

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	8
Question date	1 September 2011	Answer date	6 September 2011
Submission section question relates to	3		
Topic	Project Business Case		
Question	<p>The project's viability is dependent on a number of I&C customers (new or existing) signing up to a new form of contract. What is the threshold number of I&C customers required to make the Project viable?</p> <p>At what stage of the project would it be possible to determine if this threshold could be met?</p>		
Notes on question	n/a		
Answer	<p>We do not consider that the C₂C Project itself is only viable if it signs up a particular threshold number of I&C and generation customers.</p> <p>The C₂C Project will determine the type, size and number of customers willing to enter into new managed contracts, and importantly how this relates to the size of the demand side response and its cost. C₂C relies on attracting customers in particular locations to provide response on specific HV closed rings. For a specific HV closed ring, there will always be uncertainty over the number of customers required to deliver the capacity increase. For example, to allow the demand on an HV closed ring to be increased by 3MW, it may only take one customer willing to participate with its full demand of 3MW; yet on other HV closed rings it may take upwards of ten customers to participate to release the same capacity level.</p> <p>The customer survey has been designed to help us determine the size of the <i>potential</i> demand side response opportunity within each geographical area. The Trial will help us to determine whether there are customers</p>		

	<p>willing and able to enter into the new managed contracts at an economic level. Thus the survey will provide learning to complement knowledge gained from customers who actually sign managed contracts.</p> <p>Overall the C₂C Project will help identify what the threshold combination of type, size and number of customers would be required for a future roll-out of the C₂C Method</p>
Attachments	None.
Verbal Clarifications (Consultants)	None.