

Who Pays for the Wider Grid? Cost Allocation across Transmission Regions

A decision framework for beneficiary evidence, regional agreement and financeable recovery

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Abstract

Large transmission facilities rarely serve one project, one utility or one political jurisdiction. They can reduce congestion, improve reliability, unlock lower-cost resources, defer local reinforcement and create resilience across several regions. Those benefits are uneven, uncertain and realised at different times. A project can therefore be technically justified and still fail because the parties cannot agree who should pay.

This paper develops the Wider Grid Cost Allocation Framework. It links project definition, counterfactuals, scenarios, benefit measurement, beneficiary mapping and allocation to tariff design and financing. It evaluates beneficiary-pays, cost-causation, postage-stamp, usage, zonal, direct-user and hybrid methods. It also addresses negative benefits, uncertainty, ex ante allocation, true-ups, cost overruns, cancellation, portfolio treatment, consumer protection and dispute resolution.

The framework is applied to the United States, Great Britain, European cross-border projects, India and the GCC. FERC's current transmission rules require long-term regional planning and ex ante methods with enhanced state involvement [1]-[4]. Great Britain's TNUoS reform seeks predictable locational signals aligned with strategic planning [5]-[7]. ACER's cross-border process allocates efficient investment cost among significantly affected countries and recognises scenario and adjustment design [8]-[9]. India's inter-state sharing regulations provide a national and regional allocation architecture for a rapidly expanding system [10]-[11].

The central conclusion is that wider-grid investment becomes financeable when the cost base, benefits, beneficiaries, payment obligations and adjustment rules are evidenced in one controlled decision record. Four tables and three figures translate the framework into an execution method. Numerical examples are hypothetical management assumptions used solely to demonstrate the method; they are not observations, forecasts, valuation conclusions or investment recommendations.

JEL Classification: G21, G28, G31, G32, H23, H54, L51, L94, Q40, Q48

Keywords: transmission cost allocation, beneficiary pays, FERC Order 1920, TNUoS, cross-border cost allocation, regional transmission, grid finance, infrastructure tariffs

This paper is an educational and structural analysis prepared for research purposes. It is not investment advice, an offer, or a solicitation. It contains no client information.

1. FRAME THE WIDER-GRID ALLOCATION DECISION

A transmission project can produce reliability, congestion, resource-access, resilience and option benefits across several pricing zones. The allocation decision must connect each supported benefit to identifiable beneficiaries and a durable recovery route.

The evidence file should identify the governing tariff, planning instrument, system model, cost estimate, benefit calculation and approval authority. Every material input needs an owner, date, source and review trigger so the allocation remains reproducible.

A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

2. DEFINE THE FACILITY AND DECISION PERIMETER

The record should distinguish local, regional, interregional and cross-border facilities, including shared substations and enabling works. Asset boundaries determine which costs enter the common pool and which remain directly assigned.

The analysis should distinguish measured system effects, scenario outputs and policy judgements. Where monetisation remains uncertain, the decision record should retain the physical metric and explain how uncertainty affects the allocated share.

Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

3. SEPARATE COST CAUSATION FROM BENEFIT ATTRIBUTION

Cost causation asks which activity created the need. Benefit attribution asks which customers gain from the selected investment. A defensible method documents both tests and reconciles conflicts between them.

The working model should reconcile project cost, benefits and beneficiary geography under a common set of scenarios. Changes to topology, demand, generation or timing should flow through the same controlled calculation rather than an off-model adjustment.

The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

4. MAP THE REGULATORY AUTHORITY

Jurisdiction over planning, tariffs, siting and consumer protection can sit with different bodies. The allocation design should identify who approves the method, who files it and who resolves disputes.

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5. ESTABLISH THE BENEFICIARY-PAYS PRINCIPLE

Beneficiary-pays allocation links charges to estimated benefits and protects customers from unrelated expenditure. Application requires transparent benefit metrics, geographic granularity and treatment of uncertainty.

The analysis should distinguish measured system effects, scenario outputs and policy judgements. Where monetisation remains uncertain, the decision record should retain the physical metric and explain how uncertainty affects the allocated share.

