19th February 2015

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2015/16 Wider Cancellation Charge Statement

Version 2

Effective from 1st April 2015

Based Upon:

User Commitment Methodology

contained within

Section 15
of the Connection and Use of System Code

Version 1	**30th January 2015**	
Version 2	**19th February 2015**	Revised Numbers for "L" Zones for current period and revised forecasts for all periods.

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1. Wider Cancellation Charge Tariff Statement

1.1 Introduction

This document is a statement which contains the 2015/16 tariff for the Wider Cancellation Charge payable by users who wish to terminate agreements and/or reduce Transmission Entry Capacity (TEC) or Developer Capacity.

This document also shows the various parameters and variables used to calculate this tariff as well as a forecast for the period through to financial year 2018/19.

1.2 Background

Arrangements for generation user commitment have been codified as section 15 of the Connection Use of System Code (CUSC) as a result of the CUSC Modification Proposal (CMP) 192. The arrangements have replaced the interim Final Sums methodology and the Interim Generic User Commitment Methodology (IGUCM) for generators. These became effective from 1 April 2013.

The arrangements comprise of a generic liability to cover broad system investment (Wider), and a specific liability to cover local generator driven investment (Attributable).

For full details of the arrangements please refer to the Connection and Use of System Code section 15.

A National Grid CMP192 guidance document is also available at:

http://www2.nationalgrid.com/uk/services/electricity-connections/policies-and-guidance/

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1.3 2015/16 Cancellation Charge Tariff Statement

Zone	Tariff (£/MW)
A1	1,533.73
A2	0.00
A3	1,533.73
A4	0.00
A5	0.00
A6	0.00
A7	1,533.73
A8	1,533.73
A9	1,533.73
B1	1,850.08
B2	1,606.96
B3	0.00
B4	0.00
C1	0.00
C2	239.40
C3	239.40
C4	482.52
C5	239.40
C6	0.00
C7	482.52
C9	482.52
D4	0.00
D5	0.00
D6	834.75
E1	0.00
E6	4,631.86
E7	4,388.74
E8	0.00
F6	4,631.86
G1	0.00
G5	0.00
G6	0.00
G7	1,148.73

Zone	Tariff (£/MW)
H1	1,148.73
H2	1,148.73
H6	1,148.73
J1	3,819.00
J2	4,852.43
J3	4,852.43
J4	0.00
J5	4,852.43
J6	0.00
J7	0.00
J8	0.00
K1	599.70
K2	0.00
K4	599.70
K5	599.70
K6	599.70
L1	0.00
L2	0.00
L3	2,119.58
L5	2,119.58
L7	2,119.58
L8	0.00
M4	0.00
M5	1,858.13
M6	2,727.97
M7	2,550.89
M8	3,584.13
N1	954.76
N2	954.76
N3	954.76
N4	0.00
N5	0.00
N6	0.00

Zone	Tariff (£/MW)
N7	0.00
N8	0.00
P1	0.00
P2	0.00
P3	0.00
P4	1,779.08
P5	1,779.08
P6	1,779.08
P7	2,858.78
P8	1,779.08
Q2	9,512.68
Q4	0.00
Q5	0.00
Q6	9,512.68
Q7	0.00
Q8	9,512.68
R4	0.00
R5	4,545.81
R6	4,545.81
S1	12,081.78
S2	12,081.78
S3	0.00
S4	12,209.98
S5	12,209.98
S6	12,209.98
S7	12,209.98
S8	0.00
S9	12,081.78
T1	23,103.22
T2	19,819.50
T3	14,226.00
T4	14,226.00
T5	30,137.41

Table 1.1 – Charge Tariff

Please note that Wider Cancellation Charge Tariff of £0/MW applies to zones where there is no liable generation.

1.4 Closure and Capacity reduction – Connected Generation

In the event of notification of a reduction in generating capacity or complete plant closure, Connected Generators will be liable for up to two years Wider Cancellation Charge based on notice of reduction or closure. Please note that the tariff is applicable from the date of notice.

