

Whether the newly-Expected Works move into the Wider Works liability

“Wider Cancellation Charge Information” ... includes ... a forecast of a Transmission Owner’s load related capex and non load related capex **excluding the cost of any Attributable Works** ...”.

As the cost of Attributable Works, excluded from this wider works input cost datum provided by the TO to NESO for wider cancellation charge calculation, would (if CMP447 were passed) fall by the cost of the excluded works, so the cost of the Wider Works would rise by the same amount, as it would be excluding less. So, it would include the Excepted Works as, if the works excepted are no longer attributable, then they would need to be included in the Capital Expenditure (CAPEX) forecast.

Remember however that the resulting wider Value At Risk (VAR) is, before calculating the wider cancellation charge for that zone, reduced by two factors in turn:

- a) the User Risk Factor (URF) 50%. This factor accounts for the generous assumption of a 50/50 share between generation and consumers
- b) the Global Asset Reuse Factor (GARF) 33%. This value is fixed and represents the transmission assets which a TO could potentially reuse on another project – only 33% of wider VAR is then left for the denominator of the calculation, and that’s spread over the capacity of all the generators in the Electricity Ten Year Statement (ETYS) zone when calculating the wider £/kW element of the potential cancellation charge.