

Introduction to the Energy Network Innovation Taskforce

A new approach to Challenge Setting in the Strategic Innovation Fund

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Pioneering the future of Great Britain's energy system to deliver economic, customer and societal outcomes

Great Britain is on the cusp of a profound energy transformation. To achieve our national Net Zero ambitions, drive economic prosperity, and deliver a radically improved service for consumers, we must look beyond today's challenges and catalyse a new era of energy innovation.

In October 2025, we launched the **Energy Network Innovation Taskforce (ENIT)**. ENIT is a landmark initiative commissioned by Innovate UK and Ofgem to set bold, long-term, customer-centred and outcome focused Innovation Challenges for the Strategic Innovation Fund (SIF) – these will shape the future of our energy networks. ENIT approaches innovation as a driver of economic growth, customer benefits and wider societal outcomes, showing how innovation can deliver additional value to the UK through new approaches to system decarbonisation.

The Taskforce will unite senior leaders from across the energy networks ecosystem and beyond to define the transformational Innovation Challenges fundamental to building a smarter, more resilient, and affordable Net Zero energy system – and critically, one that is consumer centric and unlocks economic growth and prosperity.

Leadership and Partnership

To steer this vital work, we are delighted that Laura Sandys has been appointed as the independent Chair of the Taskforce. A respected leader with extensive experience across the energy and technology sectors, Laura brings the vision and aspiration to challenge conventional thinking and forge a powerful consensus for change. The Taskforce will be delivered through a unique collaboration of industry experts:

- **The electricity and gas energy networks** who will ensure that Innovation Challenges are grounded in the operational problems and opportunities of a transforming sector and provide commitment to delivering long term outcomes from innovation.
- **Innovate UK**, as Ofgem's strategic partner for the Strategic Innovation Fund (SIF), will ensure that Innovation Challenges are designed to foster a vibrant, competitive market and unlock the potential of new technologies, business models, products and services.
- **The National Energy System Operator (NESO)** is a critical partner in this endeavour. The Taskforce will work in close alignment to ensure the Innovation Challenges it develops are directly informed by future system needs and are well coordinated with the wider energy system strategic direction.
- **The Energy Systems Catapult** will provide expert coordination, technical support and whole-system capabilities to ensure the Taskforce's recommendations are robust, coherent, and informed by best practice.

These partnerships will be vital in identifying the opportunities to revolutionise how the Great Britain energy system operates, for the benefit of all consumers, domestic and non-domestic.

Scope and Remit of the Taskforce

The Taskforce's primary objective is to identify and define a portfolio of ambitious, consumer centric, outcome-focused Innovation Challenges that will steer strategic innovation into exceptional business-as-usual outcomes, through the next decade and beyond. The Taskforce will adopt a

whole-system perspective, focusing on transformational opportunities where regulated electricity and gas network operators have a direct responsibility or a critical enabling role.

This includes, but is not limited to:

- Accelerating the connection of low-carbon generation and demand assets.
- Enhancing the capacity, resilience, and efficiency of network infrastructure.
- Integrating new energy vectors and technologies efficiently, including heat networks and low-carbon gases.
- Understanding the wider future uses of existing energy network infrastructure.
- Designing network governed markets and processes that put consumer and customer needs at their heart.
- Understanding how future business models will transform network operation and delivery.

The Taskforce will examine these areas within the context of some key principles:

- **Consumers and energy network customers first:** Centring all innovation on the needs of customers and consumers to deliver demonstrable value.
- **Powering prosperity:** Building an energy system that acts as a foundational asset to actively drive national and regional economic growth
- **Championing greater ambition:** calculated risk-taking at the innovation stage to unlock revolutionary, long-term gains in deployment.
- **Preparing innovation for the future:** Delivering a resilient and adaptable grid that future-proofs our national infrastructure for the demands of tomorrow.

The Taskforce remit is focussed on innovation that can be driven by the energy networks and their partners. Whilst its work will inform and be enabled by wider developments, it will not have a direct remit over areas of government energy policy, market-wide retail reform, or the functions of other regulated or government bodies.

Powers and Recommendations

The Taskforce is an independent advisory body established to provide expert, evidence-based recommendations to Innovate UK and Ofgem. It does not possess regulatory decision-making powers. Its authority lies in its unique convening power, the credibility of its analysis, and the ongoing senior commitment of its members to deliver ambitious innovation outcomes. The commitment of network company senior executives and network company subject matter experts will be critical to its success.

The ultimate output of the Taskforce will be a final report to Innovate UK and Ofgem, defining a portfolio of priority Innovation Challenges, complete with ambitious outcome-based targets and a clear articulation of the benefits to consumers and the economy. This will give networks, customers, and innovators clear direction for future innovation opportunities, driving SIF innovation projects and the investments opportunities they unlock.

Ofgem's Commitment: From Recommendation to Reality

Ofgem is wholly committed to translating the vision of the Taskforce and recommendations into tangible action. The recommendations presented will directly shape the scope of innovation funding for the SIF in the next price control period, providing a clear set of outcome and consumer focussed challenges.