*Innovation Competitions - Full Submission*

*Supplementary Answer Form*

Tick if this answer has been provided verbally:

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| Project code | ENWT206 | Question Number | Q40 |
| Question date | 14 August 2014 | Answer date | 18 August 2014 |
| Submission section question relates to | Section 7 | | |
| Topic | Project description | | |
| Question | What work has been done to establish the appetite for FCL from potential providers? What payment structures are being considered? | | |
| Notes on question |  | | |
| Answer | In the development of the scope of the FLARE Project we discussed the concept of a FCL service with a small circle of trusted parties with a range of knowledge and experience from a broad section of the energy sector.  Initially the FCL service concept was considered by Parsons Brinckerhoff (PB Power), a technical consultancy and Project Partner, and the University of Manchester (UoM) to confirm it was feasible and worth trialling. Once we had confirmation of the technical viability from PB Power and UoM we needed to understand the potential willingness of customers to provide a FCL service to Electricity North West. We approached United Utilities, an owner and operator of large electrical machines (both generators and motors) and ENER-G (a manufacturer, owner, operator of CHP equipment) to gauge their views on the provision of a FCL service as representatives of their sectors. Both confirmed the FCL service concept was a revolutionary commercial service and, provided all technical and commercial arrangements could be satisfied they would be interested in its provision; subsequently they agreed to be Project Partners and participate in trialling of the FCL service concept within the FLARE Project.  The aim of the customer survey activities within the FLARE project is to establish the willingness of customers to provide a FCL service and at what price. For the budgeting of the FCL service in the FLARE Project the payments were simplified into a £ per annum figure. But in the customer survey work we will need to decide:   * the payment structure (ie fixed fee, pay-as-you-go or a combination); and * the payment size and whether (and how) to differentiate the FCL service contribution. For example would the FCL service be calculated as a £/kA value based on the expected or actual kA contribution. | | |
| Attachments |  | | |