

Network Innovation Competition Full Submission

Supplementary Answer Form

Tick if this answer is Confidential: ☐

Tick if this answer has been provided verbally: ☐

| | | | |
|--|--|-----------------|----------|
| Project code: | NGETEN01 | Question Number | 17 |
| Question date | 22/08/13 | Answer date | 27/08/13 |
| Submission section question relates to | MSB - Full Submission Cost spreadsheet | | |
| Topic | Net Benefits | | |
| Question | <p>The net benefits page of the Full Submission spreadsheet suggests that from 2022 it is planned for there to be 5 deployments or redeployments of MSBs. Please confirm that this is a correct interpretation of these figures. How has the figure of 5 been arrived at? What is the mix of generation connection, asset maintenance and asset replacement expected? What proportion of the total number of projects being undertaken does this represent?</p> | | |
| Notes on question | | | |
| Answer | <p>The interpretation is correct, for initial Cost Benefit Analysis (CBA) purposes, National Grid considers that 5 MSB redeployments a year is a conservative estimate and that these would be owned by ourselves. The long term number will be very much determined by the business requirement and the programme for RIIO T2. The current view is fairly conservative, however based on the initial estimate of the potential business need, it would not be unrealistic to consider a range of 5-10 MSB units during RIIO T2 period. One of the outputs of the project will be to investigate the different commercial options for the ownership of the MSB solutions. This strategy could deliver more cost effective schemes across the whole industry (including transmission and distribution).</p> <p>It is rather difficult to articulate the exact number and mix of the applicable schemes at this stage, this will depend upon the business needs, funding mechanism impact and maturity of the technology application. A review of the current business plan indicates there are a number of cases which will potentially benefit from the deployment of the MSB, the mix and the total number of applicable schemes will become clearer as the project progresses.</p> | | |
| Attachments | | | |

| | |
|---|--|
| Verbal Clarifications (Consultants) | |
|---|--|