

Network Innovation Allowance (NIA)

As part of the RIIO-1 price controls (Revenues=Incentives+Innovation+Outputs), Ofgem introduced the Network Innovation Allowance (NIA). The NIA is a set allowance each Energy Network receives as part of their price control allowance. It provides limited funding to Energy Networks to fund smaller technical, commercial, or operational projects directly related to licensees' network.

As part of the RIIO-2 network price control which commenced on 1 April 2021, National Grid ESO will have ongoing access to NIA (£23m – incl. 10% ESO contribution) to fund innovation projects to March 2026. The focus continues to be on early stage research and development, or small-scale demonstration projects that have the potential to deliver benefits to consumers in vulnerable situations or the energy transition to net zero.

Find out more about how our innovation process works in our "[Innovating with the Electricity System Operator](#)" document.

Resources

- [RIIO-2 NIA Governance Document | Ofgem](#)