# DoV SG: Distribution of value summary

# As DSR develops the value will be focused on the winter peak, which all actors agree is the key time of year. Any action to reduce the winter peak will provide benefit to the rest of the industry.

# The value for the TOs and DNOs is geographically concentrated when the network infrastructure is operating at its annual extremes in the summer and winter. The growth in distributed generation, particularly that of an intermittent nature, will create opportunities for DSR to address other local network and system wide issues.

# The lead party, who is the actor with the greatest proportion of the value and the party who will initiate the majority of actions, for calling DSR. For example for both the national winter peak and for wholesale ,balancing during most of the rest of the year, will be the supplier. There are exceptions at the network level, especially for DNO value, with managing post fault or short term capacity issues at the level of primary substation or above, and also in the summer during a minimum load period with high local generation, when the DNO and the TO may have the most value.

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|  | **National System Peak** | **Local Network Demand (concentrated in the nation peak time)** | **Local peak generation, low demand** | **Localised Post fault management** | **Wholesale market** |
| **Lead party** | Supplier / aggregator | Network operator | Network operator | Network operator | Supplier / aggregator |
| **Likelihood of implementation** | High | Low / Medium | Medium / High | High | High |
| **Examples of types of contractual arrangements used as part of the DSR** | Demand would be reduced with static time of use tariffs. To target just the national peak a critical peak tariff could be used | This could be via variable DUoS charges, though its questioned if there is value to incentivise behaviour change in this method. It would also need Suppliers to pass through the value or be mandated to do so | This could be via variable DUoS charges or an incentive programme outside of the tariff. | This would lend itself to an incentive outside the meter involving some form of dynamic control | A static time of use tariff would capture much of the value. A real time tariff would capture more value |
| **Value to the customer** | Supplier direct to participant customer. Other parties shared across all customers. | Network operator direct to participant customer. Some customer benefit spread across all customers | Network operator direct to participant customer. | Network operator direct to participant customer. | Supplier direct to participant customer. Some DNO/TO/SO benefit spread across all customers |

# The regulated parties pass value back to customers by the RIIO price control mechanism and by suppliers / aggregators via the competitive market.

# All actors are willing to directly contract with large industrial and commercial businesses for DSR. For smaller business and domestic customers, the TO and SO in particular expect to rely on suppliers and aggregators to provide the service on their behalf. DNOs and suppliers will also use aggregators if they can provide the best product in the market. The DNOs expect to only contract directly with domestic and small business customers on specific localised short term issues.