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Table 1. Comparative regional transmission cost-allocation architectures

Market	Planning and allocation anchor	Principal allocation feature	Financeability consideration	Current execution issue
United States	FERC Orders 1920, 1920-A and 1920-B	Ex ante regional method and state agreement process tied to benefits	Filed tariff method and zone-level revenue	Multi-state agreement and benefit quantification
Great Britain	TNUoS, connection charging and strategic network planning	National recovery with locational signals for generation and demand	Predictability of lifetime network charges	Reform alignment with strategic spatial planning
European cross-border projects	TEN-E and ACER cross-border cost allocation	Efficient cost shared among significantly affected countries	Joint regulatory decision and adjustment mechanism	Asymmetric national benefits and funding dependency
India	CERC inter-state transmission-sharing regulations	National, regional and directly attributable components	Timely commencement and credit of designated customers	Rapid build, evolving use and state coordination
GCC	National frameworks and GCC interconnection arrangements	Negotiated sovereign, utility and project contribution	Member-state commitment and currency treatment	Benefit evidence, dispatch and institutional agreement

The summary is conceptual and subject to governing law, tariffs, regulatory decisions and project documents.

6. CHOOSE THE ALLOCATION UNIT

Costs may be assigned to countries, states, zones, utilities, generators, load or user classes. The unit should match available evidence and avoid false precision unsupported by system models.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

7. BUILD THE COUNTERFACTUAL

Benefits should be measured against a credible system without the project or with the next-best alternative. The counterfactual must use consistent demand, generation, fuel, reliability and policy assumptions.

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8. DEFINE THE PLANNING HORIZON

Long-lived transmission can create benefits for decades while forecasts change. The horizon should capture useful life, replacement cycles and future system states without overstating remote benefits.

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9. USE MULTIPLE SCENARIOS

Load, generation, retirement, policy, fuel and weather pathways should expose which benefits are robust. Scenario weights should be documented as decision assumptions rather than observed probabilities.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

10. CREATE THE BENEFITS REGISTER

The register should list each claimed benefit, calculation method, geography, beneficiary, timing, interaction with other benefits and evidence owner. Unsupported narrative benefits should remain outside allocation.

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11. MEASURE RELIABILITY VALUE

Reliability benefits can include avoided unserved energy, reserve sharing, voltage support, stability and contingency performance. Engineering studies should establish the causal contribution of the proposed facility.

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12. MEASURE CONGESTION REDUCTION

Production-cost modelling can estimate changes in dispatch, congestion and losses. Model topology, constraints, fuel inputs and resource availability should be disclosed sufficiently for review.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

13. MEASURE ACCESS TO LOWER-COST RESOURCES

A wider grid can connect customers to diverse generation and storage. Allocation should recognise whether the benefit is broad, concentrated or conditional on separate investments.

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14. MEASURE AVOIDED LOCAL REINFORCEMENT

Regional facilities can replace or defer several local projects. Avoided-cost evidence should show that the local expenditure is genuinely displaced and exclude costs already counted elsewhere.

The analysis should distinguish measured system effects, scenario outputs and policy judgements. Where monetisation remains uncertain, the decision record should retain the physical metric and explain how uncertainty affects the allocated share.

Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

15. MEASURE REDUCED CURTAILMENT

Transmission can release renewable output that would otherwise be constrained. The analysis should distinguish energy value, support payments and system costs to prevent double counting.

The working model should reconcile project cost, benefits and beneficiary geography under a common set of scenarios. Changes to topology, demand, generation or timing should flow through the same controlled calculation rather than an off-model adjustment.

The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

16. MEASURE RESILIENCE AND EXTREME-EVENT VALUE

Geographic diversity and transfer capability can improve recovery from storms, heat, drought or fuel disruption. Event sets should be credible, stress-tested and separated from routine reliability benefits.

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A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

17. MEASURE CAPACITY AND RESOURCE ADEQUACY VALUE

Interregional transfer can reduce the capacity needed to meet peak demand. Accreditation, coincident-weather risk and deliverability should reflect the receiving system's planning rules.

