

Dear Sir / Madam,

Re: Consultation on RIIO-ED2 Network Innovation Allowance (NIA) funding for years 2026/27 and 2027/28

Thank you for the opportunity to respond to Ofgem's consultation on additional Network Innovation Allowance (NIA) funding for the final two years of RIIO-ED2.

Introduction

The Energy Innovation Centre (EIC) is a not-for-profit whole-system partnership, established 16 years ago by leading UK energy network companies. Today, the EIC represents a diverse, global innovation community comprising over 10,000 third-party innovators, 75% of which are SMEs, 15% international and a broad range of over 100 capabilities.

Our Innovator Impact Panel, composed of 12 businesses representative of our global innovator community, provides a collective voice for innovators, validates our activities, and informs our strategic priorities.

Consultation response

The EIC and all members of the Innovator Impact Panel unanimously support option 1 to provide a pro rata increase to extend the existing annual NIA funding levels for the final two years of RIIO-ED2. This approach will ensure continuity and certainty of funding for innovators and network businesses alike.

Our community of innovators has consistently emphasised the importance of stable and predictable funding to enable effective innovation. Uncertainty in funding has previously resulted in missed opportunities and projects being delayed projects.

Additionally, our experience indicates that sustained NIA funding significantly enhances collaboration and engagement between network operators and innovators, particularly SMEs and early-stage innovators.

We therefore strongly recommend that Ofgem proceed with Option 1, ensuring ongoing support for innovators and maximising benefits for consumers and the wider energy system.

Should you require further details, please do not hesitate to contact us.

Yours sincerely,



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