

Electricity Network Innovation Competition Full Submission
Supplementary Answer Form

Project: Project CLoCC

Tick if this answer has been provided verbally: ☐

Project code	NGGTGN03	Question Number	4
Question date	25/08/2015	Answer date	27/08/2015
Submission section question relates to	Section 3 – Project Business Case		
Topic			
Question	Large parts of the demand for connections of the NTS are from biogas which is dependent on RHI tariffs. These are due for review in April 2016. The tariff is also subject to a quarterly digression which is proportional to the number of connections. Could a high number of connections reduce the feed in tariffs and therefore reduce the viability of connecting to the NTS?		
Notes on question	N/A		
Answer	<p>It is true that a large number of connections would be expected to lead to a reduction in the RHI tariffs under the current digression mechanism. However you would also expect that the increase in demand for such facilities would lead to a reduction in the unit cost of those facilities which would mean that the facilities would still be commercially viable under a reduced RHI tariff. This experience has been seen with the installation of solar panels where the decrease in cost of installation over recent years, combined with rising energy prices have been more than enough to offset decreases in the Feed in Tariff rate.</p> <p>In addition, following discussion with developers and industry experts the RHI is not the main determinant on whether the project is economic as there are several revenue streams.</p>		

Attachments	
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