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Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

18. MEASURE OPTION VALUE

Headroom can support future industrial, digital or generation growth. Option value belongs in the decision record only where future pathways and use rights are defined.

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19. RECOGNISE ECONOMIC-DEVELOPMENT CLAIMS CAREFULLY

Jobs, industrial location and regional growth can matter to public authorities. Such claims should use transparent economic methods and remain separate from electricity-system benefits.

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20. AVOID DOUBLE COUNTING

Reliability, capacity, congestion and resource-access benefits can overlap. A causal map should identify shared drivers and cap aggregate value where methods measure the same outcome.

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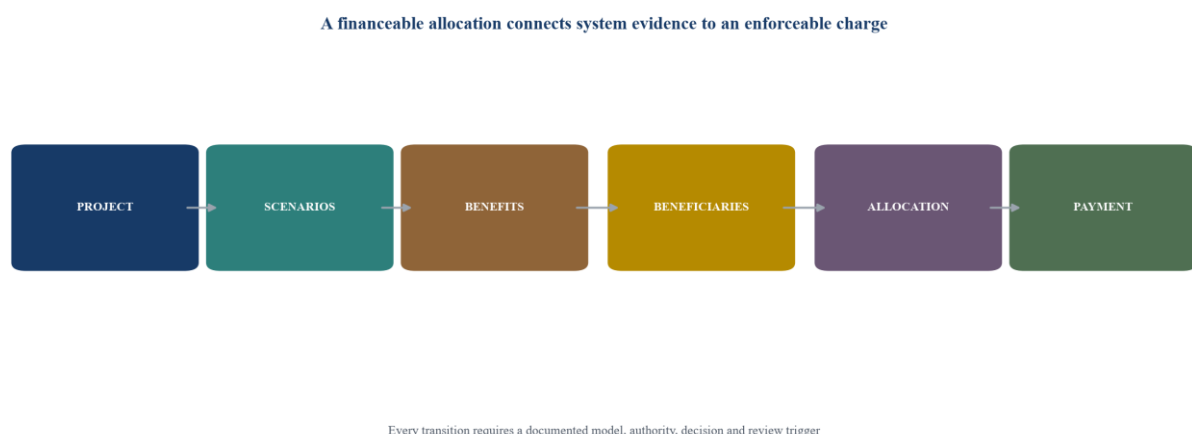


Figure 1. Wider-grid cost-allocation evidence chain
Recoverable cost should move through a controlled chain from project definition to enforceable payment.

21. ALLOCATE BY PRESENT VALUE OF BENEFITS

A present-value method can assign cost in proportion to monetised benefits across zones. Discount rates, timing and terminal value should be common across the allocation model.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

22. ALLOCATE BY USAGE OR FLOW

Postage-stamp, peak-demand, energy-use or power-flow methods can simplify recovery. The method should explain how present use relates to long-term benefit and future users.

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23. ALLOCATE BY COST CAUSATION

Connection or causation methods charge parties whose projects trigger reinforcement. They can be precise for direct works and incomplete for broader regional value.

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24. USE HYBRID ALLOCATION

A hybrid can combine region-wide, zonal, direct-user and public contributions. Each layer should have its own rationale, base and reconciliation rule.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

25. DEFINE DE MINIMIS THRESHOLDS

Zones with immaterial benefits may be excluded where rules permit. Thresholds should reduce administrative complexity without shifting disproportionate costs to remaining participants.

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26. TREAT NEGATIVE BENEFITS

A project can increase congestion, losses or market exposure in some zones. The method should disclose adverse effects and determine whether compensation or netting is allowed.

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27. ADDRESS UNCERTAINTY EXPLICITLY

Benefit estimates depend on model inputs and future conditions. Confidence bands, break-even cases and periodic review can improve decisions without implying false certainty.

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28. SELECT EX ANTE OR EX POST ALLOCATION

Ex ante allocation gives financing certainty before construction. Ex post adjustment can respond to actual use but may weaken bankability and expose participants to retrospective change.

