

Outcome of sandbox window 1

Last updated: September 2018

Since launching in December 2016, Ofgem's Innovation Link has run two regulatory sandbox windows. This document summarises the outcomes of sandbox window 1 and replaces the update published in July 2017.

Background

The first sandbox received expressions of interest from February to March 2017. In total, we received 30 expressions of interest. We assessed all the expressions of interest against our [published](#) criteria.

We supported 22 innovators through our fast, frank feedback service to help them understand how their business model could operate within existing regulatory arrangements. Three innovators were ultimately offered sandboxes.

Sandboxes granted

We granted a regulatory sandbox to the following projects. Two projects explore peer-to-peer energy trading and the other offers an innovative tariff.

EDF

A consortium led by EDF Energy R&D UK and including Electron, PassivSystems, Repowering London and University College London are trialling a peer-to-peer local energy trading platform. The platform aims to allow residents in urban areas to source their energy from local renewables and trade that energy with their neighbours, increasing self-consumption of low carbon energy and reducing overall energy costs.

Empowered

Trialling a local peer-to-peer energy trading scheme. The trial aims to enable consumers to trade electricity directly with each other and yield benefits for the local community and the wider electricity system.

OVO Energy

Trialling an innovative tariff supported by smart home technology. The trial product is designed to enable lower bills and warmer homes for customers with storage heaters who are currently limited to economy 7 / economy 10 tariff options, whilst also enabling grid balancing capabilities.

Other Support

We found that 22 of the proposed trials were innovative and had a realistic prospect of benefitting consumers. However, these trials failed to identify a specific regulatory barrier. It is likely that many of these can operate within the current regulatory framework. We provided these companies our fast, frank feedback service.

There were a small number of expressions of interest that were unsuitable. These included asking for a permanent change in regulation and trialling new policies in existing projects. We welcome these offers to support policy development and recommended that the companies engage with the relevant policy team.