

Registered Office:  
Newington House  
237 Southwark Bridge Road  
London SE1 6NP

Company:  
UK Power Networks  
(Operations) Limited



Registered in England and Wales No: 3870728

Dafydd Burton  
Price Control Operations Policy  
Ofgem  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

By email only to: [networks.innovation@ofgem.gov.uk](mailto:networks.innovation@ofgem.gov.uk)

17 April 2025

Dear Dafydd

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

Thank you for the opportunity to respond to consultation dated 21 March 2025. This response is on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. We are Great Britain's largest electricity Distribution Network Operator (DNO), dedicated to delivering a safe, secure and sustainable electricity supply to 8.5 million homes and businesses.

We fully support Ofgem's preferred Option 1. It is simple, straightforward, and consistent with how the initial allowances for the first three years of RIIO-ED2 were set. Adopting a different option may send mixed signals to the market and contradict what is already being implemented for the other sectors in RIIO-3. Additionally, it could create inconsistency for licensees and innovators, potentially impacting the delivery of innovations for customers.

If you have any questions, please do not hesitate to contact me in the first instance.

Yours sincerely,

**Sul Alli**

Director of Customer Services, Strategy, Regulation and Technology  
UK Power Networks

Copy: James Hope, Head of Regulation and Regulatory Finance, UK Power Networks  
Matt White, Head of Customer Services and Innovation, UK Power Network