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A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

29. DESIGN TRUE-UP MECHANISMS

True-ups can respond to cost changes, scope changes or material benefit shifts. Triggers, caps, timing and appeal rights should be established before commitment.

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Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

30. ALLOCATE DEVELOPMENT AND CANCELLATION COST

Early engineering, land and procurement expenditure needs a recovery rule even if the project changes or stops. Responsibility should follow authorised scope and controllable performance.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

Table 2. Benefit-to-allocation matrix

Benefit	Primary evidence	Likely beneficiary unit	Allocation option	Principal control
Reliability and resilience	Contingency and event studies	Load zone or system	Zonal or region-wide share	Avoid overlap with capacity value
Congestion and production-cost reduction	Production-cost model	Pricing zone and customers	Present-value benefit ratio	Common counterfactual and model audit
Resource access and curtailment reduction	Dispatch and network studies	Generation and load zones	Hybrid direct and beneficiary share	Separate energy and support-payment effects
Avoided local reinforcement	Approved local plans and cost estimates	Utility or zone	Direct avoided-cost credit	Evidence that expenditure is displaced
Capacity and adequacy	Resource-adequacy model	Receiving load zones	Accredited contribution ratio	Coincident-weather and deliverability stress
Option and economic-development value	Scenario and public-policy record	Future users or public authority	Public or staged contribution	No allocation based on unsupported narrative

Allocation depends on evidence quality and governing rules; the methods shown are decision options.

31. ALLOCATE COST OVERRUNS

Efficient escalation, owner underperformance and external change should receive different treatment. A sharing formula should preserve delivery incentives and legitimate recovery.

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32. COORDINATE PORTFOLIO AND PROJECT ALLOCATION

A portfolio method can smooth volatility and recognise interactions. Project-level visibility remains necessary for prudence, benefit and cancellation decisions.

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33. APPLY THE FRAMEWORK TO THE UNITED STATES

FERC Orders 1920, 1920-A and 1920-B require long-term regional planning, benefits, ex ante methods and enhanced state engagement while retaining the roughly-commensurate-with-benefits principle.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

34. USE THE STATE AGREEMENT PROCESS

Relevant state entities may seek a regional method or project-specific agreement. Decision rules, evidence and fallback arrangements should be settled before negotiations become deadline-driven.

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35. APPLY THE FRAMEWORK TO GREAT BRITAIN

TNUoS and connection charging recover network costs and provide locational signals. Current reform must balance predictability, strategic planning, investor confidence and consumer protection.

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36. APPLY THE EUROPEAN CROSS-BORDER MODEL

ACER's cross-border cost-allocation framework considers efficient investment cost and impacts across countries. Joint regulatory scrutiny and adjustment mechanisms support projects with asymmetric benefits.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

37. APPLY THE FRAMEWORK TO INDIA

India's inter-state transmission-sharing rules combine national and regional components within a rapidly expanding system. Allocation should remain aligned with planning, connectivity and commercial-operation timing.

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A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

38. APPLY THE FRAMEWORK TO THE GCC

Regional interconnection supports security, trade and system diversity. Member-state allocation needs an agreed benefit model, sovereign approvals, currency treatment and dispatch framework.

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Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

39. ADDRESS OFFSHORE AND MULTI-TERMINAL GRIDS

Offshore networks can connect generation and countries through shared assets. Allocation should separate generation connection, interconnector and wider-system functions.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

40. ADDRESS DATA-CENTRE AND INDUSTRIAL CLUSTERS

Large new loads can trigger local and regional works while creating wider economic value. Direct commitment, flexible connection and common-network allocation should be analysed together.