Years notice	% liability of wider cancellation charge
2	0%
1	75%
0	100%

Table 1.2 – Notice Periods

This liability replaces the previous liability which was equal to Transmission Network Use of System (TNUoS) charges at their contracted capacity.

For comparison, the link below shows the forecast future TNUoS tariffs.
http://www2.nationalgrid.com/UK/Industry-information/System-charges/Electricity-transmission/Approval-conditions/Condition-5/

2.1 Inputs

The wider cancellation charge is calculated using each TO's forecast of both load related and non load related wider capex. The apportionment of wider capex to each zone is based on the following factors.

Input	Source/Fixed Factor	Description
User Risk Factor	50%	The share of the wider risk between generation and consumers.
Global Asset Reuse Factor	33%	The percentage of the wider transmission assets which a TO could potentially reuse on another project.
Boundary levels	Gone Green 2014 as shown in ETYS 2014	Depth of each ETYS boundary multiplied by the increase in required capability on that boundary.
Boundary non compliance factors	Gone Green 2014 as shown in ETYS 2014	Ratio between available capacity and required capability on each boundary.
Generation base	TEC and Interconnector Register, ETYS 2014	Current and Future Generation by zone.
Capex data	TO forecasts	TO forecasts of load related and non load related wider capex

Table 2.1 – Calculation Inputs

Please note that for further information on boundary compliance, future reinforcements, which zones impact on each boundary, capabilities and required transfers please refer to Chapter 3 of the Electricity Ten Year Statement (ETYS).

Tariffs were calculated according to the methodology in CUSC Section 15 using zones and boundaries from ETYS which has replaced Seven Year Statement (SYS). There is an increase in the number of zones used which allows keeping these zones if new boundaries are introduced in the future.

Network boundaries and zones are shown in ETYS Appendices A1.2 and A1.4 respectively. Mapping of ETYS zones to boundaries is shown in ETYS Appendix F.2.

You can find the latest Electricity Ten Year Statement by following this link:
http://www2.nationalgrid.com/UK/Industry-information/Future-of-Energy/Electricity-Ten-Year-Statement/

3. Calculation Variables 2015/16

This section shows details of the capital expenditure (capex) figures and boundary data that feed into the calculation of the wider cancellation charge tariff.

3.1 Capex

Table 3.1 shows the combined load related (LR) and non load related (NLR) wider capex figures for the three current onshore TO's, namely National Grid Electricity Transmission (NGET), Scottish Hydro Electric Transmission (SHE Transmission) and Scottish Power Transmission (SPT), for the 2015/16 period;

	£m
Wider Load Related Capex	887
Wider Non Load Related Capex	670

Table 3.1 – Capex Figures

2.2 Boundary Data

Table 3.2 shows by zone the boundary capabilities, required increase in capabilities and compliance factors used to calculate the 2015/16 tariff:

Boundary	Current Capability (MW)	Increase in Required Capability (MW)	Compliance Factor
B0	245	392	67%
B1	600	1,020	44%
B2	1,600	1,412	100%
B4	1,750	1,494	100%
B5	3,540	0	100%
B6	3,300	999	94%
B7	4,410	1,410	100%
B7a	5,360	1,478	97%
B8	11,800	756	100%
B9	13,590	0	100%
B10	6,390	0	100%
B11	7,970	380	100%
B12	6,600	297	100%
B13	2,220	0	100%
B14	11,130	0	100%
B15	8,370	0	100%
B16	14,200	0	100%
B17	7,900	358	100%
SC1	6,000	0	100%
EC1	5,500	16	100%
EC3	4,460	329	100%
EC5	3,430	981	100%
SW1	3,569	0	100%
NW1	1,800	0	100%
NW2	1,690	0	82%
NW3	5,660	0	100%
NW4	5,200	0	100%

Table 3.2 – Boundary Data

4 Forecasts

4.1 Capex

Table 4.1 shows the forecast load related and non load related capex figures for the three financial years beyond 2015/16 shown section 2.1 of this document:

