

Project TransmiT

SOCIALISED AND POSTAGE STAMP OPTIONS

TECHNICAL WORKING GROUP – MEETING 3

9 AUGUST 2011

AGENDA

ICRP

Postage stamp options

Other socialised options

ICRP

ICRP: LEVEL OF SOCIALISATION

- › Users receive different charges based on relative differences between:
 - Km from centres of demand
 - Voltage level of the kms
 - Underground or overground

- › No differences on
 - MITS substation costs
 - Spare capacity
 - Other types of reinforcement e.g. Reconductoring
 - Level of security in MITS

- › Key assumptions
 - Reinforcement costs increase linearly by MW and km
 - Payments same incentive as charge

ICRP: THE RESIDUAL

- › Mops up:
 - Costs not allocated in transport model
 - Differences between real and modelled future incremental costs
- › Adjusts for
 - 27: 73
- › Accounts for:
 - Approx 20% northern Scotland locational tariff
 - Dampens most negative locational tariff by approx: 40%
- › The impact of residual and flip from +ve to -ve is very perspective driven!

ICRP: LOCAL AND WIDER

- › Local mainland in ICRP
- › Local offshore outside ICRP – based on real costs rather than incremental future
- › Local netted off wider before 27:73
 - Local cost, socialised benefit?

POSTAGE STAMP

POSTAGE STAMP: COMBINATIONS

- › Focus on averaging distance-related costs

Average	Unit charge	G/D split
All local?	MW	Keep the same
All wider	MWh	Different split
All local + wider	MW x load factor or similar	Variable by taking out local
Re-define local, socialise wider		Variable by stabilising generator charges
Re-define zones, socialise costs within new larger zones		

- › x 60 combinationselimination process?

POSTAGE STAMP: COMBINATIONS

Socialise	Unit charge	G/D split
All local?	MW	Keep the same
All wider	MWh	Different split
All local + wider	MW x load factor or similar	Variable by taking out local
Re-define local, socialise wider		Variable by stabilising generator charges
Re-define zones, socialise costs within new larger zones		

- › G / D split and definition of local key development areas
- › Ideally, modelling to understand effects

OTHER SOCIALISED OPTIONS

OTHER SOCIALISED OPTIONS

- › Reflect levelling off of distance-related costs in reduced gradient
 - › Socialise cost of security > 1 (rather than > 1.8)
 - › Re-zone into larger zones
 - › Socialise costs of transmission > 400KV