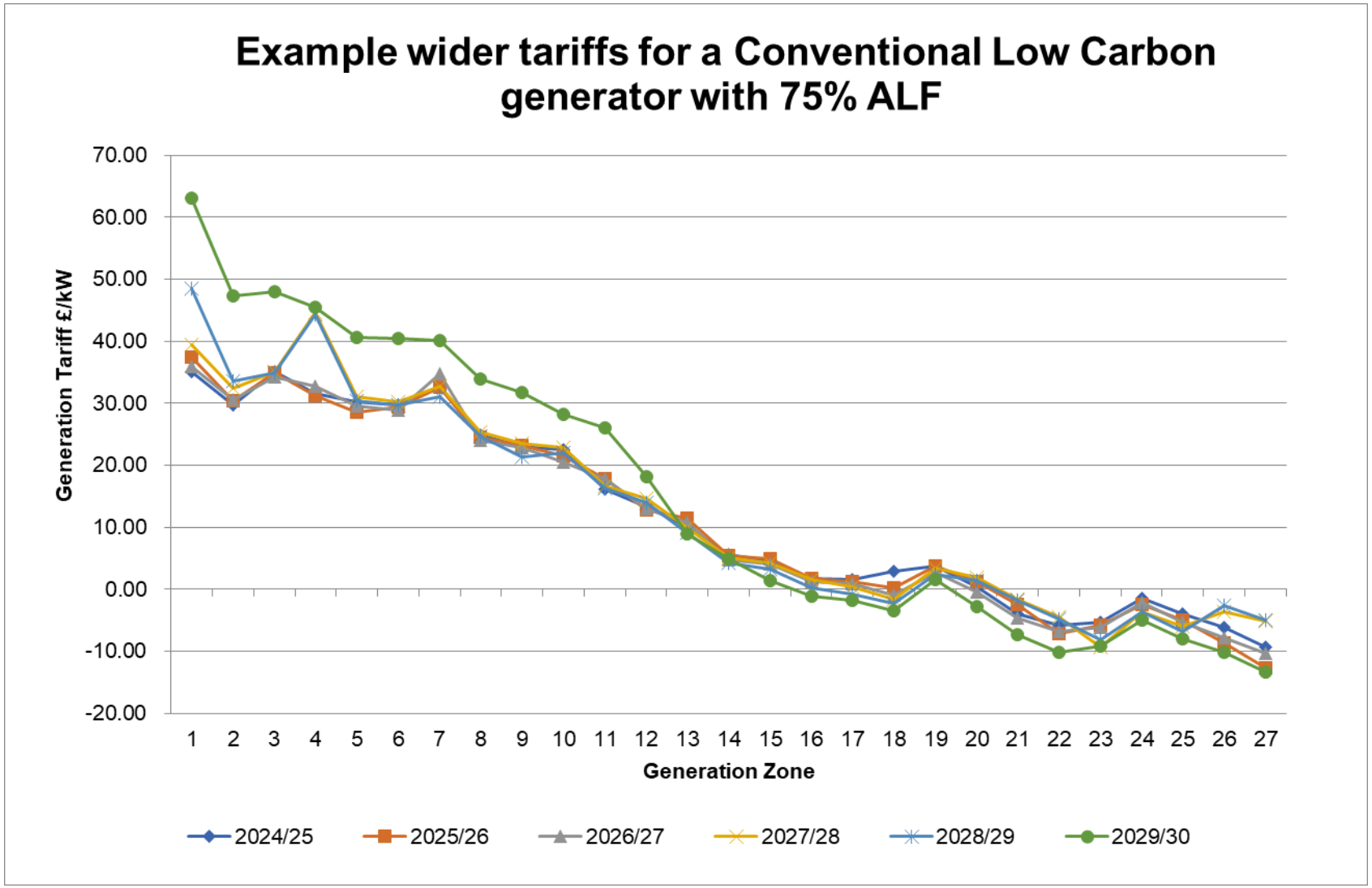
Generation Tariffs – Conventional Carbon

- In general, tariffs increase in magnitude over the 5 years.
- Larger increases can be seen in zone 1 from 2028/29 onwards due to increases in contracted generation in those years.



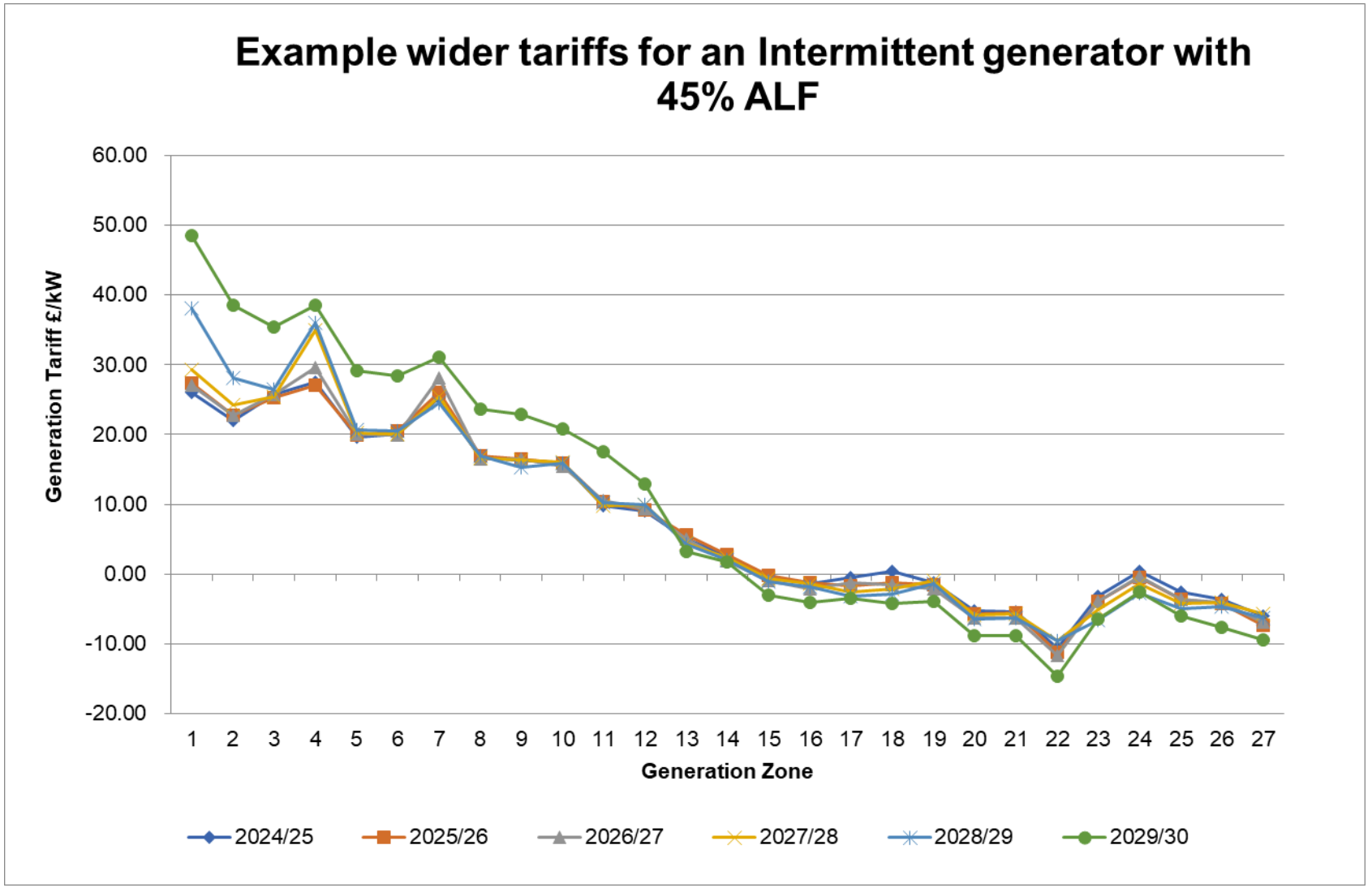
Generation Tariffs – Conventional Low Carbon