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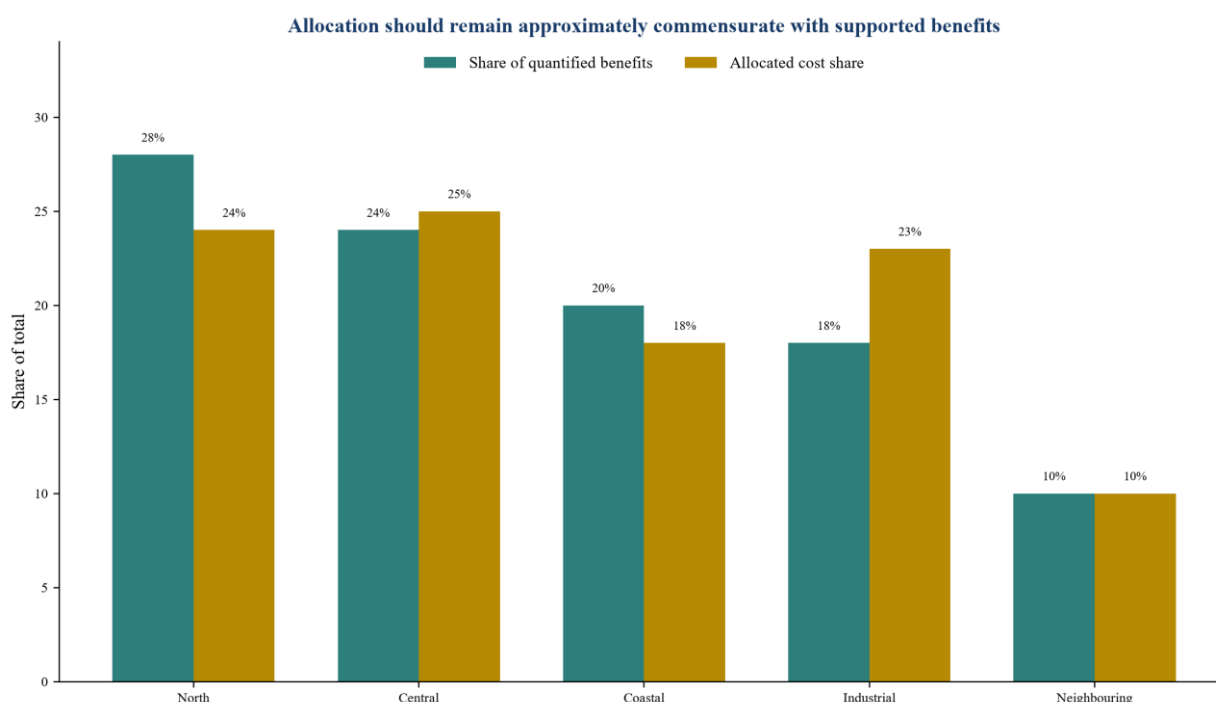


Figure 2. Hypothetical regional benefit and cost allocation

Values are hypothetical management assumptions used solely to demonstrate the method.

41. ADDRESS RENEWABLE-ENERGY ZONES

Strategic corridors can aggregate remote generation before individual projects commit. Allocation should stage user contributions and wider-system recovery as utilisation develops.

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Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

42. ADDRESS STORAGE AND FLEXIBLE DEMAND

Storage and flexibility can both benefit from and reduce transmission requirements. Models should capture dispatch response and avoid charging the same service twice.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

43. LINK ALLOCATION TO FINANCING

Lenders and investors need predictable revenue, enforceable tariffs and controlled adjustment. Allocation disputes can become construction, liquidity and refinancing risks.

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A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

44. BUILD THE SOURCES-AND-USES SCHEDULE

Development, land, equipment, construction, financing and reserves should be mapped to regulated, public, user and private sources. Priority and reimbursement should be explicit.

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Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

45. SIZE DEBT AGAINST ALLOCATED REVENUE

Debt sizing should reflect the timing, certainty and diversity of allocated charges. DSCR sensitivities should include delay, disallowance, reallocation and demand shifts.

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46. USE PUBLIC SUPPORT SELECTIVELY

Grants, guarantees or sovereign funding can bridge benefits that are public or difficult to monetise. Support should target a defined gap and retain allocation transparency.

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A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

47. PROTECT CONSUMERS

Prudence review, independent modelling, staged approvals, incentives, caps and clawbacks can protect customers. Consumer impacts should be shown by zone and customer class where evidence allows.

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Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

48. PROTECT PROJECT SPONSORS

Sponsors need stable rules, timely decisions and treatment of approved expenditure. Transitional provisions can preserve confidence when charging regimes change.

