### Demand scenarios and innovation projects at Electricity North West

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# Pelectricity

Bringing energy to your door



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#### Introducing Electricity North West





#### £12 billion of network assets

56 000 km of network ● 96 bulk supply substations 363 primary substations ● 33 000 transformers

	NORW∃B	<b>United</b> Utilities		Ť f	<b>Felectricity</b> north west
1948	1990	1995	2000	2007	2010
Electricity national- isation: North West Electricity Board	Privatisation: Norweb plc	North West Water takeover of Norweb: United Utilities	Norweb supply business sold	Sale of United Utilities Electricity to private investors	Acquisition of UU Electricity Services:



#### All large generators, suppliers and networks are regulated



#### But network businesses are the only ones with price regulation



Making a positive difference for energy consumers

#### **RIIO** regulatory framework



#### RIIO =

Revenue = Incentives + Innovation + Outputs

> ED1 = Electricity Distribution 14 DNO areas Eight years

**£1.8**Total to beBILLIONspent on the<br/>network2015 - 2023



Some of our output commitments in RIIO 彙 II 贵

Customer service	Environment	Social	Safety	Reliability
90% complaints resolved in one day	Reduce carbon footprint by 10%	Improve services for vulnerable and priority service register customers	Site security investment	Maintain overall network health Improve overall reliability

#### How big should our network be?







GSP, BSP and primary substations	Rest of network = HV feeders, distribution subs, LV feeders	

Metered load in each half hour Affected by weather and generation Manually identify the 'normal' annual peak The 'Load Allocation' system *estimates* load in each half hour



### Why could demand go up?



### Why could demand fall?



#### Past electricity demand (energy)





#### ... And 2015 central projection







#### Significant uncertainty, so not just a single best-view

Plausible combination of:

Background trends – econometric and policy analysis

Incremental effect of electric vehicles and heat pumps

Electricity North West scenarios 2016



Annual update requirement – methodologies being updated

'ATLAS' project expanding beyond focus on peak demand



#### Views of future demand and generation affect our plans for network capacity





#### The network operator 'Trilemma'



Smart solutions are the key to unlocking this puzzle



Before RIIO-ED1			RIIO-ED1		
Innovation Funding Incentive	Low Carbon Networks Fund Tier 1	Low Carbon Networks Fund Tier 2	Network Innovation Allowance	Network Innovation Competition	
0.5% of price control turnover (£2m/pa)	0.5% of price control turnover Small scale demonstration	Central fund for big projects	Replace IFI & LCN Fund T1 0.7% turnover (£3m/pa)	Central fund for big projects	
Number of projects					
Discretionary Award	TIER 2 /	NIC	R 1 / NIA	novation Funding Incentive	
Value and oversight					

#### Our innovation strategy







# Collaborative partnerships with SMEs, universities and National Grid







#### Capacity to Customers unlocks latent capacity on the electricity network



CLASS is seeking to demonstrate that electricity demand can be managed by controlling voltage...without any discernible impacts on customers



#### Smart Street



Low cost ● Quick fit ● Minimal disruption ● Low carbon ● Low loss
 Invisible to customers ● Faster connection of low carbon technologies



Respond is the first UK demonstration of an active fault level management solution that avoids traditional network reinforcement



#### Celsius







#### Seven smaller scale projects – £6 million invested



Low voltage network solutions

Voltage management on low voltage busbars

The 'Bidoyng' smart fuse

Low voltage integrated automation

Low voltage protection and communications

Fault current active management

Combined online transformer monitoring



#### Leading or supporting £16 million of NIA projects so far



Asset risk optimisation

Combined on-line transformer monitoring

Demand scenarios / ATLAS

Distribution asset thermal modelling

Sentinel

Avatar

VOLL

Smart Grid Forum work stream 7

**Overhead line ratings** 



#### Bidoyng smart fuse - single-shot autorecloser



# KELV/TEK



#### WEEZAP - world leading LV vacuum circuit breaker







Working with University of Manchester to develop economic methodology

DSR

<u>Reinforcement</u>



#### Net present cost (x- axis is cost, y-axis is probability)



DSR is always cheaper, but with greater uncertainty in total cost (width of distribution)

Cost (£)



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