- Similar to Conventional Carbon though higher in the north due to paying full Year Round Not Shared tariff



Generation Tariffs – Intermittent

- Tariffs largely follow a similar profile to Conventional Low Carbon generators, but tariffs are slightly lower since they do not pay peak security tariffs
- Increases in tariff for Scottish zones in 2029/30 due to the new HVDC links



Questions?
Go to: www.slido.com
Event code: #TNUOS

Local Tariffs

Alan Fradley/Nicky White

Onshore Local Substation Tariffs

- Onshore local substation tariffs will be inflated annually, in line with the increase of May-Oct CPIH
- The local substation tariffs for 2025/26 will be refined in July and finalised in the Draft forecast in November, and so remain unchanged in the Final tariffs

Indicative local substation tariffs for 2025/26

2025/26 Local Substation Tariff (£/kW)				
Substation Rating	Connection Type	132kV	275kV	400kV
<1320 MW	No redundancy	0.178601	0.089304	0.061597
<1320 MW	Redundancy	0.376332	0.191145	0.135724
≥1320 MW	No redundancy	-	0.262374	0.186803
≥1320 MW	Redundancy	-	0.394829	0.283978

Onshore Local Circuits Tariffs

- Local circuits models for 2025/26 will be refined and will be locked down by the Draft Tariffs in November.
- 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.

Connection Point	2025/26 (£/kW)	2026/27 (£/kW)	2027/28 (£/kW)	2028/29 (£/kW)	2029/30 (£/kW)
Aberarder	1.703136	1.733032	1.767693	1.803046	1.839107
Aberdeen Bay	3.330578	3.389040	3.456821	3.525958	3.596477
Abhainn Dubh Wind Farm					1.393079
Achruach	- 3.084913	- 3.138672	- 3.201715	- 3.267227	- 3.343555
AGS Calderside				1.043966	1.064846
Aigas	0.841422	0.856192	0.873316	0.890782	0.908598
Aitkenhead Farm				1.554843	1.585940
Alcemi Midmill BESF					0.792970

For full details of this table see Table 11 in the report / published tables file

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, due to updates to the inflation forecast.
- Projects expected to asset transfer during 2024/25 onwards will have tariffs calculated once asset transfer has taken place.

For a full breakdown of each of the five years please see Table 13 in the published tables file

Offshore Generator	2025/26 Tariff Component (£/kW)		
	Substation	Circuit	ETUoS
Barrow	11.658323	61.590320	1.529372
Beatrice	9.420748	25.830090	-
Burbo Bank Extension	14.632563	28.280261	-
Dudgeon	21.402436	33.580751	-
East Anglia 1	12.669279	53.467720	-
Galloper	21.908288	34.650210	-
Greater Gabbard	21.721877	50.266609	-
Gunfleet	25.370989	23.396603	4.372959
Gwynt y mor	27.478173	27.167178	-
Hornsea 1A	9.780220	34.603945	-
Hornsea 1B	9.780220	34.603945	-
Hornsea 1C	9.780220	34.603945	-
Hornsea 2A	11.069115	37.393128	-
Hornsea 2B	11.069115	37.393128	-
Hornsea 2C	11.069115	37.393128	-
Humber Gateway	16.171058	37.101971	-
Lincs	22.449291	88.285386	-
London Array	15.234569	52.233497	-
Moray East	11.356280	28.445959	-
Ormonde	35.844282	67.000733	0.533940
Race Bank	12.960727	35.997891	-
Rampion	10.587665	27.696882	-
Robin Rigg	- 0.786737	44.656798	14.307754
Robin Rigg West	- 0.786737	44.656798	14.307754
Sheringham Shoal	33.535110	39.496211	0.858532
Thanet	25.608270	47.977152	1.154979
Walney 1	30.958626	61.894165	-
Walney 2	28.802461	58.615878	-
Walney 3	13.313330	26.972009	-
Walney 4	13.313330	26.972009	-
West of Duddon Sands	11.906431	59.352000	-
Westermost Rough	24.209733	41.201889	-

