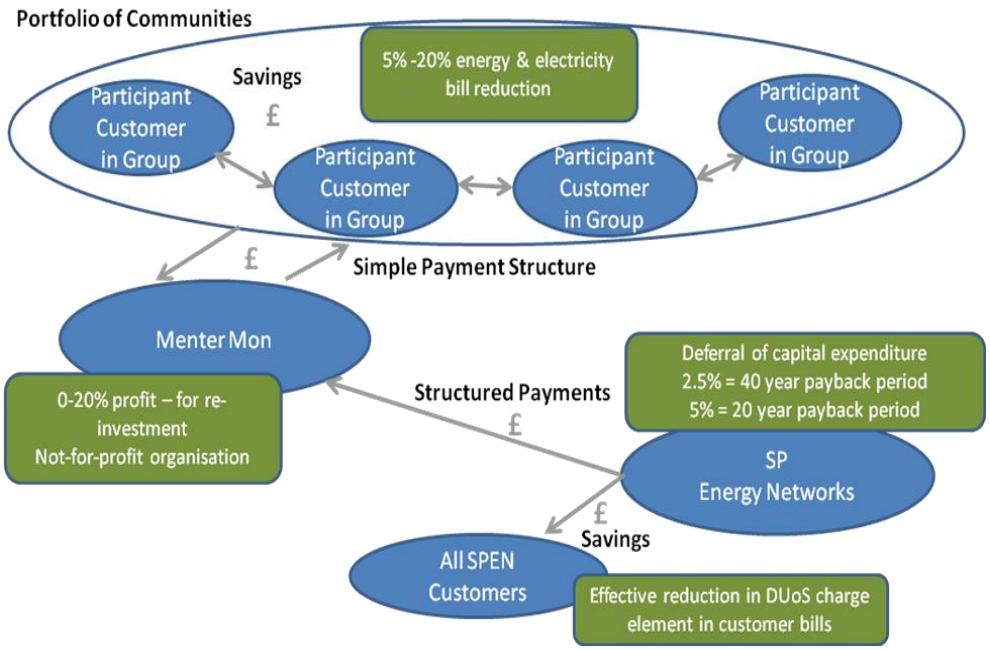
LCN Fund Full Submission

Supplementary Answer Form

Tick if this answer is Confidential: ☐

Tick if this answer has been provided verbally: ☐

Project code:	SPT2005	Question Number	23
Question date	17th Sept 2013	Answer date	19th September 2013
Submission section question relates to	2: Project Description		
Topic	Commercial		
Question	Please explain how payments for services as part of the energy market will function. Will customers be receiving lump sum payments? Will there be other methods of payment (ie lower bills?).		
Notes on question			
Answer	Again, as in question 21 the full details of the market operation will be driven by the work of Durham and Bangor University. We would also refer to the answers given in Q15-17. However, an initial expectation of the payment flow is as described below and illustrated by the embedded diagram: • Payments are made to Menter Mon on delivery of the "ancillary services" relieving local network constraints, as defined and notified to the market by SPEN. • Menter Mon will take a proportion of revenue to cover costs. The remainder of the revenue is split between customers relevant to their contribution to meeting the ancillary service requirements. It is envisaged that customers would likely receive payments, but again the exact timing of payments will be determined as part of the trial. • Customers will in addition to direct payments receive a reduction in their electricity bills due to active management of their electricity consumption by Menter Mon. We will target a reduction in the range of 5-20%.		

	
Attachments	
Verbal Clarifications (Consultants)	