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

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| Project Name | EQUINOX | | |
| Question number | 24 | Pro forma section | 10 |
| Question date | 16/09/2021 | Answer date | 20/09/2021 |
| Question summary | Pg 53 states that “the CBA model assumes that…flexibility is unlocked from across all customers with HPs within the areas of constraint.” Given low customer switching levels (a one-off activity with a clear financial incentive) please explain why you consider customer 100% engagement with Equinox is a reasonable CBA assumption. Please explain the CBA sensitivity to lower participation levels | | |

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

This was a modelling assumption we used to simplify calculations. In reality we would expect different levels of participation from different customers using heat pumps of different sizes. We would also expect different contributions depending on the method customers select, but this will be explored during the trial phase of the project.

We note that the amount of flexibility unlocked by Equinox is a function of both customer participation and peak demand reduction per heat pump. As explained in our response to SQ14, we used a moderate assumption of 35% reduction in coincident peak demand (this could be up to 50%) to avoid overestimating the amount of flexibility provided by heat pumps.