Questions?
Go to: www.slido.com
Event code: #TNUOS

Demand Forecasts

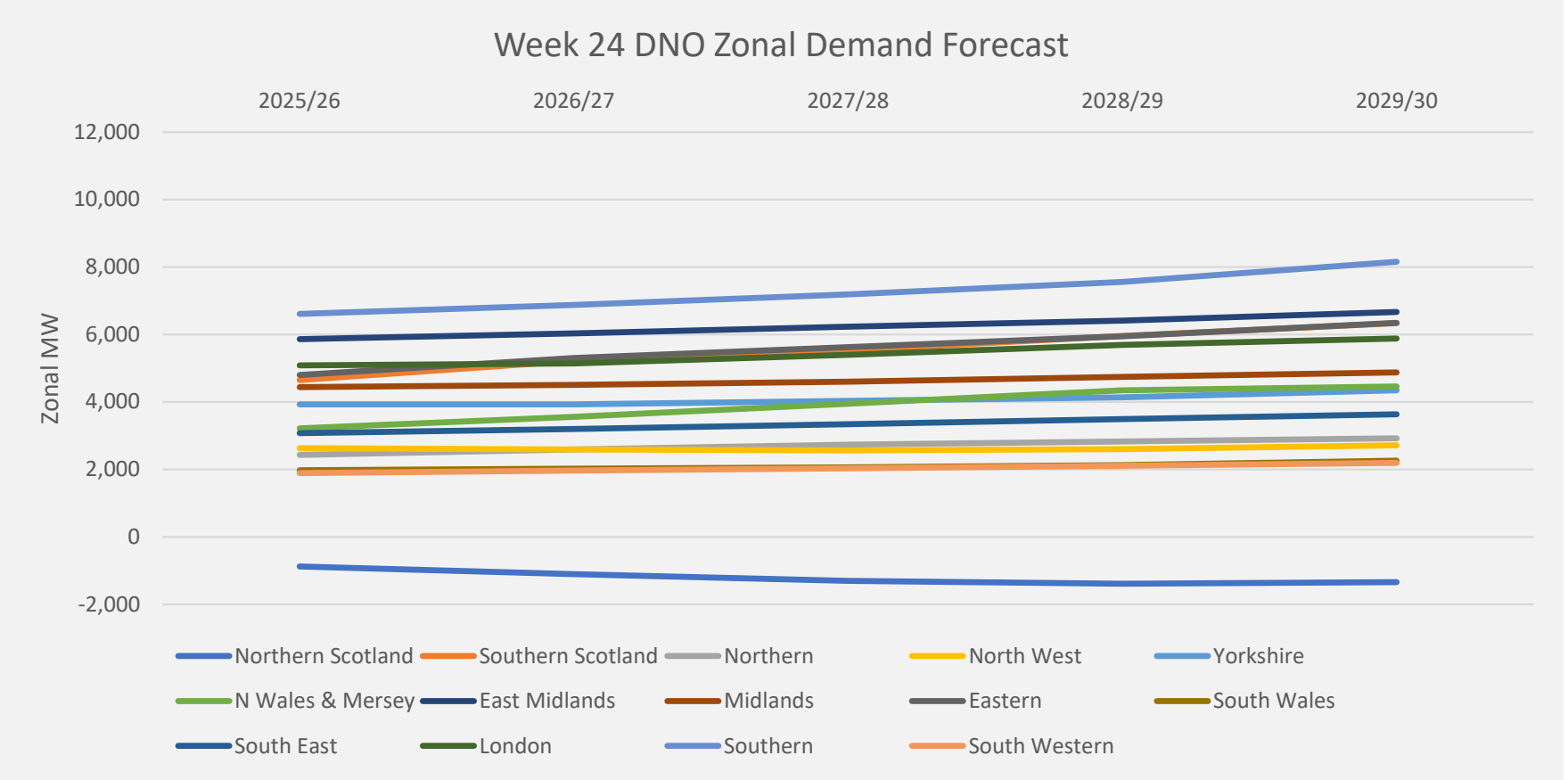
Ishtyaq Hussain

System Peak, HH/NHH demand & Chargeable Export Forecast

Charging Bases	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Average System Demand at Triad (GW)	47.04	47.43	48.19	48.72	48.94	48.89
Average HH Demand at Triad (GW)	17.24	17.21	18.67	18.85	18.95	18.98
Chargeable Export Volume (GW)	7.31	7.48	7.23	7.43	7.66	8.14
NHH Demand (4pm-7pm TWh)	22.98	23.06	22.61	22.91	22.96	22.73

- There has been increase in the overall system demand of 0.39GW in 2025/26 compared to the Final forecast. We then see a year-on-year increase overall system demand up until 2029/30 where it plateaus.
- Chargeable Export Volume forecast has increased 0.17GW in 2025/26 compared to the Final forecast. We then see a reduction for 2026/27 before a year-on-year increase up until 2029/30.
- NHH forecast has seen a small increase by 0.09TWh to 23.06TWh in 2025/26 compared to Final tariffs. The NHH demand then fluctuates year-on-year to 22.73TWh in 2029/30.
- HH demand forecast has seen a small reduction by 0.03GW to 17.21GW in 2025/26 compared to Final tariffs. We then see a year-on-year increase to 18.98GW in 2029/30.

Modelled Demand – Week 24 Data



- Week 24 data is contracted demand at GSP received from DNOs and directly connected users.
- It is used to calculate locational tariffs in the transport model.

Questions?
Go to: www.slido.com
Event code: #TNUOS

Demand Tariffs

Ishtyaq Hussain

Demand Tariffs

- Since the publication of 2024/25 charging year, average HH & NHH demand tariffs have seen an increase for 2025/26, the main driver being the increase in zonal locational revenue.

- The current tariffs indicate that the HH/NHH locational tariffs will fluctuate year-on-year. HH tariffs will increase from £7.77kW in 2025/26 to £8.82kW in 2029/30. NHH tariffs will increase from £0.37p/kWh in 2025/26 to £0.45p/kWh in 2029/30. This is due to locational HH/NHH revenue recovery fluctuating year on year.

Non-locational Banded Tariffs	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Average (£/site/annum)	93.71	123.47	125.63	130.39	134.52	136.88
Unmetered (p/kWh)	1.188571	1.580629	1.617701	1.689879	1.755041	1.797787
Demand Residual (£m)	3,037	4,039	4,134	4,318	4,484	4,594
HH Tariffs (Locational)	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
Average Tariff (£/kW)	6.501527	7.765213	6.471670	6.895366	6.750606	8.823415
Residual (£/kW)						
EET	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
Average Tariff (£/kW)	2.631433	2.839169	2.894549	2.797280	2.763755	3.518244
AGIC (£/kW)	2.712754	2.777296	2.826047	2.882568	2.940219	2.999023
Embedded Export Volume (GW)	7.310599	7.484425	7.225710	7.428710	7.657358	8.139772
Total Credit (£m)	19.2	21.2	20.9	20.8	21.2	28.6
NHH Tariffs (locational)	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
Average (p/kWh)	0.307466	0.371266	0.326621	0.341314	0.334508	0.451720

TDR Banded Charges

- Changes in demand residual banded tariffs are impacted by;
  - Changes in overall demand revenue
  - Changes in demand residual revenue - *Proportion of demand revenue not attributed to the locational element of demand tariffs*
  - *Prior year site counts and consumptions as per band thresholds. i.e. 2024/25 final tariffs will be based on 2022/23 final site counts and consumptions across each band*
- locational demand tariffs are floored with 4 Transmission bands
- Site counts and consumptions have been updated since the previous 5YV inline with the published thresholds and using 2022/23 out-turn data. 2025/26 tariffs will be refined for Draft tariffs with 2023/24 out-turn data.

