

Electricity Network Innovation Competition Full Submission

Supplementary Answer Form

Project: EVOLUTION

Tick if this answer has been provided verbally: ☐

Project code	SPD/EN/01	Question Number	10
Question date	18 August 2015	Answer date	20 August 2015
Submission section question relates to	Various		
Topic	General		
Question	Will participants be offered a commercial safety net of any kind and if so has the potential cost of this been factored in?		
Notes on question			
Answer	<p>"No, there will be no commercial safety net as the key learning from EVOLUTION will be proving the concept of the DSO model that will function based upon market principles which can only be achieved if the trial is not diluted by false parameters and incentives, as seen in previous projects, that would not exist in real world operation and therefore distort the true learning and engagement.</p> <p>"It has already been acknowledged during the course of bid authoring that as this is a commercial trial based upon market principles we do not wish to artificially incentivise market participants. In addition, when offering services to NGET we have been clear that the DSO must do so on an equal basis with other existing and future BMU participants. Only this approach will produce best economic results for both market participants and consumers by undertaking the pilot.</p> <p>All participation in EVOLUTION or the local market will be underpinned by contractual agreements.</p> <p>We are intending to increase the number of participants and the role they have within the system operation from a passive customer to a more active / dynamic one, we would therefore anticipate that the majority will be in receipt of direct benefits rather than experiencing any punitive impacts."</p>		
Attachments			