

ENA Network Innovation Competition (NIC) Call for Ideas 2019/2020

Introduction

Innovation is a key element of the existing RIIO (Revenue = Incentives + Innovation + Outputs) price control mechanism. One of the principal processes to encourage innovation in the energy industry is through an annual competition for funding known as the Network Innovation Competition (NIC), which is provided to Networks by the regulator, Ofgem. More information about how the NIC funding mechanism fits into the wider energy innovation landscape can be found in the EIC and Energy System Catapults '[A guide to Funding](#)¹'.

The Gas and Electricity Networks in Great Britain (GB) have committed to working closely together to ensure the benefits of new technologies and processes are realised across the whole energy system. Our goal is to develop high-quality innovation projects that deliver value for money for customers, and we want to work with other innovators in the energy industry to help us achieve this. As such, we are pleased to launch our latest NIC Call for Ideas and invite you to put forward your innovative project proposals. We want to hear about new, innovative and low carbon solutions to the priority areas that we have identified in this Call so we can work with you to take them forward and trial them on the networks.

The opportunity

The NIC is an annual opportunity for gas and electricity network companies to compete for funding for the development and demonstration of new technologies and new operating and commercial arrangements. Funding will be provided for the best innovation projects which help the network operators understand what they need to do to facilitate innovation as GB moves to a low carbon economy. Up to **£20 million** is available through the gas NIC, and up to **£70 million** for the electricity NIC. For whole energy system projects, the allocation of funding will depend on the expected benefits of the project.

We strongly value your ideas and to demonstrate our commitment to this call for ideas, the gas and electricity networks will support the highest scoring applicants and work with them to develop their proposals into submissions to the Ofgem competition.

Requirements

Before submitting an idea you should ensure it complies with the [Gas NIC Governance Document](#)² and/or [Electricity NIC Governance Document](#)³ and consider whether it:

- Addresses relevant industry challenges within required time frames
- Stimulates a low carbon energy sector and/or delivers environmental benefits
- Demonstrates a robust methodology
- Provides value for money for customers
- Generates knowledge that can be shared
- Is innovative (i.e. not business as usual or delivered elsewhere)
- Has broad industry involvement and/or funding

All applicants should carry out a review of existing and completed innovation projects (including those on the [Smarter Networks Portal](#)⁴) to ensure the proposed project is genuinely innovative and builds on any previous learning.

By nature, the competition is typically suited to large-scale long-duration projects i.e. over £2M budget running for two or more years. While this call is directly focused on project ideas for the NIC, third parties looking to work with the networks on smaller projects can submit these proposals on ENA's [Network Innovation Collaboration Portal](#)⁵.

In line with the NIC and to reflect the project bid process within the wider industry there is no mechanism to reclaim any costs associated with the preparation of a NIC bid. Please be aware that if your idea is selected to proceed through to the Ofgem NIC submission process you will be required to fund your own bid costs. As part of the requirement to demonstrate value for money for customers in project delivery as a named partner, you will have to contribute a portion of your costs as cash or benefit in kind. Typically this should be excess of 10% of your portion of the project costs, with higher proportions if your return from a successful project is higher.

Please note that in previous years Ofgem has stated that the NIC funding should not be used to pay for electricity storage assets or electricity/gas generation. As such, projects involving significant expense in these areas should indicate where this element of their funding is coming from.

Focus areas

The networks are interested in ideas which address the challenges and opportunities identified in the [Gas Network Innovation Strategy](#)⁶ and [Electricity Network Innovation Strategy](#)⁷ as well as the whole energy system areas identified below. However, we welcome all innovative ideas provided they meet the stated governance and criteria.

Whole Energy Systems

- Planning and Forecasting
- Pricing and Settlement
- Network Resilience
- Communications and Data Management
- Decarbonisation of Heat
- Energy Flexibility
- Community Energy
- Customers in Vulnerable Situations

You should respond to this NIC Call for Ideas if you are interested in delivering a network-specific or collaborative gas, electricity or whole energy system project. Your innovation idea can apply to one or more of the gas and/or electricity networks or it can be location-specific. You are welcome to target specific networks if desired as the ENA NIC Call for Ideas is being run in place of individual calls.

Timeline

Ideas should be submitted using the [Google Form](#)⁸ by **17:00 Friday 8 November 2019**. More information on the [Opening Webinar](#)⁹ on 25 September can be found on Eventbrite.

ENA NIC Call for Ideas Timeline



Ofgem NIC Timeline



Assessment criteria

Responses will be assessed on the criteria indicated in the table below. Responses that are deemed non-compliant with the NIC governance will be rejected irrespective of the scoring.

Criteria	Weighting
Technical Fit	40%
Service Levels and Delivery	30%
Financial and Commercial	30%

Answers will be scored using the table below and applied to the weighted questions.

Score	Comment
4	Excellent: Exceeds expectations
3	Good: Fully meets expectations
2	Satisfactory: Meets minimum requirements
1	Poor: Falls below minimum requirements
0	Did not appropriately answer the question

Get in touch

We look forward to seeing your ideas. If you have any questions, comments, or concerns please contact nic@energynetworks.org. There will also be subject matter experts available on the ENA Stand at this year's Low Carbon Networks and Innovation (LCNI) Conference in Glasgow on the 30th – 31st October.

Useful links

1. The EIC and Energy System Catapult: A guide to Funding
<http://bit.ly/ESC-EIC-A-guide-to-funding>
2. Gas NIC Governance Document
<http://bit.ly/GasNICGovernance>
3. Electricity NIC Governance Document
<http://bit.ly/ElectricityNICGovernance>
4. Smarter Networks Portal
<https://www.smarternetworks.org/>
5. Network Innovation Collaboration Portal
<http://www.nicollaborationportal.org/>
6. Gas Network Innovation Strategy
<http://bit.ly/ENA-GasNetworkInnovationStrategy>
7. Electricity Network Innovation Strategy
<http://bit.ly/ENA-ElectricityNetworkInnovationStrategy>
8. ENA NIC Call for Ideas 2019 Google Form
<http://bit.ly/ENA-NIC-Call-for-Ideas-2019>
9. ENA NIC Opening Webinar:
<http://bit.ly/ENA-NIC-Webinar>