Band		2025/26	2026/27	2027/28	2028/29	2029/30
Domestic	Tariff - £/Site/Day	0.137691	0.140032	0.144871	0.149784	0.152328
LV_NoMIC_1		0.092819	0.094996	0.098963	0.103061	0.105571
LV_NoMIC_2		0.336737	0.344634	0.359027	0.373893	0.383000
LV_NoMIC_3		0.777694	0.795934	0.829175	0.863507	0.884539
LV_NoMIC_4		2.315352	2.369656	2.468621	2.570835	2.633451
LV1		4.161976	4.259591	4.437486	4.621221	4.733778
LV2		7.080029	7.246083	7.548705	7.861261	8.052733
LV3		11.288055	11.552804	12.035290	12.533614	12.838888
LV4		26.322919	26.940296	28.065417	29.227473	29.939349
HV1		21.883045	22.396289	23.331637	24.297690	24.889493
HV2		66.034774	67.583551	70.406078	73.321261	75.107100
HV3		126.716808	129.688819	135.105080	140.699143	144.126063
HV4		323.999060	331.598121	345.446823	359.750145	368.512353
EHV1		176.673197	180.816883	188.368432	196.167879	200.945816
EHV2		889.059604	909.911571	947.912675	987.161262	1,011.204927
EHV3		1,670.100515	1,709.270983	1,780.656145	1,854.384707	1,899.550786
EHV4		4,681.178212	4,790.970370	4,991.058128	5,197.714275	5,324.311724
T-Demand1		528.049641	540.434495	563.004938	586.316314	600.596851
T-Demand2		2,143.077137	2,193.340779	2,284.942397	2,379.551071	2,437.508296
T-Demand3		4,993.164837	5,110.274316	5,323.697328	5,544.126494	5,679.161287
T-Demand4		15,902.582985	16,275.561500	16,955.286139	17,657.324468	18,087.392785
Unmetered demand				p/kWh		
Unmetered		1.580629	1.617701	1.689879	1.755041	1.797787
Demand Residual (£m)		**4,038.81**	**4,133.54**	**4,317.96**	**4,484.46**	**4,593.69**

TDR Banded Charges

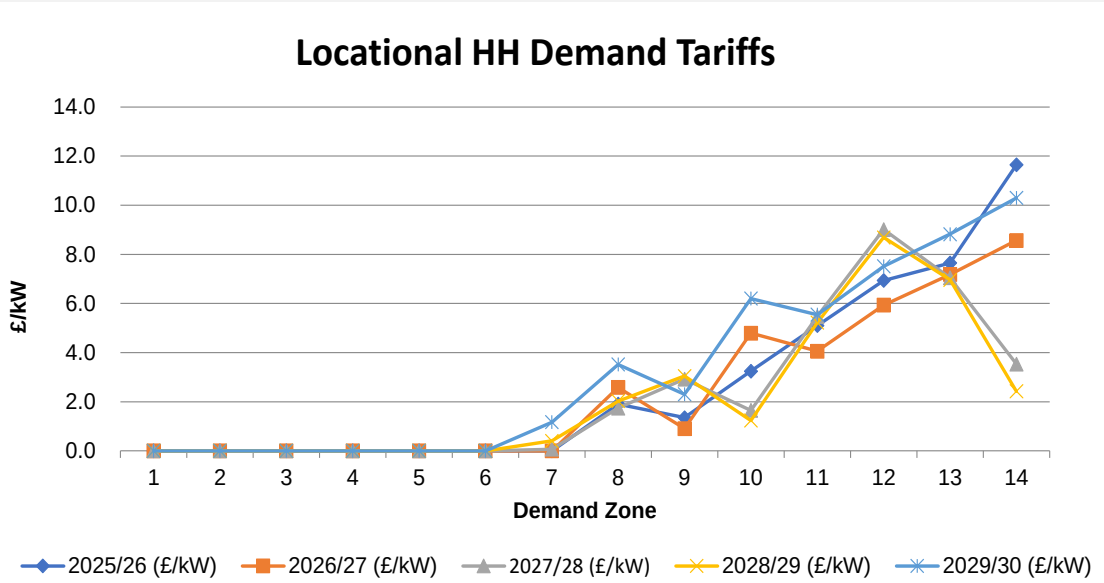
	Band	Tariff	Percentile	Threshold (kWh/MWh or kVA)		Consumption (GWh)	Consumption Proportion (%)	Site Count
				Lower	Upper			
	Domestic	Tariff - £/Site/Day				95,232	37.27%	29,951,304
kWh	LV_NoMIC_1		<= 40%	-	<= 3,571	1,912	0.75%	892,110
	LV_NoMIC_2		40 - 70%	> 3,571	<= 12,553	5,244	2.05%	674,422
	LV_NoMIC_3		70 - 85%	> 12,553	<= 25,279	6,169	2.41%	343,525
	LV_NoMIC_4		> 85%	> 25,279	∞	18,119	7.09%	338,893
kVA	LV1		<= 40%	-	<= 80	7,596	2.97%	79,039
	LV2		40 - 70%	> 80	<= 150	11,259	4.41%	68,868
	LV3		70 - 85%	> 150	<= 231	7,046	2.76%	27,033
	LV4		> 85%	> 231	∞	19,752	7.73%	32,495
	HV1		<= 40%	-	<= 422	3,983	1.56%	7,881
	HV2		40 - 70%	> 422	<= 1,000	11,647	4.56%	7,638
	HV3		70 - 85%	> 1,000	<= 1,800	9,048	3.54%	3,092
	HV4		> 85%	> 1,800	∞	25,961	10.16%	3,470
	EHV1		<= 40%	-	<= 5,000	1,851	0.72%	454
	EHV2		40 - 70%	> 5,000	<= 12,000	4,818	1.89%	235
	EHV3		70 - 85%	> 12,000	<= 21,500	5,116	2.00%	133
	EHV4		> 85%	> 21,500	∞	14,234	5.57%	132
MWh	T-Demand1		<= 40%	-	<= 33,548	366	0.14%	30
	T-Demand2		40 - 70%	> 33,548	<= 73,936	891	0.35%	18
	T-Demand3		70 - 93%	> 73,936	<= 189,873	1,614	0.63%	14
	T-Demand4		> 93%	> 189,873	∞	1,469	0.57%	4
Unmetered demand								
	Unmetered	p/kWh				2,189	0.86%	

- Site counts and consumption data has remained the same since Final tariffs for DNO bandings.
- Our next update to DNO/IDNO site count / consumption data is expected in October 2024.
- The transmission connected out-turn demand data 2022/23 has been used to update the 5YV forecast.

HH Demand Tariffs

- In 2025/26 the average locational HH tariffs is forecast at £7.77/kW, which will then reduce to £6.47/kW in 2026/27 before increasing to £8.82/kW in 2029/30.
- Locational tariffs are floored at £0/kW and therefore demand zones 1 to 7 are set to £0/kW for 2025/26 and 2026/27. In 2027/28, 2028/29 and 2029/30 zones 1 to 6 are floored to £0/kW. Fluctuations can be seen in the remaining zones that have not been floored. These fluctuations are within the normal bounds, but due to the removal of the residual element these variations will be more prominent in comparison.

