

Dafydd Burton
Ofgem, 10 South Colonnade
London
E14 4PU
Cc by email: networks.innovation@ofgem.gov.uk

17 April 2025

Dear Dafydd,

SSEN Distribution response: Consultation on additional Networks Innovation Allowance funding.

SSEN Distribution welcomes the opportunity to respond to Ofgem's consultation on additional Networks Innovation Allowance (NIA) funding. SSEN Distribution is the trading name of Scottish Hydro Electrical Power Distribution plc and Southern Electric Power Distribution plc. This response is being submitted on behalf of those licensees.

With a network reach to over 3.9 million households and businesses in the North of Scotland and Central Southern England, working alongside Ofgem and other stakeholders is a priority that remains unwavering. We welcome initiatives that seek to improve the general levels of service and the standards that customers receive.

SSEN Distribution has participated fully in the various innovation funding streams since they were introduced in DPCR5. Over that time we have actively participated in the transformation in the way that energy networks undertake their responsibilities and have seen increased benefits delivered for consumers. The innovation funding streams have been fundamental in enabling this.

With the introduction of Clean Power 2030 and fast approaching Net Zero targets we consider that innovation has never been more important to the energy industry. We therefore support Ofgem's minded-to-position to allow a Pro Rata Increase in NIA allowances.

We agree that Ofgem's proposal represents the most proportionate solution while remaining aligned with decisions made based on the RIIO-ED2 business plans. This also allows innovation to continue seamlessly for the remainder of RIIO-ED2 and into RIIO-ED3, meaning that change in our energy systems can be delivered at pace to deliver benefits for consumers, networks and the environment.

If you have any questions in relation our response, please do not hesitate to get in touch. Our response is non confidential, and we continue to welcome collaboration with Ofgem.

Yours sincerely,

Rose Tresidder
Regulation Manager
SSEN Distribution