

LCN Fund Full Submission

Supplementary Answer Form

Tick if this answer is Confidential: ☐

Tick if this answer has been provided verbally: ☐

Project code:	ENWLT2003	Question Number	24
Question date	6 September 2011	Answer date	13 September 2011
Submission section question relates to	Appendix 2		
Topic	Risk Register		
Question	Risk 8 on the Risk Register (Appendix 2) refers to DSM payments overrunning. Does this refer to overrun because the avoided reinforcement cost is higher than anticipated, or more incentive is required in order that the customer will agree to a DSM contract.		
Notes on question	n/a		
Answer	Risk number 8 was identified as we are uncertain of customers' financial expectations in return for provision of a demand response after signing a demand response contract. For example, we do not know as yet - but the C ₂ C Project will help us work out - the supply price for the demand response provision from either a single customer or multiple customers on a HV closed ring. Therefore a risk was identified that declared the possibility of cost overrun for the purchase of demand response contracts and provision of demand response. The key uncertainty is around the scale of incentive required, rather than the cost of reinforcement.		
Attachments	None.		
Verbal Clarifications (Consultants	None.		

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