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| Network Innovation Competition 2021 Supplementary Answer form | | |

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| Project Name | EQUINOX | | |
| Question number | 6 | Pro forma section | 4 |
| Question date | 26/08/2021 | Answer date | 31/08/2021 |
| Question summary | How would the payments and incentives interact with possible time-of-use tariffs designed to reflect peak costs better (currently under investigation by the BEIS’ Alternative Energy Markets programme)? | | |

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

The detailed interactions between Equinox incentives, supplier time-of-use tariffs and distribution use of system (DuoS) charges will form a key part of the Method design and learning from the project

We perceive that DUoS tariffs can be designed to marshal a general underlying customer behaviour, but DUoS has limitations in terms of controllability and selectivity. Equinox methodology would allow WPD to disseminate the value of LV heat flexibility beyond the limitations of DUoS structures. Some examples of this are as follows:

* Equinox has the ability to decide whether to procure flexibility in defined network areas or not at a monthly resolution, DUoS tariffs are a long term and obligatory structure.
* Equinox can stagger the delivery of flexibility across providers throughout the day to deliver longer network outcomes, DUoS signals drive customers to deliver uniform behaviour within the same time bands.
* Equinox allows the DSO to dispatch LV heat flexibility in real time depending on observed network need, whereas DUoS is inherently open loop.

We therefore think that Equinox and DUoS will complement each other. DUoS signals would drive long term behaviour across the general body of customers with Equinox providing a higher resolution network management option for the DSO