



Serving the Midlands, South West and Wales

WPD – Approach to Business Plan Development

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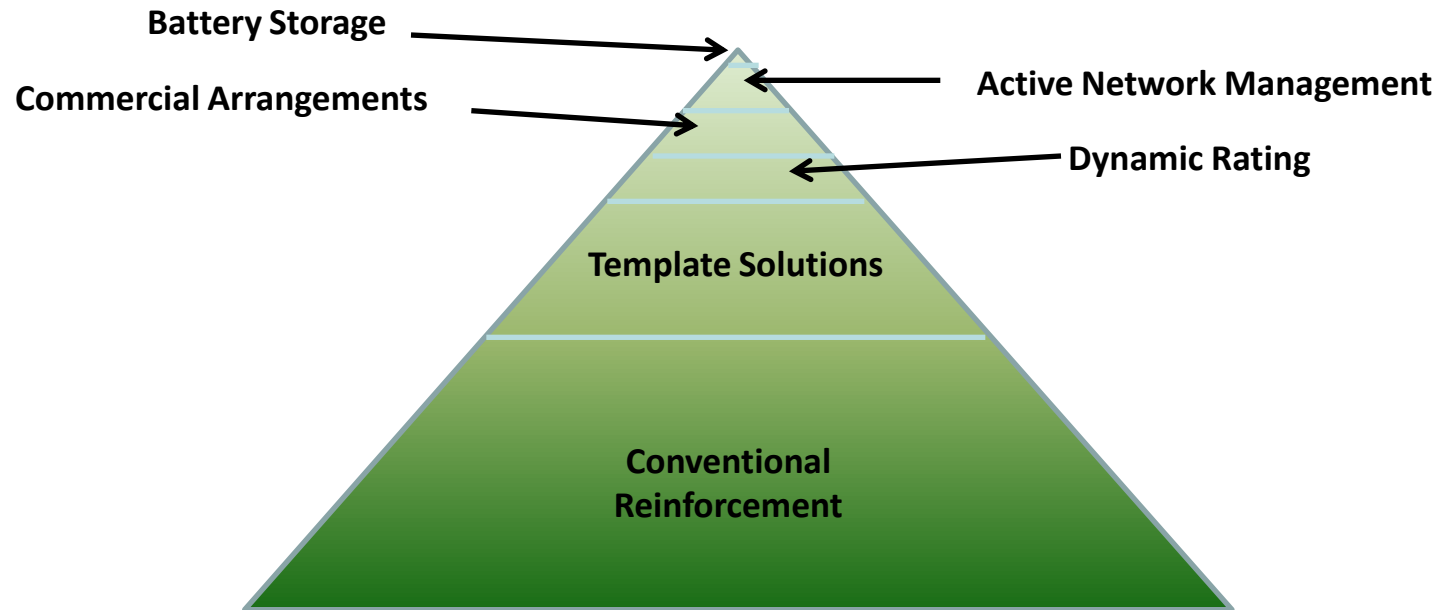
Justification of Load Scenarios

- Targets to use
 - DECC Carbon Plan
 - SGF WS1 scenarios plus WS3 outputs
 - Own forecasts – see tools below
- Timeframe
 - Need to consider longer term when considering investment options
- Triggers
 - Changes in subsidies can significantly affect uptake of technology
- Tools
 - Geographic consideration of dispersal of new loads (availability of gas, property type, socio-economic group etc)
 - Results/information from LCNF projects

Uncertainty Mechanisms needed

- Volume drivers in allowed revenue for uncertain activities, particularly
 - EVs
 - DG
 - Heat Pumps
- Existing mechanism for increases/decreases in EHV reinforcement need to be continued
- Reopeners
 - Changes in legislation/EU Code requirements
 - Smart meter roll out costs
 - CNI/Blackstart requirements
 - Rising Mains and Laterals

Balance between ex ante case and uncertainty mechanisms



- Base case needs to be at the 'low' end of scenarios

Outputs/Targets needed

- Outputs need to be:
 - Controllable
 - Measurable
 - Comparable between networks
 - Auditable
- Areas needed:
 - Unit Costs
 - Volumes delivered
 - Customer Satisfaction
 - New connections performance
 - System Reliability