

Network Innovation Competition 2020 Supplementary Answer form

Project Name	Retrofit Insulated Cross Arms (RICA)		
Question number	#7	Pro forma section	4.1.3
Question date	08/09/2020	Answer date	10/09/2020
Question summary	Please reconcile final para on page 22 (capital emissions assumed to be same as those of the counterfactual) with “Notes” in Table 13 on page 52 (referring to net carbon benefits).		

Answer (please retain document formatting and do not exceed 2 pages unless otherwise agreed with Ofgem)

To provide a conservative estimate of the CO2 benefits from an investment that uses RICA, we have assumed that the capital emissions are the same as the new build OHL investment. This is an extremely conservative assumption and was chosen to ensure that the benefits were not overestimated.

The team did investigate the use a less conservative assumptions to enable the capital benefits to be included by seeking to use carbon data from OHL refurbishments; however, the data quality was not considered sufficient to include in the analysis, when combined with the uncertainties associated with RICA. The team therefore choose to stay with the conservative assumption.

We strongly believe that RICAs will provide capital environmental benefits, but we felt it more suitable to present a robust conservative approach in the bid.

On page 22, we are only discussing the gross benefits from using RICA on an investment. On page 52, we have included the capital carbon costs to provide a net benefit.