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| Network Innovation Competition 2021 Supplementary Answer form | | |

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| Project Name | EQUINOX | | |
| Question number | 19 | Pro forma section | 3 |
| Question date | 14/09/2021 | Answer date | 16/09/2021 |
| Question summary | Your submission implies that the Equinox solution will only defer conventional network reinforcement and you anticipate Equinox not being used post-reinforcement. What is the reason for this assumption as it would reduce (by 35-50% by your estimating) the additional capacity that is required? In your CBA, how long do you anticipate reinforcement to be avoided through the use of Equinox. | | |

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

The Equinox solution will only help defer (and not avoid) conventional network reinforcement. For modelling purposes, we assumed that it would be more economical to reinforce more and retire Equinox at the end of the deferral period, rather than reinforce slightly less and keep Equinox permanently. (This assumption also leads to a conservative estimate of capacity release benefits.) However, in reality, such network investment decisions would always be made on a case by case basis, taking into account the economics of individual substations and the network situation at that particular time. Our model does not attempt to simulate these individual investment decisions.

We have not made direct assumptions regarding deferral period. For each substation, the time period of deferral depends on the interplay between firm capacity and load growth (both heat pump and non-heat pump load) based on WPD’s load growth forecasts. (Please see our response to Q14 for step-by-step details.) Therefore, the deferral period varies for each substation.