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The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

49. DESIGN THE GOVERNANCE FORUM

System planners, regulators, states or countries, owners, users and consumer bodies need defined decision rights. Governance should include data protocols, conflicts and escalation.

The evidence file should identify the governing tariff, planning instrument, system model, cost estimate, benefit calculation and approval authority. Every material input needs an owner, date, source and review trigger so the allocation remains reproducible.

A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

50. CREATE A COMMON DATA ROOM

The allocation model should have controlled versions of topology, forecasts, costs, benefits, scenarios and approvals. Audit trails support regulatory review and financing diligence.

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Table 3. Hypothetical allocation and debt-service sensitivity

Scenario	Recoverable cost, USD m	Revenue coverage	Allocation subject to dispute	Minimum DSCR	Decision implication
Base ex ante method	1,000	100%	0%	1.40x	Financeable under approved tariff and credit package
Ten per cent cost escalation	1,100	95%	5%	1.26x	Sharing and contingency require confirmation
One major zone delays agreement	1,000	82%	18%	1.08x	Bridge liquidity or public backstop required
Benefit true-up shifts fifteen per cent	1,000	100%	15%	1.16x	Reallocation timing and credit exposure become material
Partial disallowance and delay	1,150	78%	12%	0.88x	Capital structure and project scope require reset

All values are hypothetical management assumptions and do not represent an actual project or forecast.

51. APPOINT INDEPENDENT REVIEW

Independent technical and economic review can test model design, inputs and allocation. The reviewer should have a defined mandate and access to underlying evidence.

The working model should reconcile project cost, benefits and beneficiary geography under a common set of scenarios. Changes to topology, demand, generation or timing should flow through the same controlled calculation rather than an off-model adjustment.

The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

52. PUBLISH A TRANSPARENT ALLOCATION STATEMENT

The statement should explain the project, beneficiaries, cost base, method, sensitivities, zone results and protections. Confidential inputs can be protected while preserving decision logic.

The evidence file should identify the governing tariff, planning instrument, system model, cost estimate, benefit calculation and approval authority. Every material input needs an owner, date, source and review trigger so the allocation remains reproducible.

A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

53. DEFINE DISPUTE RESOLUTION

Allocation disputes may involve modelling, jurisdiction, tariff or treaty issues. Expert determination, regulatory appeal and contractual remedies should have clear boundaries.

The analysis should distinguish measured system effects, scenario outputs and policy judgements. Where monetisation remains uncertain, the decision record should retain the physical metric and explain how uncertainty affects the allocated share.

Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

54. TEST LEGAL DURABILITY

The method should comply with statutory authority, tariff rules, non-discrimination and cost-causation principles. Legal review should follow material design changes.

The working model should reconcile project cost, benefits and beneficiary geography under a common set of scenarios. Changes to topology, demand, generation or timing should flow through the same controlled calculation rather than an off-model adjustment.

The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

55. RUN THE PROJECT-DEFINITION GATE

This gate confirms asset scope, alternatives, cost baseline, jurisdiction and schedule. It prevents an allocation debate around an unstable project definition.

The evidence file should identify the governing tariff, planning instrument, system model, cost estimate, benefit calculation and approval authority. Every material input needs an owner, date, source and review trigger so the allocation remains reproducible.

A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

56. RUN THE BENEFITS GATE

This gate validates counterfactuals, scenarios, benefit methods, interactions and beneficiaries. Unsupported benefits should be removed before allocation.

The analysis should distinguish measured system effects, scenario outputs and policy judgements. Where monetisation remains uncertain, the decision record should retain the physical metric and explain how uncertainty affects the allocated share.

Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

57. RUN THE ALLOCATION GATE

This gate applies the approved method, thresholds, true-ups and consumer protections. Zone results should reconcile exactly to the recoverable cost base.

The working model should reconcile project cost, benefits and beneficiary geography under a common set of scenarios. Changes to topology, demand, generation or timing should flow through the same controlled calculation rather than an off-model adjustment.

