

Neil

Based on my experience, as a member of EPSRC's advisory network, the IET's Energy Sector Executive and working with the Energy Systems Catapult on the energy systems landscape and energy innovation knowledge exchange I have been involved in a range of discussions on energy innovation including the participation of the licensees. As such, and with the support of the organisations that I have been working with, I would like to respond quite specifically to some of the questions set out in the review of the NIA and NIC governance arrangements.

Q1: With a focus on research, ie low TRL activities, the feedback from discussions across the energy sector is that the interpretation of the NIA criteria by the licensees has led to a reduction of engagement in research project and with the research community including the funding agencies. Energy research is still considered a priority by the funding agencies both in the UK and the EU and therefore good quality research is definitely being proposed, funded and delivered but without the interaction of the licensees. The consequences of the lack of engagement will increasingly become apparent in the longer term strategy development and direction setting. Research needs to be both high quality and have impact, the quality is not an issue but realising and verifying the impact is more challenging without licensee involvement and support. In order to deliver the higher TRL projects in years to come, research projects involving the licensees and directed to future challenges and opportunities need to be enabled as part of the NIA criteria. If the issue is entirely one of interpretation, clarification of the allowable types of project potentially via case studies needs to be produced. Similarly interpretation of the IP requirements is used as the reason for lack of engagement, even at low TRL, further clarification could therefore help support UK research for the benefit of all.

Q2: There already exist a number of groups developing thinking and recommendations on the future of energy and the innovation required to get there, for example the Smartgrids WG, IET expert groups etc including the FPSA project. It would seem appropriate that Ofgem is involved in relevant expert groups to both understand and drive the guidance on innovation on behalf of the consumer but as it is not a fixed solution, changing with time and developments, specific timely guidance through the NIA and NIC criteria would not be possible or appropriate.

Q3: The energy system as such is not easily bounded and broadening the focus, though undoubtedly potentially beneficial to consumers, would be difficult to justify by the individual licensees under their strategies of projects being of benefit to both company and consumer. Based on the lack of engagement by the DNOs in the broader energy research agenda this would require a significant change to drive a different behaviour.

If you would like further information or discussion on any issues, please do not hesitate to contact me.

Regards

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