	16/17 £m	17/18 £m	18/19 £m
Wider Load Related Capex	644	532	765
Wider Non Load Related Capex	752	782	950

Table 4.1 – Forecast Capex

4.2 Tariffs

Tables 4.2-4.4 show the forecast of the wider cancellation charge tariff for the three financial years beyond the published statement shown in section 1.3 of this document:

2016/17 Forecast Tariffs

Zone	Tariff (£/MW)	Zone	Tariff (£/MW)	Zone	Tariff (£/MW)
A1	1,842.62	H1	1,335.27	N7	0.00
A2	0.00	H2	1,335.27	N8	0.00
A3	1,842.62	H6	1,335.27	P1	0.00
A4	0.00	J1	4,932.03	P2	0.00
A5	0.00	J2	4,177.72	P3	0.00
A6	0.00	J3	4,177.72	P4	1,602.04
A7	1,842.62	J4	0.00	P5	1,602.04
A8	1,842.62	J5	4,177.72	P6	1,602.04
A9	1,842.62	J6	0.00	P7	2,972.57
B1	1,839.89	J7	0.00	P8	1,602.04
B2	1,549.69	J8	0.00	Q2	6,797.01
B3	0.00	K1	660.81	Q4	0.00
B4	0.00	K2	0.00	Q5	0.00
C1	250.52	K4	660.81	Q6	6,797.01
C2	250.52	K5	660.81	Q7	0.00
C3	250.52	K6	660.81	Q8	6,797.01
C4	540.72	L1	0.00	R4	3,371.86
C5	250.52	L2	0.00	R5	3,371.86
C6	0.00	L3	1,766.19	R6	3,371.86
C7	540.72	L5	1,766.19	S1	8,302.63
C9	540.72	L7	1,766.19	S2	8,302.63
D4	0.00	L8	0.00	S3	0.00
D5	0.00	M4	2,576.59	S4	8,443.46
D6	918.32	M5	2,576.59	S5	8,443.46
E1	0.00	M6	4,247.97	S6	8,443.46
E6	3,868.19	M7	3,693.39	S7	8,443.46
E7	3,578.00	M8	5,276.57	S8	0.00
E8	0.00	N1	964.64	S9	8,302.63
F6	3,868.19	N2	964.64	T1	14,782.20
G1	0.00	N3	964.64	T2	12,724.75
G5	0.00	N4	0.00	T3	9,461.07
G6	0.00	N5	0.00	T4	9,461.07
G7	1,335.27	N6	0.00	T5	19,179.33

Table 4.2 – 2016/17 Forecast Tariffs

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2017/18 Forecast Tariffs

Zone	Tariff (£/MW)
A1	1,916.13
A2	0.00
A3	1,916.13
A4	0.00
A5	0.00
A6	0.00
A7	1,916.13
A8	1,916.13
A9	1,916.13
B1	1,461.99
B2	1,202.11
B3	0.00
B4	0.00
C1	260.51
C2	260.51
C3	260.51
C4	520.39
C5	260.51
C6	0.00
C7	520.39
C9	520.39
D4	0.00
D5	0.00
D6	638.39
E1	0.00
E6	3,124.48
E7	2,864.60
E8	0.00
F6	3,124.48
G1	0.00
G5	0.00
G6	0.00
G7	980.60

Zone	Tariff (£/MW)
H1	980.60
H2	980.60
H6	980.60
J1	2,618.36
J2	2,841.00
J3	2,841.00
J4	0.00
J5	2,841.00
J6	0.00
J7	0.00
J8	0.00
K1	638.51
K2	0.00
K4	638.51
K5	638.51
K6	638.51
L1	0.00
L2	0.00
L3	2,027.93
L5	2,027.93
L7	2,027.93
L8	0.00
M4	2,589.27
M5	2,589.27
M6	4,405.16
M7	3,788.77
M8	5,474.79
N1	941.03
N2	941.03
N3	941.03
N4	0.00
N5	0.00
N6	0.00

