

# *Network Innovation Competition Full Submission*

## *Supplementary Answer Form*

Tick if this answer is Confidential: ☐

Tick if this answer has been provided verbally: ☐

Project code:	WWUGN01	Question Number	1
Question date	15 <sup>th</sup> August 2013	Answer date	19 <sup>th</sup> August 2013
Submission section question relates to	Appendix G		
Topic	Net Benefits Table A		
Question	In light of the instructions for completion in 'Gas NIC guidance for Full Submission documents', please explain why "Do nothing and WWU network usage declines (20 Year average)" and "Carbon reduction" have been included in Base Case Costs in table (a)		
Notes on question			
Answer	<p>The DECC Future of Heating 2013 envisages a reduction in the use of natural gas by 2050. To maintain the use of the gas network this natural gas needs to be replaced by a lower carbon alternative. The guidance states:</p> <p style="padding-left: 40px;">"Evaluation Criterion a) requires Network Licensees to detail the financial benefit by estimating the costs of delivering the Solution(s) (at the scale being tested within the Project) through the most efficient method currently in use in GB's gas transportation system - the Base Case Costs."</p> <p>Our view is that there is no current method of introducing a low carbon alternative and therefore therefore current methods are essentially "Do Nothing" hence the current methods will result in a decline of usage with the costs shown. The only technology which could contribute is biomethane from Anaerobic Digestors, these are in very early stages of deployment and cannot be regarded as business as usual. While biomethane will contribute it will not be sufficient on its own. Other technologies such as synthetic methane from waste or synthetic methane from the combination of Carbon</p>		

	<p>Dioxide and Hydrogen are unproven technologies.</p> <p>We accept that this project is unusual in that there is no current method to address this problem and hence costs are incurred, not as a result of doing something, but rather as a result of not being able to do something.</p>
Attachments	
Verbal Clarifications (Consultants )	