

Attributable and wider system liabilities

1.1 Attributable liabilities apply to those works that are required for a specific generator or group of generators and are based on actual project costs.

1.2 Wider liabilities apply to wider NGET works (e.g. an upgrade of an existing 400kV line) and are calculated based on total annual Transmission Operator asset spend as a generic £/MW charge for all generators in a zone.

1.3 If a generator cancels their scheme, WPD, and hence the generator, shall become liable for both the Attributable and Wider works.

1.4 Generators may opt to fix their Attributable liabilities or harness them to the actual costs. Once fixed the liability cannot be renegotiated. If the generator opts to apply actual Attributable liabilities the level will be reconciled on a 6 monthly basis. WPD must ask the generator which of the methods they wish to utilise.

1.5 The generator will also be liable for a cancellation charge should they reduce their capacity requirement. The Actual Attributable liability can be reconciled should another project step in and make use of the works but wider and fixed Actual liabilities are not reconciled.

Security

1.1 A relevant generator with export capacity =>1MW must provide security to cover the full Attributable liability prior to the Trigger date (4 years prior to commissioning). It falls to 45% from the Trigger Date up until key consents are obtained, at which point it falls to 26% up to the point of commissioning. If the generator cancels, the security posted is non-refundable even if the works do not proceed.

1.2 NGET will recalculate security amounts allowing for cancelled or reduced capacity schemes every January and July and send a statement confirming the amount for the next period.

1.3 The generators obligation to provide security falls away on connection.

Credit Rating

1.1 The generator must deliver to WPD one or more of the following forms of security cover such that the aggregate value of such security is equal to or greater than the sum notified to the generator by WPD:

- (a) a Letter of Credit or equivalent bank guarantee (available for an initial period of not less than six months);
- (b) an Escrow Account Deposit;
- (c) a Cash Deposit; or
- (d) Qualifying Guarantee

1.2 Where a Qualifying Guarantee is provided for the generator via a third party that third party must have a credit rating from an approved credit rating agency, e.g. Moody's (Aaa to Aa2) or Standard & Poors AAA to AA)

1.3 The generator must ensure that adequate security is provided at all times.