Zone	Tariff (£/MW)
N7	0.00
N8	0.00
P1	0.00
P2	0.00
P3	0.00
P4	1,739.25
P5	1,739.25
P6	1,739.25
P7	2,695.38
P8	1,739.25
Q2	6,008.19
Q4	0.00
Q5	0.00
Q6	6,008.19
Q7	0.00
Q8	6,008.19
R4	2,907.99
R5	2,907.99
R6	2,907.99
S1	7,559.07
S2	7,559.07
S3	0.00
S4	7,785.89
S5	7,785.89
S6	7,785.89
S7	7,785.89
S8	0.00
S9	7,559.07
T1	10,734.22
T2	10,084.47
T3	8,417.06
T4	8,417.06
T5	11,291.61

Table 4.3 – 2017/18 Forecast Tariffs

2018/19 Forecast Tariffs

Zone	Tariff (£/MW)	Zone	Tariff (£/MW)	Zone	Tariff (£/MW)
A1	2,328.92	H1	1,101.31	N7	0.00
A2	0.00	H2	1,101.31	N8	0.00
A3	2,328.92	H6	1,101.31	P1	0.00
A4	0.00	J1	2,920.28	P2	0.00
A5	0.00	J2	1,644.83	P3	0.00
A6	0.00	J3	1,644.83	P4	2,195.21
A7	2,328.92	J4	0.00	P5	2,195.21
A8	2,328.92	J5	1,644.83	P6	2,195.21
A9	2,328.92	J6	0.00	P7	3,285.51
B1	1,644.04	J7	0.00	P8	2,195.21
B2	1,328.33	J8	0.00	Q2	6,894.79
B3	0.00	K1	795.60	Q4	0.00
B4	0.00	K2	0.00	Q5	0.00
C1	311.32	K4	795.60	Q6	6,894.79
C2	311.32	K5	795.60	Q7	0.00
C3	311.32	K6	795.60	Q8	6,894.79
C4	627.03	L1	0.00	R4	3,331.36
C5	311.32	L2	0.00	R5	3,331.36
C6	0.00	L3	2,395.97	R6	3,331.36
C7	627.03	L5	2,395.97	S1	8,644.84
C9	627.03	L7	2,395.97	S2	8,644.84
D4	0.00	L8	0.00	S3	0.00
D5	0.00	M4	3,489.03	S4	8,960.00
D6	742.33	M5	3,489.03	S5	8,960.00
E1	0.00	M6	6,167.71	S6	8,960.00
E6	3,256.34	M7	5,177.88	S7	8,960.00
E7	2,940.63	M8	7,977.07	S8	0.00
E8	0.00	N1	1,192.17	S9	8,644.84
F6	3,256.34	N2	1,192.17	T1	11,569.67
G1	0.00	N3	1,192.17	T2	10,937.81
G5	0.00	N4	0.00	T3	9,528.86
G6	0.00	N5	0.00	T4	9,528.86
G7	1,101.31	N6	0.00	T5	12,147.73

Table 4.4 – 2018/19 Forecast Tariffs

Please note that the forecast figures shown in tables 4.2-4.4 are calculated using the current capability and transfer data and the forecast capex figures from the three onshore TO's. ***These figures are indicative*** *and therefore subject to change as capex forecasts are updated by the transmission companies on an annual basis.*

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5 Cancellation Charge Secured Amount

Prior to the trigger date defined within construction agreements, the cancellation charge secured amount will be the same as the cancellation charge as set out in the cancellation charge statement for the relevant security period, i.e. 100%

On or after the trigger date, the cancellation charge secured amount will be the percentage of the cancellation charge set out below.

- Prior to (and including) the key consents in place date 42%
- From the key consents in place date 10%

These percentages will be reviewed at the start and mid-point of the Transmission price control period, and only changed beyond this in exceptional circumstances to aid stability and certainty.

Contact

Should you have any questions please contact your Customer Account Manager, our Electricity Customer Team general Number (01926 654634) or on the following email address: transmissionconnections@nationalgrid.com