

Electricity Network Innovation Competition Full Submission
Supplementary Answer Form

Project: Optimise Prime

Tick if this answer has been provided verbally: ☐

Project code	UKPNEN03	Question Number	Q18
Question date	30/08/2018	Answer date	03/09/2018
Submission section question relates to	Section 2		
Topic	b) Value for money		
Question	To what extent are use of system customers being asked to subsidise the development of solutions that will primarily benefit connecting customers and reduce the cost of their connection assets.		
Notes on question			
Answer	<p>Optimise Prime will deliver clear financial benefits to both connected (DUoS) and connecting customers.</p> <p>All quantified financial benefits in the Full Submission document accrue to connected customers as per the NIC governance. As demonstrated by our breakeven analysis, the investment made by DUoS customers is paid back in full as early as 2025/26, only three years after the expected rollout of the Optimise Prime Methods.</p> <p>Specifically, benefits accruing to connected customers from our two proposed Methods are as follows:</p> <p><u>Method 1:</u></p> <ul style="list-style-type: none">• Reveals hidden commercial load – depending on the access and charging reform outcome, this could lead to a proportion of reinforcement costs at LV being paid for by commercial entities and not socialised (fair payment by connecting customers).• Demand response activities procured from commercial EVs could help defer load related reinforcement and help keep customers bills down. <p><u>Method 2:</u></p> <ul style="list-style-type: none">• Behind the meter optimisation systems: Optimises the utilisation of existing network capacity and assets and enables profiled connections. Both result in more capacity being available to other customers and in		

	<p>some cases deferral of reinforcement, with clear financial benefits for connected customers.</p> <ul style="list-style-type: none"> • Demand response activities procured from commercial EVs could help defer load related reinforcement and help keep customers' bills down. <p>These benefits are significant, and we believe both meet the governance requirements and demonstrate that Optimise Prime is the right thing to do.</p> <p>On top of this are benefits accruing to connecting customers which have not been quantified in the analysis. These will, where possible, be quantified within the project and included in our D5 and D7 reports.</p> <p>UK Power Networks' innovation project 'Flexible Plug and Play' has successfully demonstrated how a project designed to primarily accrue benefits to connecting customers can deliver significant savings to connected customers.</p> <p>Last but not least, we should note that two of our project partners represent connecting customers and are making significant contributions to the project in order to gain learning and benefits.</p>
Attachments	