

Electricity Network Innovation Competition Full Submission
Supplementary Answer Form

Project: Charge: Refuelling Tomorrow's Electrified Transport

Tick if this answer has been provided verbally: ☐

Project code	SPMV1	Question Number	8
Question date	16/08/18	Answer date	20/08/18
Submission section question relates to		4	
Topic	Innovative		
Question	Please explain in detail the risk to SPEN NIC funding will mitigate that in your view prevents SPEN from implementing this work without NIC funding.		
Notes on question			
Answer	<p><i>We assume this question to be asking how the NIC will mitigate risks to SPEN, which would otherwise exist if we proceeded without the NIC funds.</i></p> <ul style="list-style-type: none">• RIIO-ED1 is tightly bound to only allow investment that drives defined Outputs in the ED1 period. SPEN business-as-usual investment is therefore solely concentrated on matters that help address these Outputs.• As described in the Bid, we are expecting an acceleration of EV charging connections to be a significant risk during RIIO-2. There is however, a disconnect between the pace of change and the alignment of the current price control periods – investment before need is required to ensure that customers have confidence in the lowest cost solutions which will be taken forward into RIIO-2 and beyond.• SPEN want to mitigate this risk by investing in a credible plan in this area prior to RIIO-2, to minimise cost exposure to customers in the long run. We see NIC funding as the correct mechanism by which to fund this expenditure in advance of need. The benefits will not be confined to SPEN, but will be relevant to the rest of the GB DNOs and their customers. The learning that will be shared and demonstrated will allow network companies to react and facilitate the EV transition. <p>For the reasons above, we would be unable to fund Charge from</p>		

	business-as-usual investment.
Attachments	n/a