

Neighbourhood Watts
Round 4 Alpha

UKRI Midpoint Review Meeting

22/10/2026

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Agenda

1. **Project Introduction**
   Recap on Background

2. **Project Outline**
   Deliverables • SIF Specific Conditions

3. **Progress Update**
   Work Package Breakdown • Risk Register • Finances • Communications and Engagement

UK Power Networks
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Project Partners

Catapult Energy Systems

Community Energy Pathways

Fuse

UK Power Networks

Project Partners



Electricity distributor delivering power to 8.5 million homes and businesses across the East of England, London, and the South-East.



Driving the UK's transition to a smarter, cleaner energy system with leading technical, commercial and policy expertise.



Social enterprise that works with communities, local authorities and industry partners to accelerate growth in the community energy sector.



Vertically integrated energy supplier to 450,000+ UK households; focused on making energy cheaper, smarter and lower-carbon through digital retail supply, flexible tariffs and investment in renewable generation.

Project Introduction

Recap on Background

Problem we are addressing

Problem

> Current regulatory and market frameworks do not accommodate community-led local demand management, limiting the role of smart local energy solutions in the inclusion of diverse, especially vulnerable, consumers in flexibility markets
>
> ***- DESNZ Clean Flexibility Roadmap***

Context: Community energy is a valuable part of the net zero transition with the potential to boost the deployment of green energy and LCTs in homes. Further, the coordination of these technologies at a neighbourhood level is expected to reduce the burden of widespread electrification on the distribution network

Currently, there are gaps in the support mechanisms for community energy:



Currently there is no clear evidence for the whole system value of local energy balancing to local and national network owners, suppliers, developers and consumers



There is also not strong evidence of the impact of clusters of high penetration of LCTs on the network, and the corresponding value local balancing can offer to mitigate these issues

Definitions: DESNZ = Department for Energy Security and Net Zero, LCT = Low Carbon Technology

Solution

Solution

Neighbourhood Watts aims to create a blueprint for community energy deployment by working out the value of these projects across the whole system and establishing the investment and policy environment needed to unlock this value

Key Project Exercises



Stakeholder engagement, modelling, and the planning of trials to quantify the whole system value



Creating a set of policy recommendations to promote widespread deployment

Key Questions Answered:



What are the factors that influence the value of community energy for local balancing and with whom does the value accrue?



What is needed to unlock the value? Is this readily available or is a subsidy needed? (this will form the blueprint for deploying the solution at scale)

