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|  | Network Innovation Competition 2021 Supplementary Answer form | | | |

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| Project Name | EQUINOX | | |
| Question number | 27 | Pro forma section | 2 |
| Question date | 16/09/2021 | Answer date | 20/09/2021 |
| Question summary | The UK building stock will become more energy efficient out to 2050, both through retrofit of existing buildings and higher efficiency new builds. This will affect the level of heating customers require. Please explain how you have accounted for this variable. | | |

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## Answer (please retain document formatting and do not exceed 2 pages unless otherwise agreed with Ofgem)

We recognise that improvement of the UK building stock will play a key part in the decarbonisation of heat. Furthermore, we recognise that the efficiency of a property may influence the amount of flexibility that an individual property can provide while maintaining comfort in a building.

In our analysis, we have assumed that on average a property would provide a 35% reduction in demand which is coincident with peak demand. During the trials we expect that some customers may provide higher or lower demand reductions depending on several factors including their preferences and efficiency of their property. The 1,000 trial participants will have varying levels of heating efficiency, therefore the trials will help inform how flexibility in new builds may vary from retrofitted existing buildings. These insights will be used to refine our business-as-usual roll-out assumptions when updating the CBA following trial completion. In addition, improvements in building standards are embedded into our load growth assumptions (via the DFES inputs).