LCNF Full Submission

Supplementary Answer Form

DNO Name:	Central Networks	Question Number:	CN032
Question Date:	17/09/10	Answer Date:	21/09/10
Question Topic:			

Original Question No:		Original Answer Date:	
Original Question:			
Original Answer:			

Question:	Can you confirm that new DUoS tariffs under the trial will be limited to 50-60 domestic customers, involved in the Home Demonstrator trial, and 10-15 I&C customers. Will these customers actively volunteer into the new tariffs and what information about these tariffs (and the behavioural changes they will need to make to save money) will customers be provided with?

Answer:	The tariffs, based upon simulated 2020 prices which include DuOS charges, will for only extend to the 50-60 domestic Homes Demonstrator customers. In the case of the Homes Demonstrator trial, the tariff arrangements will be included in the lease. (The lease will also include other requirements as determined by Milton Keynes Council in order for residents to participate in Homes Demonstrator project). The Homes Demonstrator residents will sign up to a two year lease through Milton Keynes Council – i.e. they will have to actively volunteer. Participation in the trial will include individual meetings so that the residents fully understand the terms and nature of the low carbon trial activities. This will include advice on energy efficiency and the practical implications of living in a code level 6 home. They will be encouraged to treat the variable simulated tariffs they receive as though they were real, and to vary their consumption accordingly. We intend to run energy consumption competitions

	among the residents to encourage proactive participation. The residents with lower consumption will receive a short term financial reward. However, the arrangement will be cost neutral to the residents at outturn, which will be explained to them at the outset. The residents will be provided with tariffs either weekly, bi-weekly or monthly with three to four registers. These registers will include peak, off peak and two shoulders which reflect simulated 2020 prices, taking account of time and location network constraints. Customer consumption patterns (appliances, heating, EV charging) will be monitored as the price of electricity changes. Unlike the Homes Demonstrator, I&C customers will not receive tariffs based upon simulated 2020 charges. The commercial arrangements for I&C customers (offered through suppliers) will involve payments for accessing interruptible load. Initially, this will be funded through LCNF as a portion of the customer's annual bill in order to drive participation. It will be a single payment for a defined level of control – an amount necessary to trial active network management using demand response. We will then work with the customer's retailer or a commercial aggregator to enter into an arrangement where they are paid for offering-up load for system balancing through the GB System Operator. This will be on a commercial basis with an agreed level of load provision to continue local active network management, whilst evaluating how the local network needs and national system balancing can be managed together.

Attachments:	