10 Apr 2017

Investment in a series of innovative projects could see forecasted benefits of £100 million for bill payers by 2021, according to a new report published today by National Grid.

The 'Innovation Value Mid-Term Report' reflects National Grid’s performance in delivering value through investments in innovation. This is the first time a network company has quantified the value of improving, modernising and changing ways its ways of working.

Across ten different projects on its gas transmission network, National Grid has already seen savings of £6.9 million; savings that represent four times the value that the company invested.

One project example is the installation of new gas sampler analysers, a piece of kit that determines the composition of gas, across the high pressure network. Replacing the traditional design with smarter sampling means less excavation work is required, as well as fewer construction materials which in turn shortens length of the project. This new technique delivered a total saving of £1.3 million across 37 installations.

Pauline Walsh, Director of the Gas Transmission business at National Grid said, “Successful innovation takes drive, passion and commitment and can come in many forms; be it new technology, commercial improvements or new ways of working. Innovation has huge potential to make things better for our customers and for bill payers by helping lower bills. I’m delighted with the value we have already delivered and the future value we expect to capture.”
Investments in innovative projects are part of National Grid’s commitment to Ofgem’s price control mechanism, which is designed to keep costs down for bill payers. Now in the fourth year of the price control mechanism RIIO (Revenue = Incentive + Innovation + Outputs), innovation spend has totalled £10.4 million since 2013 and has funded over 110 projects in the Gas Transmission business area. RIIO, which is agreed and set by the regulator Ofgem, supports two innovation funding mechanisms: Network Innovation Allowance (NIA) and Network Innovation Competition (NIC). National Grid’s Gas Transmission business’s innovation portfolio encompasses a diverse selection within the NIA programme, and two NIC projects.

Notes to Editors:
National Grid is pivotal to the energy systems in the UK and the north eastern United States. We aim to serve customers well and efficiently, supporting the communities in which we operate and making possible the energy systems of the future.

National Grid in the UK:
- We own and operate the electricity transmission network in England and Wales, with day-to-day responsibility for balancing supply and demand. We also operate, but do not own, the Scottish networks. Our networks comprise approximately 7,200 kilometres (4,474 miles) of overhead line, 1,500 kilometres (932 miles) of underground cable and 342 substations.
- We own and operate the gas National Transmission System in Great Britain, with day-to-day responsibility for balancing supply and demand. Our network comprises approximately 7,660 kilometres (4,760 miles) of high-pressure pipe and 618 above-ground installations.
- As Great Britain’s System Operator (SO) we make sure gas and electricity is transported safely and efficiently from where it is produced to where it is consumed. From April 2019, Electricity System Operator (ESO) is a new standalone business within National Grid, legally separate from all other parts of the National Grid Group. This will provide the right environment to deliver a balanced and impartial ESO that can realise real benefits for consumers as we transition to a more decentralised, decarbonised electricity system.
- Other UK activities mainly relate to businesses operating in competitive markets outside of our core regulated businesses; including interconnectors, gas metering activities and a liquefied natural gas (LNG) importation terminal – all of which are now part of National Grid Ventures. National Grid Property is responsible for the management, clean-up and disposal of surplus sites in the UK. Most of these are former gas works.

Find out more about the energy challenge and how National Grid is helping find solutions to some of the challenges we face at [https://www.nationalgrid.com/group/news](https://www.nationalgrid.com/group/news).

National Grid undertakes no obligation to update any of the information contained in this release, which speaks only as at the date of this release, unless required by law or regulation.