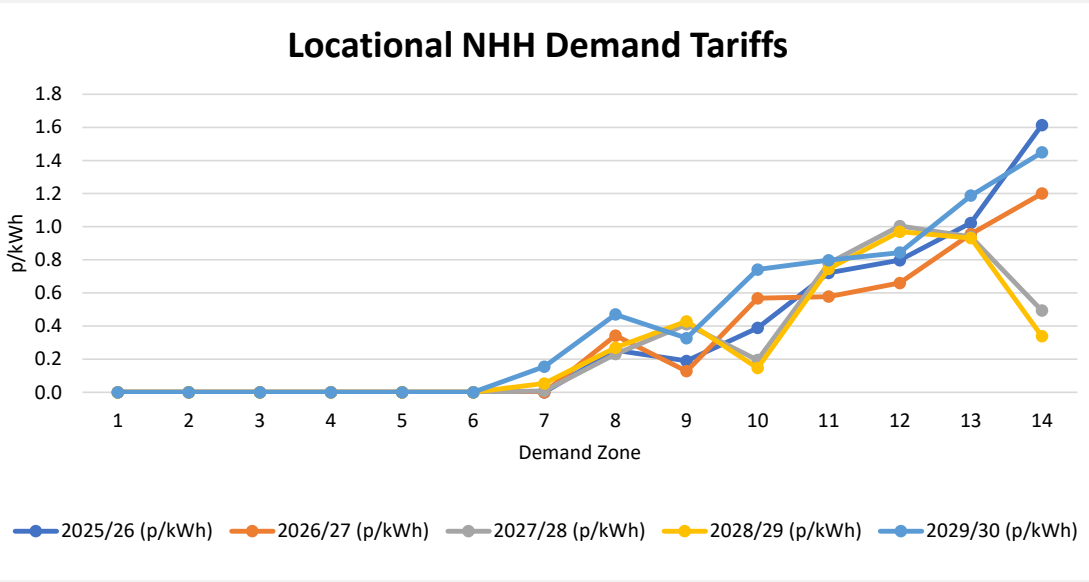
Zone	Zone Name	2025/26 (£/kW)	2026/27 (£/kW)	2027/28 (£/kW)	2028/29 (£/kW)	2029/30 (£/kW)
1	Northern Scotland	-	-	-	-	-
2	Southern Scotland	-	-	-	-	-
3	Northern	-	-	-	-	-
4	North West	-	-	-	-	-
5	Yorkshire	-	-	-	-	-
6	N Wales & Mersey	-	-	-	-	-
7	East Midlands	-	-	0.068179	0.407080	1.168129
8	Midlands	1.905747	2.583519	1.744974	2.025995	3.517292
9	Eastern	1.350978	0.908360	2.925452	3.044216	2.307990
10	South Wales	3.248225	4.795390	1.649664	1.234609	6.200372
11	South East	5.098001	4.061082	5.473083	5.224006	5.543893
12	London	6.936919	5.936054	9.011762	8.688272	7.515623
13	Southern	7.651333	7.180604	7.047977	6.966695	8.824106
14	South Western	11.646717	8.569937	3.533612	2.427467	10.298970



NHH Tariffs

- The average NHH tariff forecast for 2025/26 is 0.37p/kWh, a 0.06p/kWh increase compared to 2024/25 final tariffs, due to the change in NHH locational demand revenue recovery. The locational NHH tariff is forecast to fluctuate year-on-year through from 0.33p/kWh in 2026/27 to 0.45p/kWh in 2029/30.
- Fluctuations in zonal tariffs can be attributed to:
  - Increase in overall demand revenue
  - Changes in the HH and NHH charging bases (overall and zonal changes) and the proportion of demand revenue to be recovered across each, respectively.

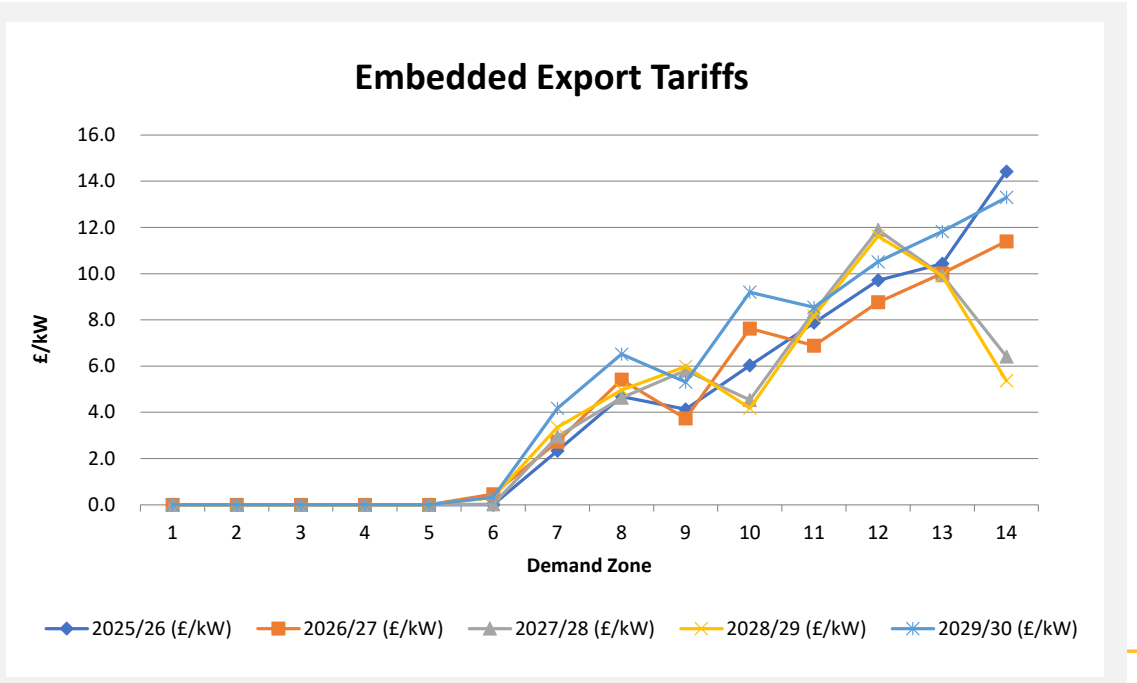
Zone	Zone Name	2025/26 (p/kWh)	2026/27 (p/kWh)	2027/28 (p/kWh)	2028/29 (p/kWh)	2029/30 (p/kWh)
1	Northern Scotland	-	-	-	-	-
2	Southern Scotland	-	-	-	-	-
3	Northern	-	-	-	-	-
4	North West	-	-	-	-	-
5	Yorkshire	-	-	-	-	-
6	N Wales & Mersey	-	-	-	-	-
7	East Midlands	-	-	0.008937	0.053500	0.154621
8	Midlands	0.254205	0.342900	0.231126	0.268768	0.469966
9	Eastern	0.189042	0.127394	0.410374	0.428436	0.327279
10	South Wales	0.388739	0.567538	0.194865	0.146649	0.741404
11	South East	0.721070	0.577662	0.779106	0.746175	0.797982
12	London	0.797668	0.660111	1.004355	0.969440	0.843409
13	Southern	1.022639	0.955301	0.938101	0.931259	1.188036
14	South Western	1.614174	1.200273	0.493502	0.338818	1.448713



Embedded Export

- In 2025/26 the average EET is forecast at £2.84/kW, which is an increase of £0.21/kW in comparison to 2024/25 Final tariffs. The average EET will increase to £2.89/kW in 2026/27, then reduce to £2.76/kW by 2028/29 before increasing to £3.52/kW in 2029/30.
- In this forecast of the EET, one of the key changes is the continuing inflation of the AGIC. In 2025/26 the AGIC is forecast at £2.78/kW (an increase of £0.06/kW from 2024/25 final tariffs), increasing to £3/kW by 2029/30.