Project Outline

Deliverables • SIF Specific Conditions

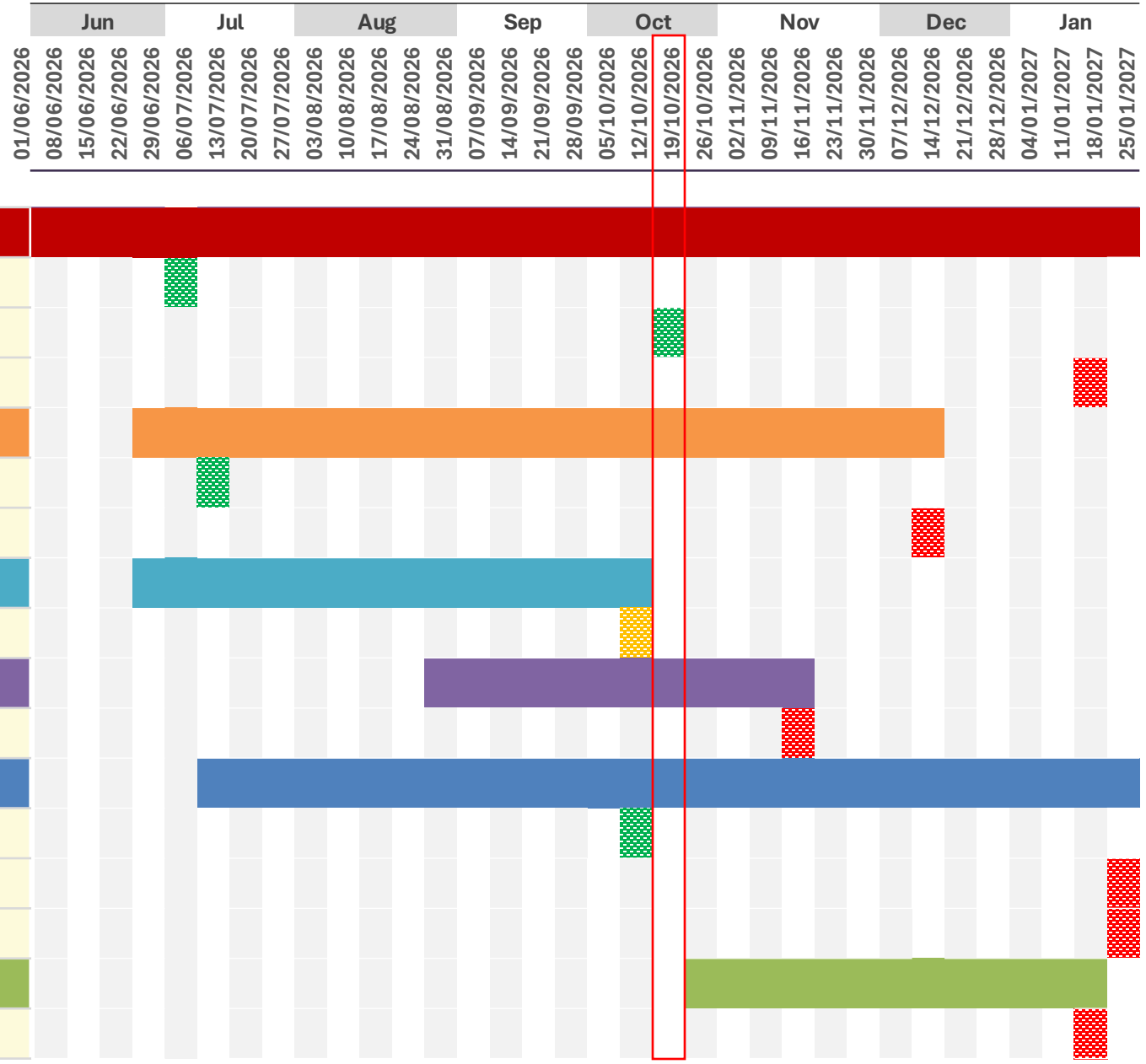
Deliverables

= Deliverable complete

= Deliverable in review

= Deliverable incomplete

Agreed Project Delivery Start Date: **01/07/2026**
UKRI Project completion deadline: **31/01/2027**



Activity	Description	Due Date
WP1	Project management	25/01/2027
D1.1.1	Project Kick-off	06/07/2026
D1.2.1	Mid-point report	12/10/2026
D1.3.1	End of phase materials and Show & Tell Webinar	22/01/2027
WP2	Stakeholder Engagement	14/12/2026
D2.1.1	Stakeholder Strategy Report	16/07/2026
D2.2.1	Community Feedback Report	14/12/2026
WP3	Value pool mapping	12/10/2026
D3.1.1	Report summarising value pool mapping.	12/10/2026
WP4	Trial Design	16/11/2026
D4.1.1	Trial design report	16/11/2026
WP5	Proposition Design	25/01/2027
D5.1.1	Shortlist of customer propositions	12/10/2026
D5.1.2	Customer proposition design report	25/01/2027
D5.2.1	"Roadmap to Beta" report	25/01/2027
WP6	Benefits Analysis	18/01/2027
D6.1.1	Cost benefit analysis report	18/01/2027

Definitions: WP = Work Package

Project Specific Conditions

Condition	Description	Status
1	The Funding Party must not spend any SIF a until contracts are signed with the Project Partners.	Complete
2	The Funding Party must report on the financial contributions made to the Project as set out in its Application. Any financial contributions made over and above that stated in its Application should also be reported and included on the Innovation Funding Service (IFS).	In Progress
3	The Funding Party must make reasonable endeavours to participate in all meetings related to the Project that they are invited to by Ofgem, UKRI and Department for Energy Security and Net Zero during the Alpha Phase.	In Progress
4	The Project will be allowed a flexible start date and duration within the 8-month period from the date the Project Direction is issued. The Project must tell the monitoring officer the start date and end date of the Project.	Complete
5	Prior to the End of Phase Review, the Funding Party must provide to the Monitoring Officer a plan outlining how the Project will deliver an inclusive approach to participation. This must include, at a minimum: (i) the prioritisation criteria that will be used to support inclusive participation; and (ii) a clear method for identifying and enabling participation from consumers who may otherwise be excluded.	In Progress

Progress Update

Work Package Breakdown • Risk Register • Finances • Communications and Engagement

CATAPULT Energy Systems

COMMUNITY ENERGY PATHWAYS

Fuse

UK Power Networks

Work Package 1: Project Management

Lead Partner: UK Power Networks

Main activities include:

