

Consultation

NIA RIIO-2: Governance V4 Update

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Response deadline:	5 January 2026
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Distribution Network Operators (DNOs) were given a Network Innovation Allowance (NIA) for the first three years of RIIO-ED2. They were permitted to allocate this funding across the whole price control if projects were registered by 1 April 2026.

We published decisions regarding awarding additional NIA funding to DNOs for the final two years of RIIO-ED2 in August and October 2025. We stated in both decisions our intention to change the RIIO-2 NIA Governance Document to allow DNOs to continue registering projects past 31 March 2026. This consultation is proposing the changes to the governance needed to enact those amendments.

References to the “Authority”, “Ofgem”, “we”, and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work

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1. NIA RIIO-2 Governance V4 Update

This section outlines the context, proposals and next steps for our consultation on NIA RIIO-2 Governance Document changes.

Purpose of this consultation

This consultation is needed to facilitate the changes to the RIIO-2 NIA Governance Document, which are necessary to allow DNOs to register projects past 31 March 2026. We stated that we would make these changes in our August and October 2025 decisions regarding additional NIA funding for RIIO-ED2. If we decide to proceed with NIA RIIO-2 Governance amendments after the consultation, a direction will be issued to implement those modifications.

Context and related publications

In RIIO-ED2 DNOs were given a NIA allowance with the flexibility to allocate the funds across the whole price control period provided projects were registered by 1 April 2026. At the outset, funding was approved for the first three years (2023-2026), with a commitment to review the need for further funding for the final two years (2026/27 and 2027/28) of the price control.

We published a consultation in March 2025 proposing to provide additional NIA funding for the final two years of the RIIO-ED2 price control period. We had two decisions that followed in August and October, the latter of which established how much funding would be allocated. In both decisions we stated the intention to change the NIA RIIO-2 governance to allow DNOs to continue registering projects past 31 March 2026. This consultation is proposing the changes needed in the NIA RIIO-2 Governance to implement this.

Related publications:

- [RIIO-ED2 Final Determinations Core Methodology Document](#)
- [Consultation on additional Networks Innovation Allowance funding](#)
- [RIIO-ED2 Network Innovation Allowance \(NIA\) funding for years 2026 to 27 and 2027 to 28](#)
- [RIIO ED2 Network Innovation Allowance \(NIA\): additional funding decision](#)

Overview

This consultation seeks feedback on our proposal to change paragraph 3.2 in the NIA RIIO-2 Governance to allow DNOs to register projects past 31 March 2026.

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This change will not affect Gas Transporter and Electricity Transmission Licensees as these companies will be able to access NIA funding under the RIIO-3 price control from 1 April 2026.

Conclusions and next steps

We will consider responses before determining a final draft of the NIA RIIO-2 Governance. A direction will be published in time for changes to take effect by 31 March 2026.

Stakeholders are invited to respond to this consultation by no later than 5 January 2026.

We ask that any network licensee without views or comments on our proposals provide confirmation of receipt and their nil response by the consultation close.

How to respond

We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document.

We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

We will publish non-confidential responses on our website.

Your response, data, and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

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If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a consultation

1. Find the web page for the call for input you would like to receive updates on.
2. Click 'Get emails about this page', enter your email address and click 'Submit'.
3. You will receive an email to notify you when it has changed status.

A consultation has three stages: 'Open', 'Closed (awaiting decision)', and 'Closed (with decision)'.

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this consultation. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to stakeholders@ofgem.gov.uk.

Appendix 1. Privacy policy

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, “Ofgem”). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

Information: Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations see different set of data then make this clear. Be as specific as possible.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. ‘six months after the project is closed’)

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it

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- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas (Note that this cannot be claimed if using Survey Monkey for the consultation as their servers are in the US. In that case use “the Data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”.

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system. (If using a third party system such as Survey Monkey to gather the data, you will need to state clearly at which point the data will be moved from there to our internal systems.)

10. More information For more information on how Ofgem processes your data, click on the link to our “[ofgem privacy promise](#)”.