



Promoting choice and value
for all gas and electricity customers

Project Nexus

Impact Assessment / Cost Benefit analysis

21 November 2011

Cesar Coelho
Ofgem

Ofgem suggested approach to IA

- Administered by Xoserve on behalf of the PN workgroup/industry
- As part of the Business Requirements discussions, PN workgroup to identify potential costs and benefits
- Xoserve to prepare a consolidated Executive Summary of requirements as basis for consultation
- Ofgem to manage RFI – Shippers to provide quantification of costs and benefits

Ofgem views on scope of IA

- Scenario analysis
 - Dimensions:
 - Implementation of individual changes
 - Sequence of implementation
 - Usage of products
 - Some scenarios Ofgem would like to see covered
 - 100% uptake on products 1 or 2
 - Uptake under optimal path of implementation
 - No uptake scenario
- GTs/Xoserve & Suppliers: Assess/quantify costs and benefits
 - Systems setup and ongoing implementation costs
 - Benefits from implementation, cost savings
 - Other impacts

The background of the slide is a composite image. On the left, there are rows of solar panels under a bright sun. On the right, there is a close-up of a gas burner with a flame. At the bottom, there are stalks of wheat. A large, semi-transparent white arrow points from the top right towards the bottom left, passing behind the text.

ofgem

Promoting choice and value
for all gas and electricity customers