

Network Innovation Competition Full Submission

Supplementary Answer Form

Tick if this answer is Confidential: ☐

Tick if this answer has been provided verbally: ☐

Project code:	SPT EN 01	Question Number	12
Question date	20-08-2013	Answer date	21-08-2013
Submission section question relates to	Technical Description of project		
Topic	Section 3.4		
Question	Please explain how the avoided cost figure of £45m per 100MW of capacity released is calculated from the figures shown in Table 3.1.		
Notes on question			
Answer	<p>The value of £45M is a rounded value based on the currently available incremental capacity cost for the B6 boundary. This is based on the cost and capacity released by the Western HVDC link, as the opportunity to install additional series compensation has been exhausted, and new 400kV AC lines are not considered to be deliverable.</p> <p>The Western HVDC link cost approximately £1bn and created 2250MW of boundary capacity. This equates to an incremental cost per MW of £0.444/MW as shown in Table 3.1. Therefore the avoided cost of a scheme based on the VISOR Method that releases 100MW is £44.4M – which rounds to £45M.</p> <p>This avoided cost value will be quantified in more detail during the project itself but this top-down benchmark shows that there is a robust underlying value driver provided the capacity can be created.</p>		
Attachments			

Verbal Clarifications (Consultants)	
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