	Progress Update
Project mobilisation: Manage the collaboration agreement, agree project timelines and work packages, and coordinate the project kick-off meeting.	Complete, collaboration agreement signed
Convene and host a series of project steering groups formed of project partners and key stakeholders, including DESNZ, Ofgem and GB Energy.	1st steering group held on 05/10/2027
Mid-point review: Prepare project documentation and presentation materials and coordinate the mid-point review meeting.	Complete
Project closure: Ensure delivery and approval of all work packages, complete governance reporting, address and evidence the project-specific conditions, and coordinate both the End of Phase meeting and a Show and Tell dissemination event.	End of phase set for 03/02/2027

Deliverables:

D1.1.1 Kick off

D1.2.1 Mid Point Review

D1.3.1 End of Phase Materials and Show and tell

Success will be that deliverables are delivered on time and to budget while meeting reporting requirements, Project Conditions and ensuring that the knowledge generated is effectively disseminated.

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Definitions: DESNZ = Department for Energy Security and Net Zero, GB Energy = Great British Energy

Work Package 2: Stakeholder Engagement

Lead Partner: Community Energy Pathways

Aim: Produce a stakeholder engagement strategy and communication plan, as well as coordinate the Community Energy Advisory Group (CEAG).

Main activities include:

- Defining stakeholder engagement strategy outlining objectives, target stakeholders, communication channels and activities for ongoing engagement
- Developing communication plan specifying frequency, content, format and channels for engaging stakeholders throughout project
- Designing feedback collection methods
- Developing a plan and set of outcomes for the CEAG, recruiting members to and coordinating input on different WP outputs from the CEAG including key stakeholders and community energy groups
- Identifying a shortlist of community groups which could participate in Beta Phase trials

Deliverables:

D2.1.1 Stakeholder Strategy Report

D2.2.1 Community Feedback Report

Success will be an engaged and productive CEAG representing all perspectives, including customer needs, and providing practical and knowledgeable input that enables the effective, realistic development of the other WPs' outputs.

Work Package 2: Stakeholder Engagement

Objectives

- ✓ Understand community energy's existing understanding of and access to value pools, including flexibility and other grid services markets to provide grid services.
- ✓ Understand community energy business models and assets which would benefit from additional revenue-stacking using the value pools identified whether current or potential.
- ✓ Understand the grid's challenges, the costs related to them and how community energy groups can provide services and products to solve them.

Recruitment Criteria

- CE groups owning and managing existing domestic distributed assets – or at an advanced stage of development of a VPP project.
- CE groups with existing storage assets or at an advanced stage of acquiring storage assets.
- CE groups with Energy Local Clubs or other matching offers.
- CE group staff or volunteers with an understanding of battery storage, flexibility and how community energy can contribute to Community Led Flexibility.

Outcomes:

- Workshop and small group interviews with 10 community energy groups with relevant experience and projects which have fed into WP3 and WP5
- Understanding of community energy business models to map to identified value pools: basis for customer proposition development

Definitions: CE = Community Energy, VPP = Virtual Power Plant

Work Package 3: Value Pool Mapping

Lead Partner: Energy Systems Catapult

Aim: To build a structured view of the value of community energy and local balancing by synthesising existing evidence and policies, mapping them against stakeholders and identifying gaps to inform trial design and a CBA.

Main activities include:

- Review community energy business models and identify key stakeholders and beneficiaries (e.g. DNOs, suppliers, government, consumer groups)
- Refine and expand value pools by mapping them across business models and stakeholders
- Develop and apply a high-level scoring and confidence methodology to assess value across models and stakeholders
- Validate findings with the CEAG and produce analysis identifying priority value pools and hypotheses for trial design

Deliverable:

D3.1.1 Value Pool Mapping Report

Success will be a clear, evidence-backed view of priority value pools, with defined pathways to monetisation and a strong foundation for scaling neighbourhood energy solutions.

Definitions: DNO = Distribution Network Operator, CBA = Cost Benefit Analysis

Work Package 3: Value Pool Mapping

Methodology

D3.1.1 maps how community led energy and local coordination could create additional value across the energy system.

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community groups in two workshops

Evidence combined from:

- Previous innovation projects
- Live business models
- Desk research
- Industry interviews
- Community feedback

1. **Review evidence and define the gap**
   Reviewed previous innovation projects (including LEO, ReFLEX, PfER and Community Distribution System Operator), real-world innovations and policy papers to assess quality of existing evidence and define gaps.

2. **Map business models and stakeholders**
   Identified eight established and two potential peer-to-peer models. Mapped creators, beneficiaries and buyers across eight stakeholder groups.

