

Electricity Network Innovation Competition Full Submission

Supplementary Answer Form

Project: REVISE

Tick if this answer has been provided verbally: ☐

Project code	WPD/EN/NIC/05	Question Number	34
Question date	13 September 2018	Answer date	17 September 2018
Submission section question relates to			
Topic	a) Low carbon/environment and net financial benefits;		
Question	What is the basis of the falling capital cost for ACS?		
Notes on question	None		
Answer	<p>The unit cost of newly developed technologies will always be higher at the beginning of the roll-out phase due to the small number of units being produced and the relative immaturity of the systems. Following the trial of the ACS, we expect that savings could be made from refinements to the initial design and through economies of scale as more units are manufactured. As stated in Section 3.4, we have estimated that the unit cost of the ACS will reduce by 10% after five years, with a further reduction of 5% after 2039. These percentage reductions were determined by our internal purchasing team with extensive experience of procuring technologies and equipment.</p> <p>For clarity, all figures used to determine the financial benefits of the project are presented in real terms using 2018/19 prices, as per the requirement included in the Full Submission Guidance document, dated 4th June 2018.</p>		

Attachments	
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