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| **SGN Final Determination** | |
| **FDQ Query** | | | |
| **Reference number** | | SGN \_FDQ\_009 | |
| **Document Name** | | GD Annex (Section 2.180) | |
| **Topic/Activity:** | | RIIO-GD2 Shrinkage Incentive Mechanisms (ODI-R and ODI-F) | |
| **Question:** | | The incentive baseline is calculated using Average System Pressure and Gas Conditioning values averaged over the three years from 2017/18.  Regarding the element of outperformance related to Gas Conditioning, can you confirm if this be calculated as a straight comparison between baseline values and actual annual values (+/- GWh)?  If so, are GDN’s required to report incentive outperformance levels for both system pressures and gas conditioning separately, or combined? | |
| **Confidential** | | No | |
| **FDQ raised by** | | SGN | |
| **Date Sent** | | 11/12/2020 | |
| **Ofgem Response** | | Yes, this is correct - there will be individual ASP and Gas Conditioning baselines volumes, and separate figures will be calculated for pressure impact and for conditioning impact. The formula in the licence, and the accompanying spreadsheet that was sent out before the November Licence Drafting Working Group, may be useful in setting out how these figures will be used to calculate the incentive value. We will discuss this further with GDNs as part of the development of the GD2 RIGs and RRPs in early 2021. | |