3. **Identify and assess value pools**
   Built a longlist spanning financial, social, environmental and other value. Applied a weighted assessment of value, unlockability and scalability.

4. **Challenge priorities and frame the trial**
   Refined priorities through interviews and workshops. Developed value-flow maps and questions for trial and proposition design.

Definitions: LEO = Local Energy Oxfordshire, ReFLEX = Responsive Flexibility, PfER = Prospering from the Energy Revolution

Work Package 3: Value Pool Mapping

How WP3 Assessed & Prioritised Value

We used a total of twenty-two criteria to structure the assessment into indicative priorities, with weightings to prioritise across dimensions. Indicative ranking was then reviewed by stakeholders.

	WHAT THE ASSESSMENT TESTS	HOW IT AFFECTS PRIORITISATION
Valuable 8 criteria · **weight ×2**	Measurability and transferability, current and 2030 value, household benefit and household diversity, system and wider stakeholder benefits.	Gives greatest weight to value worth unlocking. Links the household-diversity contribution to whether households benefit at all.
Unlockable 7 criteria · **weight ×1**	Existing value capture, regulatory and access barriers, delivery, operational and commercial barriers, and ease of overcoming them.	Identifies obstacles requiring trial evidence or enabling arrangements. A large potential pool alone is insufficient.
Scalable 7 criteria · **weight ×0.5**	Geography, network, resources and demand, minimum participation, economies of scale and system architecture.	Tests whether findings can transfer across places and communities. Stakeholder evidence then refines the final priorities.

Weighted total = (value score ×2) + unlockability score + (scalability score ×0.5)

Work Package 3: Value Pool Mapping

Priorities & Remaining Evidence Gaps

The report identifies three key value pools as priorities for subsequent WP's through a combination of the desk-based assessment criteria and stakeholder feedback

	FINDINGS FROM WP3	POTENTIAL RESEARCH QUESTIONS IDENTIFIED
Network costs	Reinforcement deferral has a payment route. Voltage, losses, resilience and diversification have value, but that value is not well evidenced and there is no procurement route	Test whether local coordination, geographical clustering and coordinated technology adoption add value, and under what conditions
Energy sales	Generation, matching and peer-to-peer models may create revenue and bill benefits. Licensing, supplier partnerships and policy affect the capture of those benefits	Assess potential licence-exempt supply value. Test matching performance and whether new household groups can benefit
Social benefits	Priorities include bills, fuel poverty, debt, comfort, inclusive access and community ownership. Causal evidence remains limited	Test whether participation changes outcomes, who gains or loses, and whether any social value exceeds coordination costs

Work Package 3: Value Pool Mapping

Priorities & Remaining Evidence Gaps

In addition to the three priority value pools, we also identified two key *enablers* as priorities for subsequent work packages.

Improved governance and coordination

FINDINGS FROM WP3

Small scale of projects limits access to skills and data. Financial modelling is challenged by uncertainty in revenues, and mismatches in process and funding governance between bodies creates friction.

POTENTIAL RESEARCH QUESTIONS

Does overarching coordination of skills, data, financial modelling, processes and funding reduce barriers and unlock value?

Who is best placed to deliver this service?

Greater LCT deployment

FINDINGS FROM WP3

Key enabler for many priority value pools, including lower consumer bills, flexibility revenues and reduced cost of LCTs.

POTENTIAL RESEARCH QUESTIONS

How material are the adverse impacts of greater LCT deployment, such as increased network constraints around clusters?