Zone	Zone Name	2025/26 (£/kW)	2026/27 (£/kW)	2027/28 (£/kW)	2028/29 (£/kW)	2029/30 (£/kW)
1	Northern Scotland	-	-	-	-	-
2	Southern Scotland	-	-	-	-	-
3	Northern	-	-	-	-	-
4	North West	-	-	-	-	-
5	Yorkshire	-	-	-	-	-
6	N Wales & Mersey	-	0.459774	0.019240	0.311492	0.323254
7	East Midlands	2.334421	2.724830	2.950747	3.347299	4.167152
8	Midlands	4.683043	5.409566	4.627542	4.966214	6.516315
9	Eastern	4.128274	3.734407	5.808020	5.984435	5.307013
10	South Wales	6.025521	7.621437	4.532232	4.174828	9.199395
11	South East	7.875297	6.887129	8.355651	8.164225	8.542916
12	London	9.714215	8.762101	11.894330	11.628491	10.514646
13	Southern	10.428629	10.006651	9.930545	9.906914	11.823129
14	South Western	14.424013	11.395984	6.416180	5.367686	13.297993



Questions?
Go to: www.slido.com
Event code: #TNUOS

Sensitivity Analysis

Sarah Chleboun, Marwah Az-zahra & Dan Hickman

Sensitivity analysis

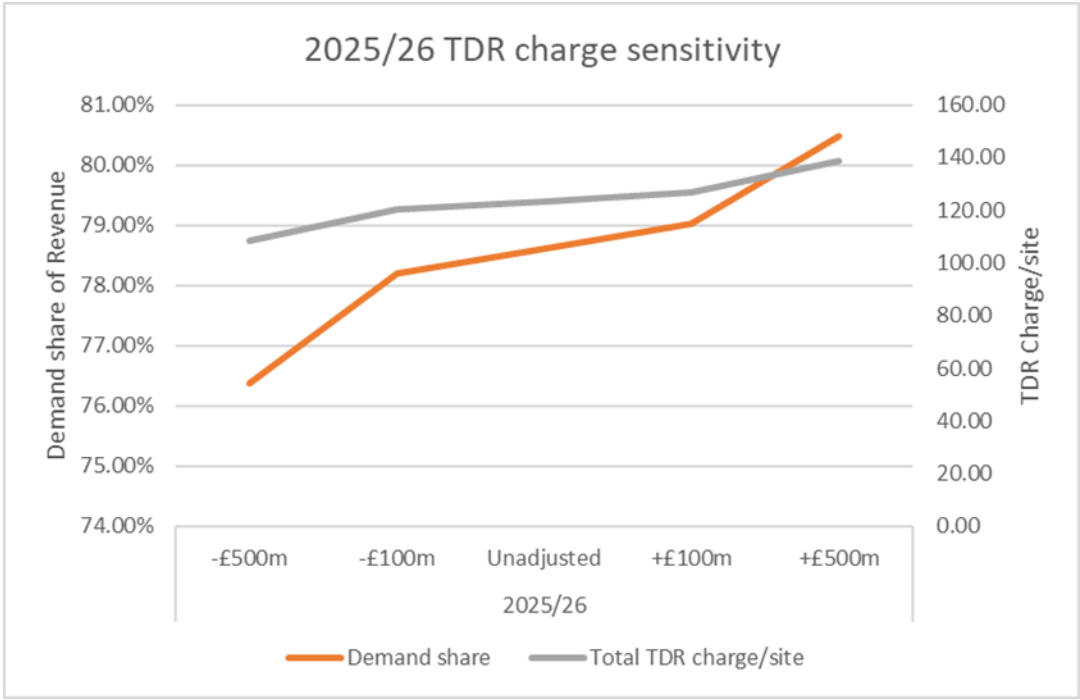
Having consulted customers, we have provided a number of sensitivity scenarios to help customers to understand the potential implications of changes to parameters that affect TNUoS Tariffs.

The sensitivity analysis that we undertook for 2025/26-2029/30 tariffs include:

- A scenario which tests the impact of additional revenue on TDR
- A scenario which tests the impact of variation in the Expansion Constant for 2025/26
- A scenario which tests the Impact of an additional TRN4 transmission site in 2025/26

Impact of additional revenue on TDR

- Impact of revenue change is proportional across the years so focus has been on 2025/26 as a representation of behaviour for the full 5 years
- Assumes revenue increase stems from onshore TO or pass-through items alone rather than offshore
- Model run 5 times with £1b variation
- For every additional £100m, TDR £/site will increase by ~2.5%
- For every reduction of £100m this equates to an ~2.8% decrease