The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

58. RUN THE FINANCEABILITY GATE

This gate tests revenue timing, credit, debt capacity, liquidity and change risk. Financing should reflect the approved allocation rather than an expected future compromise.

The evidence file should identify the governing tariff, planning instrument, system model, cost estimate, benefit calculation and approval authority. Every material input needs an owner, date, source and review trigger so the allocation remains reproducible.

A practical transaction review asks who pays, how much, from when, under which instrument and subject to which adjustment. The answer should support tariff approval, contractual commitment and financeability at the same time.

59. RUN THE DELIVERY AND MONITORING GATE

This gate confirms contracts, milestones, cost control, reporting and benefit review. It links actual delivery to permitted recovery and future true-ups.

The analysis should distinguish measured system effects, scenario outputs and policy judgements. Where monetisation remains uncertain, the decision record should retain the physical metric and explain how uncertainty affects the allocated share.

Allocation becomes executable when the approved cost base, payment obligation, credit support, true-up and dispute route are documented together. The capital structure should use only revenue supported by that enforceable package.

60. ADOPT THE DECISION RECORD AND 90-DAY PLAN

The final record states scope, benefits, allocation, financing, protections, risk owners and review points. The first 90 days should close the highest-value evidence and agreement gaps.

The working model should reconcile project cost, benefits and beneficiary geography under a common set of scenarios. Changes to topology, demand, generation or timing should flow through the same controlled calculation rather than an off-model adjustment.

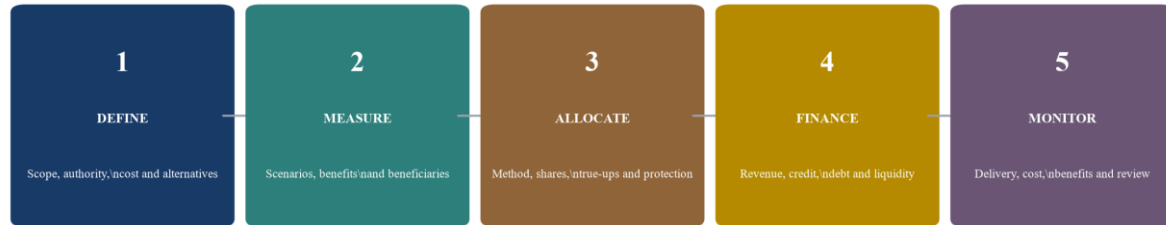
The board and regulator should see the distribution of value and downside by region before committing capital. The preferred method should remain operable under delay, cost escalation, lower benefits and changes in participant composition.

Table 4. Illustrative 90-day regional cost-allocation programme

Period	Workstream	Core actions	Decision output	Accountable owner
Days 1-15	Project and authority	Confirm scope, alternatives, cost base, jurisdictions and approvals	Controlled project definition	System planner and counsel
Days 16-30	Scenarios and models	Reconcile topology, demand, generation, policy and counterfactuals	Approved modelling protocol	Technical adviser
Days 31-45	Benefits and beneficiaries	Quantify benefits, interactions, geography and uncertainty	Auditable benefits register	Economist and independent reviewer
Days 46-60	Allocation	Apply candidate methods, thresholds, true-ups and protections	Preferred allocation statement	Regulators and participant forum
Days 61-75	Financing and documents	Test revenue, credit, debt capacity, liquidity and dispute terms	Financeable payment package	Financial adviser and counsel
Days 76-90	Decision record	Approve shares, conditions, monitoring and escalation	Executable allocation decision	Authorised regulators and boards

Timing is indicative and should be adapted to the governing planning and regulatory process.

The allocation decision becomes investable through evidence, authority and payment



Monitoring closes the loop between promised benefits, delivered cost and future shares

Figure 3. Five gates for regional transmission cost allocation
Each gate requires documented evidence before the next capital commitment.

The framework converts a contested policy question into an auditable investment process. It connects project definition, quantified system value and beneficiary geography to an approved method, enforceable payment and financeable revenue.

Execution quality depends on maintaining the evidence after approval. Delivery cost, system use and benefits should be monitored against the same controlled model so that any true-up follows pre-agreed rules.

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