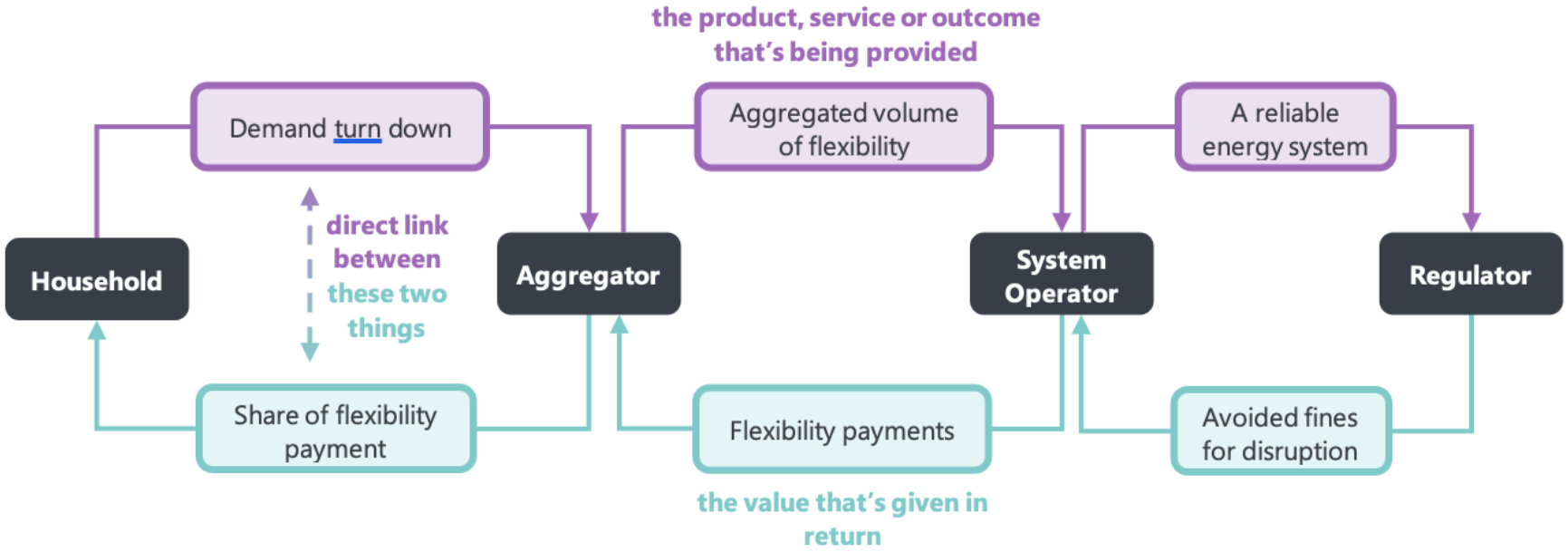
How does community coordination accelerate the adoption of LCTs, and how far does it mitigate the potential negative impacts of this?

Work Package 3: Value Pool Mapping

Value-sharing Mechanisms & Barriers

Value flow diagrams illustrate the transfer and transformation of value through the value chain, and identify barriers to access.

Figure 4: Value pool transformation example



Network savings

Payment for coordination

Flexibility payments transfer some reinforcement value. Wider savings could fund coordination partnerships, but mechanisms are untested.

Energy sales

Generation matched to demand

Licence-exempt supply is identified as a route to market. Half-hourly matching and future market design (e.g. P441) determine potential benefits.

Social outcomes

Value without a confirmed buyer

Potential buyers need evidence of causation and value. No confirmed buyers have been identified for community-energy social outcomes.

Work Package 3: Value Pool Mapping

Local Power Archetypes (1/2)

Standalone community energy generation



- A community energy group installs a front-of-meter asset (e.g. solar or hydropower generator)
- The generation is sold to the grid via a PPA, FIT or SEG, with profits going to investors and/or community

Projects: OVO premium PPA

Standalone community energy generation + battery



- As per standalone community energy generation but with a battery to optimise the export price and harness additional value pools (e.g. flexibility)

Projects: Ray Valley Solar

Standalone community energy generation + matched tariffs



- As per standalone community energy generation but members of the group receive cheaper home electricity through energy matching

Projects: EnergyLocal

Behind-the-meter community energy generation (free use)



- A community energy group installs generation co-located with demand, e.g. rooftop solar on a school or social housing
- Demand is offset by generation, with excess generation sold to the grid via a PPA, FIT or SEG

Projects: Energise Barnsley

Behind-the-meter community energy generation (discount use)



- A community energy group installs generation co-located with demand, e.g. rooftop solar on a school or social housing.
- The demand user pays for the generation at a discounted rate, with excess generation sold to the grid via a PPA, FIT or SEG

Projects: Preston Park Community Energy Programme (PPCE)

Definitions: PPA = Power Purchase Agreement, FIT = Feed-in Tariff, SEG = Smart Export Guarantee

Work Package 3: Value Pool Mapping

Local Power Archetypes (2/2)

Behind-the-meter generation



- A demand user installs generation and sells the excess to their neighbours

Projects: No identified examples

Local Matching



- Local generation and local demand is matched to avoid levies

Projects: EnergyLocal

Non-local Matching



- Non-local generation and demand is matched to avoid levies

Projects: Tem Energy

Behind-the-meter community energy generation + battery



- As per behind-the-meter community energy generation, but with a battery
- The demand owner benefits has lower bills from self consumption, while the Community Energy Group benefits from the exported energy and additional flexibility revenue

Projects: EnergiseBuckinghamshire, EnergiseBarnsley

Behind-the-meter generation + flexibility



- As per behind-the-meter generation, but also participates in flexibility

Projects: No identified examples

Work Package 3: Value Pool Mapping

Specific Condition 5: An inclusive approach to participation

Prior to the End of Phase Review, the Funding Party must provide to the Monitoring Officer a plan outlining how the Project will deliver an inclusive approach to participation.