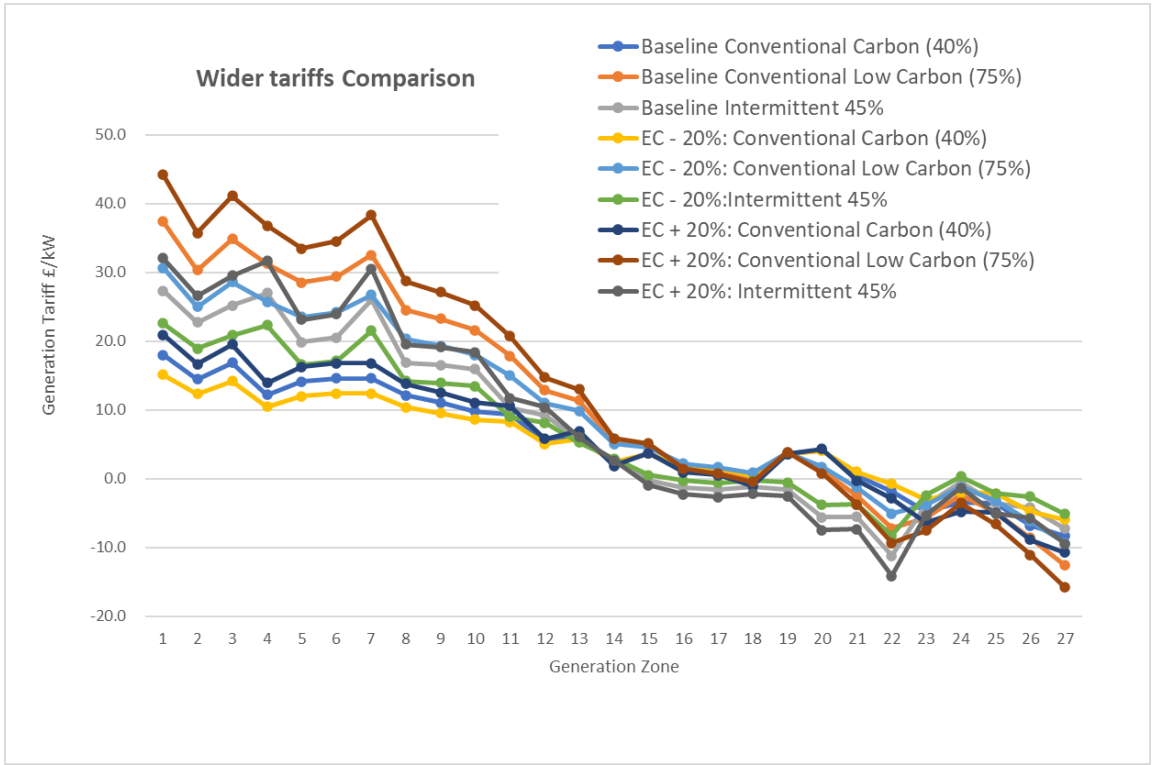


	2025/26				
	-£500m	-£100m	Unadjusted	+£100m	+£500m
Revenue (£m)	4,780	5,180	**5,280**	5,380	5,780
Generation Share*	6.47%	5.97%	**5.86%**	5.75%	5.35%
Demand Share	76.38%	78.21%	**78.62%**	79.02%	80.47%
Total TDR charge/site	**£108.18**	**£120.41**	**£123.47**	**£126.53**	**£138.75**

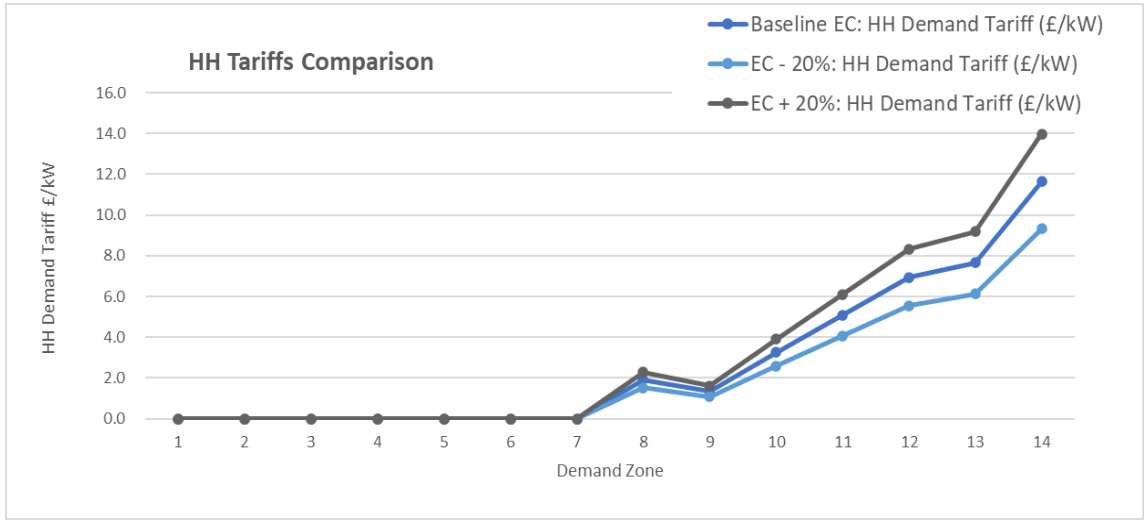
*not including PARC hence no change in Generation share

