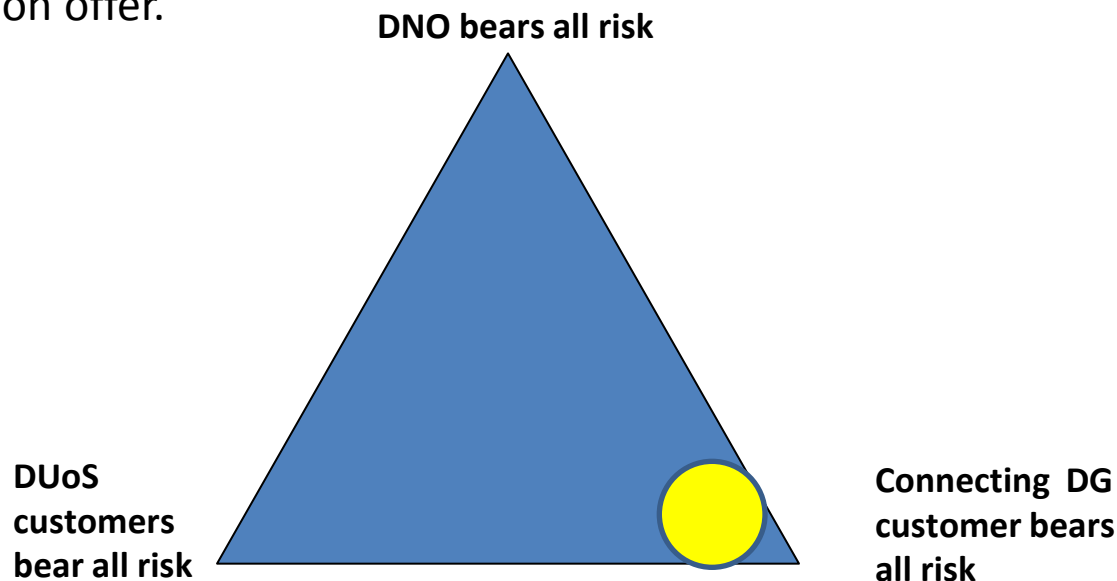


Distribution of risk – ‘extreme’ scenario 1

Assume DNO can curtail DG when needed with no payments and no limit.

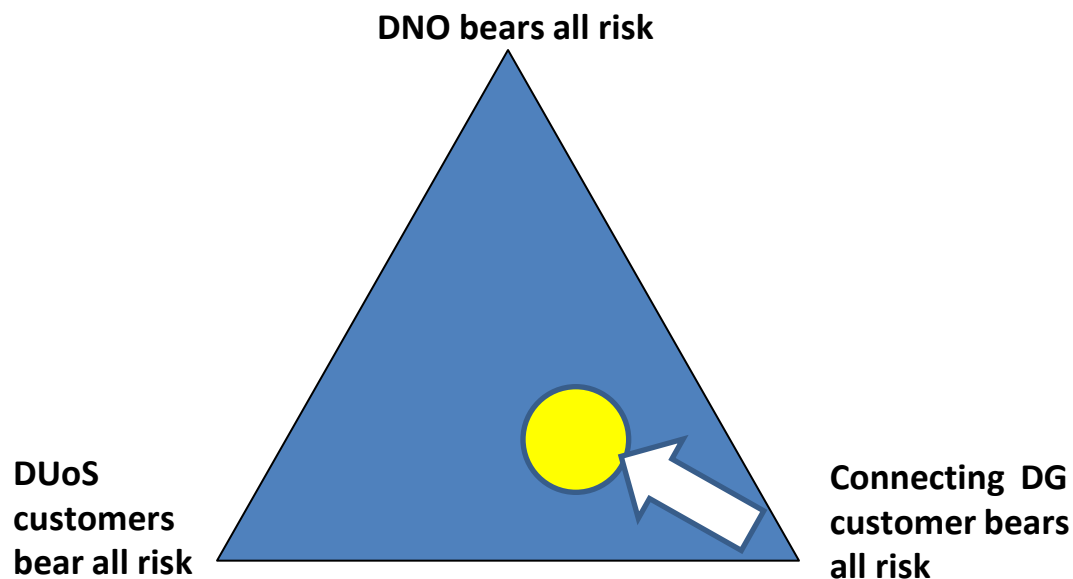
- DNO takes no risk as it can curtail DG when necessary to manage network constraint.
- DUoS customers take no risk as no need to reinforce and no reduction in reliability.
- DNO able to provide some estimates of how often DG customer will be curtailed, but no commitment to these estimates.
- Connecting DG customer takes all risk and have to weigh up against benefits of cheaper connection offer.



Distribution of risk – scenario 2

Assume limit on number of curtailments, beyond which DNO must pay generator a guaranteed price for curtailment.

- DNO and DUoS customers take some risk as they may have to make payments to customer.



1. Should DNO and DUoS customers take some risk, and what level of risk?
2. What incentives or benefits are there to DUoS customers for taking this extra risk?