WP2 & WP3

Barriers to accessing value were included in the assessment criteria, including: geographical, technological, financial and social. Stakeholder feedback was sought from stakeholders representing a diverse range of consumers and business models.

WP4 & WP5

Throughout the trial and proposition design, a diverse range of consumer needs will be mapped, with business models assessed for their inclusivity. This includes comparing delivery mechanisms, such as Community Energy Group-led schemes against Supplier or Aggregator-led. Proposition and trial design selection will include inclusivity of participation as assessment criteria.

Roadmap to Beta Phase report

A plan for an inclusive approach to participation in Beta Phase will be included within the Roadmap To Beta Phase report, a Deliverable in WP5.

Work Package 4: Trial Design

Lead Partner: Energy Systems Catapult

To construct a detailed and clear plan for a community energy trial for the selected business models and value pools from WP3.

Main activities include:

- Define trial requirements, scope, objectives and success criteria
- Conduct trial options selection workshop with project consortium partners
- Develop the research approach (consumer research/experiment methodologies) to answer research questions and quantify value pools from WP3
- Produce a final report covering research questions, trial design and Beta Phase plan
- Conduct a feasibility assessment to ensure trial design is evaluated for practical implementation including consideration of network constraints

Deliverables:

D4.1.1 Trial Design Report

Beta Phase trial design framework including participant requirements, treatment groups, control strategies, and research questions.

Success will be a clear, deliverable trial design with a credible pathway to implementation in Beta Phase.

Work Package 4: Trial Design

Trial design & current progress

WP4 is designing a Beta Phase trial to test whether community coordination adds value.

Current position

- Research questions identified
- Candidate models discussed
- Technical input being mobilised

Final research questions, model selection and feasibility remain open.

Evidence translated into trial questions

WP3 provides priority pools, archetypes and value-flow maps. The trial will test whether coordination adds value, and under what conditions. The questions the trial will prioritise will be shortlisted from the current long-list that emerged from WP3 evidence.

Emerging approach: existing schemes

A variety of trial approaches are being evaluated for their effectiveness in answering the research questions and agreed with relevant stakeholders

Criteria for selecting trial options

Candidate archetypes need relevant value pools, technical feasibility and plausible delivery route. Consumer appeal and inclusivity must also inform selection.

Research and propositions developed together

WP4 defines what to measure. WP5 plans to test whether consumers would participate. Both will inform trial scope and recruitment.

Work Package 4: Trial Design

Proposed Evidence Framework

The proposed design will test whether community coordination adds value beyond technology deployment alone.

	WHAT WP4 COULD TEST	CANDIDATE EVIDENCE APPROACH
Network value	Does local coordination reduce reinforcement needs, losses or operational costs beyond existing flexibility approaches?	Compare scheme and network data with a suitable counterfactual. Assess positive, negligible or adverse effects.
Energy value	How do matching, storage or flexible demand affect household costs and model viability?	Compare matching performance and revenue assumptions. Test tariff and policy sensitivity.
Social value	Does community involvement improve participation, trust or inclusion, and do benefits justify coordination costs?	Compare participation and outcomes across delivery approaches. Assess benefit distribution and delivery costs.

Work Package 4: Trial Design

Potential Decisions Needed for feasible Beta Phase Trial

Research priorities, consumer propositions and technical feasibility must converge before trial approval.

	OPEN DESIGN QUESTIONS	NEXT DESIGN STEP
1 **Scope and technical feasibility**	? Which questions and value pools should the trial prioritise? ? Can we make use of existing schemes with suitable assets, network conditions and partners? ? Which archetypes, control mechanisms and coordination conditions are we most interested in exploring?	→ Narrow archetypes and assess feasibility. Check data and modelling needs before seeking agreement on the trial approach.
2 **Participation and delivery**	? What will trial participation require of participants? ? How can households without their own assets participate and benefit? How would non-participation affect others locally?	→ Use forthcoming WP5 research on consumer and supplier proposition needs and possibilities. Understand what trial participation will involve for different treatment groups, and how best to engage participants to achieve research aims

Work Package 5: Proposition Design

Lead Partner: Energy Systems Catapult

Aim: To design, shortlist and feasibility-test initial customer propositions to unlock the full system value that community energy provides, culminating in a robust customer proposition ready for Beta Phase trials.

