

Notes on Completion: Please refer to the appropriate NIA Governance Document to assist in the completion of this form. The full completed submission should not exceed 6 pages in total.

NIA Project Registration and PEA Document

Date of Submission

Jan 2013

Project Reference Number

Project Registration

Project Title

Smarter Network Storage (SNS)

Project Reference Number

Project Licensee(s)

UK Power Networks

Project Start

January 2013

Project Duration

4 years and 0 months

Nominated Project Contact(s)

UKPN Innovation Team

Project Budget

£15,292,000.00

Summary

The transition to a low-carbon electricity sector will create a range of challenges for distribution networks and the wider electricity system. Cost effective forms of flexibility will be required as an alternative to the significant reinforcement otherwise needed to accommodate increased demand peaks and a more intermittent and inflexible supply-side. Energy storage is one such source of flexibility and, as identified by the Smart Grid Forum, is one of the key smart interventions likely to feature in the future smart grid.

Challenges in leveraging the full potential of storage on distribution networks across a number of other industry applications, and a lack of scale demonstrations are currently hampering the efficient and economic uptake of storage by the electricity sector. The SNS project will tackle these core challenges, demonstrating the multi-purpose application of 6MW/10MWh of energy storage at Leighton Buzzard primary substation, and deferring £8.6m of traditional reinforcement.

Novel commercial arrangements with other key industry participants and a unique smart optimisation & control system will be developed to maximise the value of the storage across the system. Once proven successful, replication of the method across GB could conservatively provide savings of over £0.7bn by 2040 compared to business-as-usual approaches. This trial will provide important analysis on the range of future business models for storage, model contracts for optimising the use of flexibility, and improved understanding of the economics of storage for DNOs ahead of the smart grid transition across RIO-ED1 and RIO-ED2.

Nominated Contact Email Address(es)

innovation@ukpowernetworks.co.uk

Problem Being Solved

Method(s)

Scope

Objective(s)

The project aims to bring together a number of technical and commercial components:

- Deployment of large-scale distribution-connected energy storage
- Implementation of a smart optimisation & control system in order to manage and optimise the storage flexibility
- Innovative commercial arrangements to support the shared use of energy storage in providing wider system benefits, including standby reserve and managing frequency
- Assessment and validation of the full value that storage can provide to DNOs and the wider system to support future business models for storage.

Consumer Vulnerability Impact Assessment (RIIO-2 Projects Only)

n/a

Success Criteria

n/a

Project Partners and External Funding

n/a

Potential for New Learning

n/a

Scale of Project

n/a

Geographical Area

Revenue Allowed for the RIIO Settlement

Indicative Total NIA Project Expenditure

Project Eligibility Assessment Part 1

There are slightly differing requirements for RIIO-1 and RIIO-2 NIA projects. This is noted in each case, with the requirement numbers listed for both where they differ (shown as RIIO-2 / RIIO-1).

Requirement 1

Facilitate the energy system transition and/or benefit consumers in vulnerable situations (Please complete sections 3.1.1 and 3.1.2 for RIIO-2 projects only)

Please answer **at least one** of the following:

How the Project has the potential to facilitate the energy system transition:

n/a

How the Project has potential to benefit consumer in vulnerable situations:

n/a

Requirement 2 / 2b

Has the potential to deliver net benefits to consumers

Project must have the potential to deliver a Solution that delivers a net benefit to consumers of the Gas Transporter and/or Electricity Transmission or Electricity Distribution licensee, as the context requires. This could include delivering a Solution at a lower cost than the most efficient Method currently in use on the GB Gas Transportation System, the Gas Transporter's and/or Electricity Transmission or Electricity Distribution licensee's network, or wider benefits, such as social or environmental.

Please provide an estimate of the saving if the Problem is solved (RIIO-1 projects only)

n/a

Please provide a calculation of the expected benefits the Solution

n/a

Please provide an estimate of how replicable the Method is across GB

n/a

Please provide an outline of the costs of rolling out the Method across GB.

n/a

Requirement 3 / 1

Involve Research, Development or Demonstration

A RIIO-1 NIA Project must have the potential to have a Direct Impact on a Network Licensee's network or the operations of the System Operator and involve the Research, Development, or Demonstration of at least one of the following (please tick which applies):

- A specific piece of new (i.e. unproven in GB, or where a method has been trialled outside GB the Network Licensee must justify repeating it as part of a project) equipment (including control and communications system software).
- A specific novel arrangement or application of existing licensee equipment (including control and/or communications systems and/or software)
- A specific novel operational practice directly related to the operation of the Network Licensees system
- A specific novel commercial arrangement

RIIO-2 Projects

- A specific piece of new equipment (including monitoring, control and communications systems and software)
- A specific piece of new technology (including analysis and modelling systems or software), in relation to which the Method is

unproven

- A new methodology (including the identification of specific new procedures or techniques used to identify, select, process, and analyse information)
- A specific novel arrangement or application of existing gas transportation, electricity transmission or electricity distribution equipment, technology or methodology
- A specific novel operational practice directly related to the operation of the GB Gas Transportation System, electricity transmission or electricity distribution
- A specific novel commercial arrangement

Specific Requirements 4 / 2a

Please explain how the learning that will be generated could be used by the relevant Network Licensees

n/a

Or, please describe what specific challenge identified in the Network Licensee's innovation strategy that is being addressed by the project (RIIO-1 only)

n/a

- Has the Potential to Develop Learning That Can be Applied by all Relevant Network Licensees

Is the default IPR position being applied?

- Yes

Please demonstrate how the learning from the project can be successfully disseminated to Network Licensees and other interested parties.

Please describe how many potential constraints or costs caused, or resulting from the imposed IPR arrangements.<

Please justify why the proposed IPR arrangements provide value for money for customers.

Project Eligibility Assessment Part 2

Not lead to unnecessary duplication

A Project must not lead to unnecessary duplication of any other Project, including but not limited to IFI, LCNF, NIA, NIC or SIF projects already registered, being carried out or completed.

Please demonstrate below that no unnecessary duplication will occur as a result of the Project.

n/a

If applicable, justify why you are undertaking a Project similar to those being carried out by any other Network Licensees.

n/a

Additional Governance And Document Upload

Please identify why the project is innovative and has not been tried before

n/a

Relevant Foreground IPR

n/a

Data Access Details

n/a

Please identify why the Network Licensees will not fund the project as apart of it's business and usual activities

n/a

Please identify why the project can only be undertaken with the support of the NIA, including reference to the specific risks(e.g. commercial, technical, operational or regulatory) associated with the project

n/a

This project has been approved by a senior member of staff

Yes