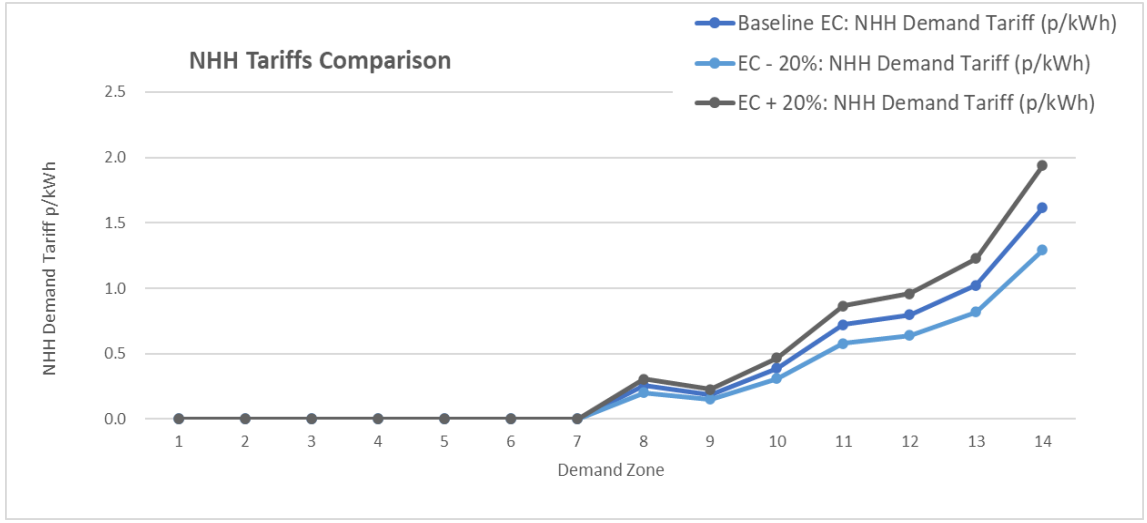
Expansion Constant Variation

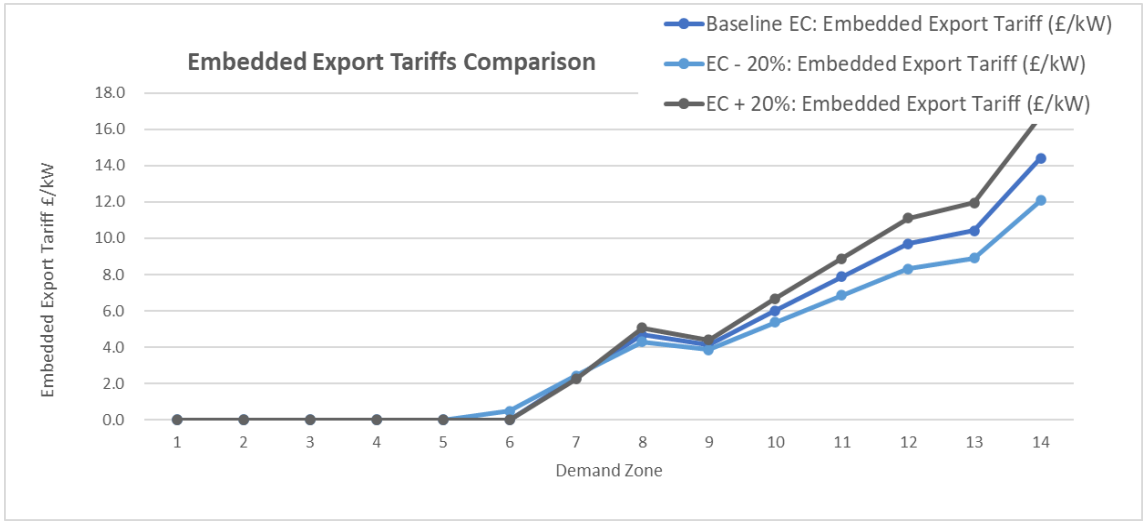
- The charts below show the impact of an increase/decrease of 20% to the Expansion Constant (EC) on indicative tariffs against the 5YV base case.
- The impact of an increase or decrease in expansion constant will have the same effect for each year.
- For each tariff type, it can be seen that an increase/decrease to the EC has the effect of stretching/compressing the tariff. So, in general, the tariff increases or decreases in line with an increase or decrease to the EC. For negative tariffs, an increase to the EC will cause it to go more negative.



Expansion Constant Variation







Impact of an additional transmission band 4 site in 2025/26

- This sensitivity looks at the impact of adding an additional transmission band 4 site with 250GWh per annum consumption in 2025/26.

T-connected Site Count	2025/26	2026/27	2027/28	2028/29	2029/30
T-Demand1	30	30	30	30	30
T-Demand2	18	18	18	18	18
T-Demand3	14	14	14	14	14
T-Demand4	5	5	5	5	5
Total transmission sites	67	67	67	67	67

T-connected Consumption Proportion	2025/26	2026/27	2027/28	2028/29	2029/30
T-Demand1	0.14%	0.14%	0.14%	0.14%	0.14%
T-Demand2	0.35%	0.35%	0.35%	0.35%	0.35%
T-Demand3	0.63%	0.63%	0.63%	0.63%	0.63%
T-Demand4	0.57%	0.67%	0.67%	0.67%	0.67%
Total transmission	1.70%	1.79%	1.79%	1.79%	1.79%

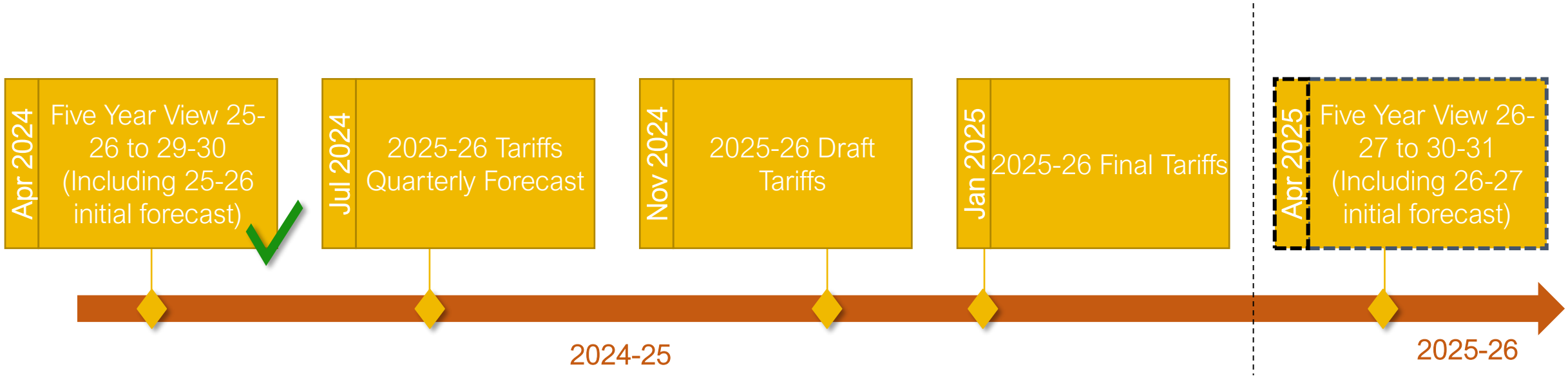
Variance (TDR Charge per £/site)	2025/26	2026/27	2027/28	2028/29	2029/30
Domestic	0.00	-0.05	-0.05	-0.05	-0.05
LV_NoMIC_1	0.00	-0.03	-0.04	-0.04	-0.04
LV_NoMIC_2	0.00	-0.12	-0.13	-0.13	-0.14
LV_NoMIC_3	0.00	-0.28	-0.30	-0.31	-0.32
LV_NoMIC_4	0.00	-0.85	-0.88	-0.92	-0.94
LV1	0.00	-1.52	-1.59	-1.65	-1.69
LV2	0.00	-2.59	-2.70	-2.80	-2.87
LV3	0.00	-4.12	-4.31	-4.47	-4.58
LV4	0.00	-9.61	-10.04	-10.43	-10.68
HV1	0.00	-7.99	-8.35	-8.67	-8.88
HV2	0.00	-24.11	-25.19	-26.16	-26.80
HV3	0.00	-46.27	-48.33	-50.20	-51.42
HV4	0.00	-118.30	-123.58	-128.35	-131.47
EHV1	0.00	-64.51	-67.39	-69.99	-71.69
EHV2	0.00	-324.63	-339.11	-352.19	-360.76
EHV3	0.00	-609.81	-637.02	-661.58	-677.70
EHV4	0.00	-1,709.26	-1,785.52	-1,854.37	-1,899.54
T-Demand1	0.00	-192.81	-201.41	-209.18	-214.27
T-Demand2	0.00	-782.51	-817.43	-848.95	-869.62
T-Demand3	0.00	-1,823.18	-1,904.52	-1,977.96	-2,026.14
T-Demand4	-1,160,888.56	-384,701.39	-401,865.87	-417,361.78	-427,527.19

Questions?
Go to: www.slido.com
Event code: #TNUOS

Next Steps

Nick Everitt

Tariff Timetable



- The next publication will be the quarterly forecast of tariffs for 2025/26 which will be published in July 2024.
- The final tariffs for 2025/26 will be published in January 2025 and will apply from April 2025.

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
- The recordings from the last training session can be found here.

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

Q&A

Go to: www.slido.com

Event code: #TNUOS

Thank You

Go to: www.slido.com
Event code: #TNUOS
Please respond to 3 questions under ‘Polls’

Please send any other feedback that you have via email to:
Tnuos.queries@nationalgrideso.com

TNUoS Queries

Tnuos.queries@nationalgrideso.com

ESO