Main activities include:

- Gather and refine proposition requirements (trial, stakeholder and customer needs), including partner engagement (e.g. Fuse, Equiwatt) and advisory group input
- Design and develop consumer propositions, including recruitment approach and initial shortlisting
- Test and validate propositions through workshops, focus groups and quantitative research, alongside technical and commercial feasibility assessment
- Consolidate outputs into reports, identifying gaps, testable Beta Phase objectives, and a clear roadmap to Beta Phase

Deliverables:

D5.1.1 Shortlist of Customer Propositions

D5.2.1 Customer Proposition Design

D5.3.1 Roadmap to Beta Phase

Success will be the development, validation, and approval of customer propositions that reflect stakeholder and customer needs, demonstrate strong customer appeal, are technically and commercially feasible, and provide a robust basis for Beta Phase trial testing.

Work Package 5: Proposition Design

Methodology & Community Group Findings

D5.1.1 Interim Consumer Propositions combines WP3 value pools with research into community delivery requirements.

5

interim consumer value propositions

Stakeholder research

- Semi-structured interviews
- Common discussion guide
- Around 30 minutes each
- Thematic review of notes

Consumer testing is next.

Requirements gathered from community groups

Interviews explored projects, partners and community priorities, including who benefits, who is harder to reach and what prevents participation.

Stakeholders emphasised trust and support

Stakeholders emphasised trusted local contacts, clear communication and support beyond installation. Simple offers need credible delivery routes.

Stakeholders described potential benefits

Interviewees described lower bills, warmer homes, resilience and local reinvestment as aims. Consumer research will test their relevance.

Stakeholders proposed delivery conditions

Interviewees saw potential in coordinated assets and fair returns. Technical feasibility, actual revenues and consumer appeal still need testing.

Work Package 5: Proposition Design

Consumer offers in development

The five consumer offers with identified with Community Energy Groups. These will be reviewed and improved in a stakeholder workshop w/c 19/10 ahead of testing with consumers.

	HYPOTHESIS TO TEST
Lower, more predictable costs	Local generation and flexibility reduce bills and exposure to price volatility.
Value for your community	Local energy groups retain value locally and fund resident priorities.
Flexibility rewards with little effort	Automated flexibility provides acceptable rewards without undue inconvenience.
More control and a stronger voice	Households gain influence and access ownership without large financial barriers.
A resilient local energy system	Coordinated assets improve local resilience, and with what limitations.

WP3 identifies potential value. Savings, revenues and consumer uptake remain unproven.

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Work Package 5: Proposition Design

Consumer testing and refinement

Planned research with Fuse Energy customers and Living Lab members will inform which concepts to retain, revise or reject.

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interviews planned with Fuse customers and Living Lab

Testing design

Test shortlisted consumer officer and archetypes in rotated order

Qualitative findings feed quantitative testing and Beta Phase design.

1. **Test comprehension, appeal and perceived fairness**
   Probe relevance, credibility, willingness to participate and the benefits or safeguards needed. Consumers will rank the propositions.

2. **Explore less visible value pools**
   If they do not arise spontaneously, explore air quality, jobs and training. Test whether consumers value or would pay for these outcomes.

3. **Retain, revise or reject based on evidence**
   Supplier input and qualitative research will inform any revisions. Quantitative testing will assess wider appeal without assuming uptake.

Work Package 6: Cost Benefit Analysis

Lead Partner: Energy Systems Catapult

Aim: To conduct a CBA and quantify the system benefits of testing selected value pools through trial in line with a plan for Beta Phase.

Main activities include:

- Establish the baseline, data inputs and assumptions for the CBA
- Conduct CBA on selected value pools using the SIF methodology
- Validate results with UK Power Networks and perform quality assurance and sensitivity analysis
- Produce a final report with clear recommendations for integration in Beta Phase planning

Deliverables:

D6.1.1 Cost Benefit Analysis report

CBA for shortlisted business models including sensitivity analysis

Success will be CBA completed for a selected proposition and key value pools to be tested in Beta Phase, as identified in WP3/WP4.

