

# **Innovation Link: Approach to innovation in the energy sector**

Presentation to iGTUNC

17 January 2018

ofgem

# In future, we expect more...

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- Flexibility
- Decentralisation
- Interdependence
- Diverse types of businesses
- Innovative services for consumers
- Whole systems innovations

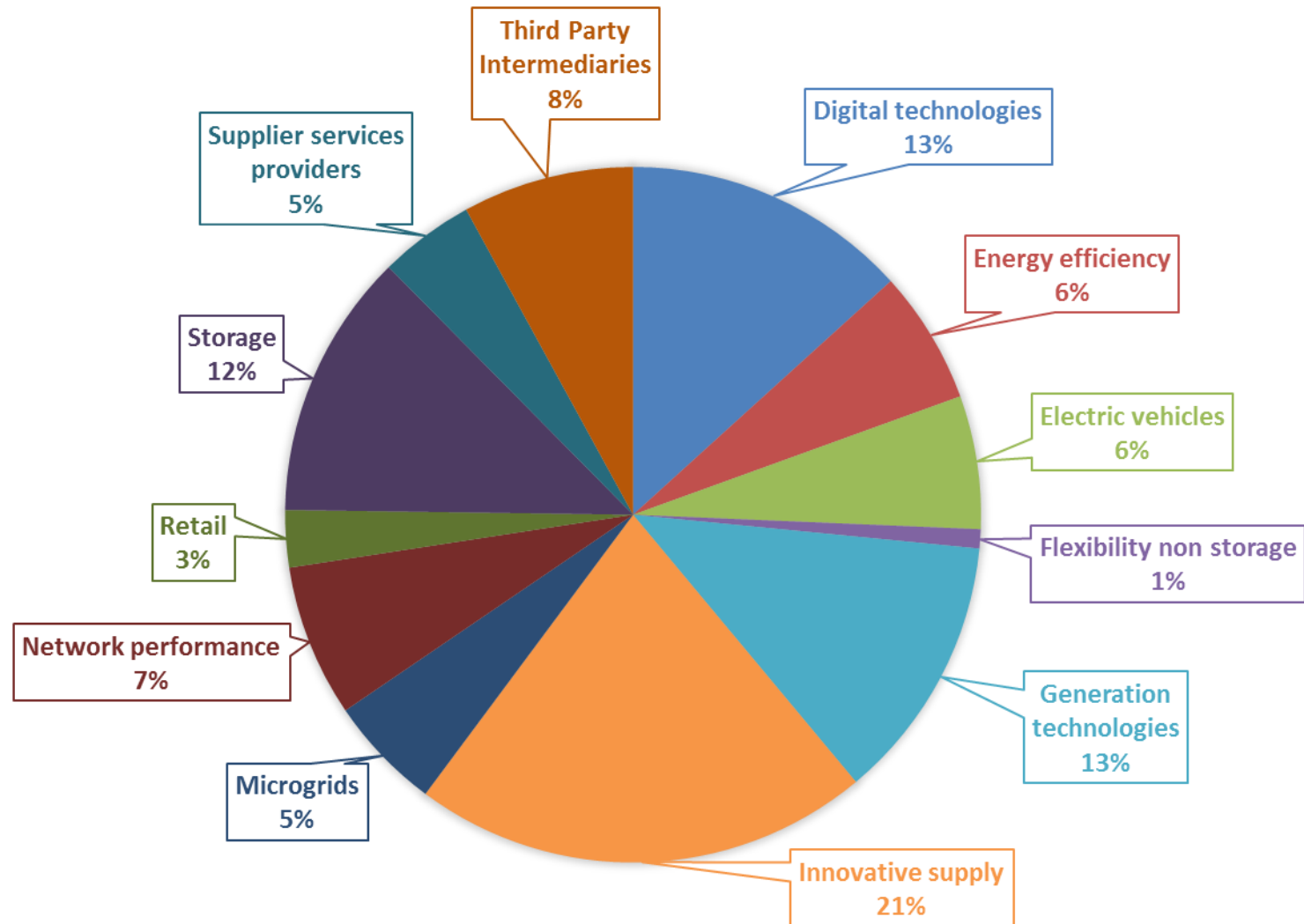
# So we created the Innovation Link to offer...

1. **Fast, frank feedback** on the regulatory implications of disruptive, new business propositions

2. A **regulatory sandbox** to enable innovators to trial new products or services where they face a regulatory barrier

3. **Knowledge base**, for making general regulatory information accessible to innovators in the early stages of developing their ideas

# In one year we helped a diverse group of 151 innovators



# Biggest barrier for innovators is the interface with existing systems...

Regulatory organisations are complex

Numerous codes and regulation administered by many organisations (Ofgem, BEIS, Code admins)

Trials are not supported

Processes assume full-scale entry. But innovators often need to test and iterate before they can invest and grow.

So proposals become less innovative

Innovators don't have funding to wait years for regulatory change, so scale back their ambition to fit the system.

# Joined up support is needed

Together the regulator, code admins and government could:

**Create a 'one stop shop' for energy innovators who need regulatory advice.**

**Help innovators understand all the regulatory barriers they face, regardless of whose 'rule book' they are in.**

Many organisations will find there are no hurdles, so they can quickly launch, and invest with confidence.

**Where needed, provide a set of co-ordinated derogations to create a sandbox.**

We are confident that doing this would accelerate innovation and learning.

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**Our priority is to protect and to make a positive difference for all energy consumers. We work to promote value for money, security of supply and sustainability for present and future generations. We do this through the supervision and development of markets, regulation and the delivery of government schemes.**

**We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.**