Top Project Risks

Ref	Risk Description (Summarised)	Likelihood	Impact	Mitigation (Summarised)	WP	Owner	Status
R13	**Regulatory trajectory change affects route-to-market** If regulatory positions shift, then elements of the blueprint or value pools which rely on levy treatment/government subsidy or local matching could lose viability.	Medium	High	Keep the blueprint “regulation-agnostic” where possible, document policy dependencies explicitly in WP3/4 and maintain active engagement via the steering group (DESNZ, GB Energy, Elexon, etc).	WP1 - Project Management	Partner 2 - Energy Systems Catapult	Open
R4	**Stakeholder unavailability** If key stakeholders are unavailable or unidentifiable for user research, then understanding of user needs and requirements will be delayed.	Low	High	Stakeholder engagement was conducted in the early phases of Alpha Phase to ensure input from engagement contacts. We also engaged with stakeholders as part of scoping this project.	WP2 - Stakeholder Engagement	Partner 3 - Community Energy Pathways	Open
R7	**Economic viability** If the CBA results in a negative NPV, the project may not be feasible.	Low	High	We have dedicated WP3 to identify value pools for further investigation, which will be subject to quantitative and qualitative testing with consumers in WP5. We will look to shortlist and take forward only the value pools with the high potential for success based on this process. As part of WP4 and WP6, the business model will develop a framework that seeks to share costs between users and ensure that any benefits are equally distributed. Include a sensitivity analysis on key CBA parameters to be presented as a range of scenarios	WP6 - Benefits Analysis	Partner 2 - Energy Systems Catapult	Open
R6	**Regulatory barriers** The barriers (policy, and regulatory) are too great to overcome. The project is not feasible and project stops after Alpha Phase.	Medium	Low	Key regulatory dependencies to be reviewed and documented. Engagement with DESNZ, GB Energy and Ofgem representatives to flag emerging changes early. Blueprint and business model to be designed with modular, "regulation-agnostic" components wherever possible.	WP3 - Value Pool Mapping	Partner 2 - Energy Systems Catapult	Open

Definitions: NPV = Net Present Value

Finances

Project Partner	Total Project Budget	Project Contribution	Total SIF Funding Requested	*Spend Tracking of Total Project Budget	*Spend Tracking of Project Contribution	*Spend Tracking of total Project Budget
UK Power Networks	£105,860.00	£10,586.00	£95,274.00	£15,101.80	£1,510.18 (14% complete)	£16,611.98
Energy Systems Catapult	£380,160.00	£38,016.00	£342,144.00	£0.00	£0.00	£0.00
Community Energy Pathways	£34,975.00	£3,498.00	£31,477.00	£10,400.00	£3,498.00 (100% complete)	£13,898.00
Fuse Energy Supply	£33,550.00	£3,355.00	£30,195.00	£1,950.00	£0.00	£1,950.00
Total	**£554,545.00**	**£55,455.00**	**£499,090.00**	**£27,451.80**	**£5,008.18**	**£32,459.98**

*Spend tracking as of 15/10/26

5.85% of the total project budget has been spent to date, with forecast expenditure on track to utilise 100% of the budget by project close

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Communication and Engagement

Project Workshops and engagement:

Complete:

- Steering group 1 with Ofgem, DESNZ and others
- Community Energy Advisory Group workshop complete
- Community Energy 1:1 interviews carried out

Upcoming:

- Steering group 2, keen to also have GB Energy Attend
- Alpha Show and Tell Webinar

Publications and Outputs:

UK Power Networks' press release, project announcement: 'Neighbours could hold the key to cheaper, greener energy'
Neighbours could hold the key to cheaper, greener energy | UK Power Networks

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Any Questions?

Appendix 1

Value pool assessment criteria

Valuable

8 criteria · **weight ×2**

Is the potential value great enough to be worth unlocking?

1	Is the value measurable?
2	Is the value transferrable?
3	Current size of value pool
4	Potential future size of value pool (by 2030)
5	Does the value provide benefit to households?
6	Does this include different types of household?
7	Does the value provide benefit to system stakeholders?
8	Does the value provide benefit to wider stakeholders?

Unlockable

7 criteria · **weight ×1**

Is it possible to unlock the value?

1	Is the value already unlocked / being captured?
2	Are there obvious regulatory barriers?
3	Are there obvious barriers for household accessibility?
4	Are there obvious delivery barriers?
5	Are there obvious operational barriers?
6	Are there obvious commercial barriers?
7	Are the barriers easy to overcome?

Scalable and Replicable

7 criteria · **weight ×0.5**

Can the value be captured at scale and in a range of different locations and communities?

1	Is the value reliant on particular geographical characteristics?
2	Is the value reliant on particular network characteristics?
3	Is the value reliant on particular local resources?
4	Is the value reliant on particular local demand?
5	Is a minimum number of participants required?
6	Would realisation of value benefit from economies of scale?
7	Could system architecture limit expansion?