

NATIONAL GRID ELECTRICITY  
DISTRIBUTION (SOUTH WEST) PLC  
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Date: 22 Novemeber 2024

Dear NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC,  
**Strategic Innovation Fund – Approval of the Material Change request for  
NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC. / Rural  
Energy and Community Heat (REACH)**

The Strategic Innovation Fund (SIF) supports network innovation that contributes to the achievement of Net Zero, while delivering net benefits to energy consumers. It facilitates collaboration with other public funders of innovation so that activities appropriately funded by network consumers are coordinated with activities funded by Government, and funding gaps are avoided. The SIF Governance Document sets out the governance and administration of the SIF.<sup>1</sup>

On 7 October 2024, NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC was awarded SIF Funding for RURAL ENERGY AND COMMUNITY HEAT (REACH) (the Project).<sup>2</sup> The Project focusses on helping customers make cost-effective decarbonisation choices through two innovation streams. Further to this decision, on 7 October 2024 Ofgem<sup>3</sup> issued a SIF Project Direction.<sup>4</sup>

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<sup>1</sup> <https://www.ofgem.gov.uk/publications/updated-sif-governance-document>

<sup>2</sup> <https://www.ofgem.gov.uk/decision/strategic-innovation-fund-round-1-beta-projects-approved-funding>

<sup>3</sup> The terms the "Authority", "Ofgem", "we" and "us" are used interchangeably in this document. The Authority refers to the Gas and Electricity Markets Authority. Ofgem is the Office of the Gas and Electricity Markets Authority.

<sup>4</sup> <https://www.ofgem.gov.uk/decision/strategic-innovation-fund-round-1-beta-projects-approved-funding>

On 25 October 2024, NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC submitted a Material Change request for the Project to the Authority. The Material Change request was submitted due to:

- Changes in funding allocation of cost categories,
- Change in Project Partners and
- Change in scope of deliverables

The Material Change request proposed the following changes to the schedule of the SIF Project Direction issued on 7 October 2024:

- Increase in Project costs from £626,732 to £627,857
- Increase in Project Contribution from £126,415 to £127,540
- Removal of KENSA UTILITIES LTD as a Project Partner
- Including PASSIV UK as a Project Partner
- Increase the total Project Costs for Project Partner NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC. from £47,560 to £57,685
- Increase the total SIF Requested Funding for Project Partner NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC. from £42,804 to £50,792
- Increase the total Project Contributions for Project Partner NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC from £4,756 to £9,893
- Removing the total Project Costs for Project Partner KENSA UTILITIES LTD. of £52,725
- Removing the total SIF Requested Funding for Project Partner KENSA UTILITIES LTD. of £47,340
- Removing the total Project Contribution for Project Partner KENSA UTILITIES LTD. of £5,385
- Including the total Project Costs for Project Partner PASSIV UK. of £43,725
- Including the total SIF Requested Funding for Project Partner PASSIV UK. of £39,352
- Including the total Project Contribution for Project Partner PASSIV UK. of £4,373
- Increase in Labour costs from £556,616 to £570,466
- Decrease in Subcontractor costs from £25,075 to £13,475
- Decrease in Travel & Subsistence costs from £13,475 to £12,350

### **Ofgem's review**

As set out in chapter 1 of the SIF Governance Document, Ofgem is the decision-maker in the SIF. Furthermore, as set out in chapter 6, Ofgem will consider Material Changes in circumstances and requests to change SIF Project Directions on a case by case, and will

engage with monitoring officers on Projects to support the assessment of Material Change requests.

Ofgem has reviewed this Material Change requested submitted by NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC. and has engaged with the monitoring officer on the Project. Ofgem has reviewed the reasoning for the Material Change submitted by the NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC. and considers it to satisfy the Eligibility Criteria in chapter 2 of the SIF Governance because:

- That the requested change to the Project Direction should be approved as the requested change does not violate any of the Eligibility Criteria outlined in Chapter 2 of the SIF Governance Document.
- That the requested change to the Project Direction should be approved as the requested change also does not violate the eligibility outlined in the Innovation Challenge Documentation.

As such, UKRI recommended approval of the Material Change request to Ofgem.

## **Decision**

As a result of the reasons outlined above, Ofgem approves of this Material Change request.

In accordance with Section 17 of the Project Direction issued on 29 June 2023 and paragraph 6.22 of the SIF Governance Document, the amended SIF Project Direction for NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC. / RURAL ENERGY AND COMMUNITY HEAT (REACH) is published in the Schedule 1 of this letter. The amended SIF Project Direction is effective as of the date of this letter and, unless stated otherwise, supersedes the SIF Project Direction issued on 7 October 2024. The letter constitutes notice pursuant to section 49A (Reasons for decisions) of the Electricity Act 1989 and 38A (Reasons for decisions) of the Gas Act 1986.

If you would like to discuss any of the issues, you can contact Ofgem via [networks.innovation@ofgem.gov.uk](mailto:networks.innovation@ofgem.gov.uk). Alternatively, you can contact UKRI via [SIF\\_Ofgem@innovateuk.ukri.org](mailto:SIF_Ofgem@innovateuk.ukri.org).

Yours sincerely,

**Marzia Zafar**

**Deputy Director, Decentralisation & Digitalisation**

**For and on behalf of the Authority**

## **Schedule: Amended SIF Project Direction**

### **1. PROJECT DETAILS**

SIF Project Direction reference: SWEST/REACH/SIFWSPFAR/Rd3\_Alpha

Application number: 10125526

Project title: Rural Energy and Community Heat (REACH)

Innovation Challenge/Project Phase: Whole System Planning for Faster Asset Rollout /  
Alpha Phase round 3

Project start date: 22 November 2024

Project end date: 30 May 2025

SIF Approved Amount for SIF Funding: £490,017

### **2. PREAMBLE**

This SIF Project Direction is issued by the Gas and Electricity Markets Authority (the "Authority") to NATIONAL GRID ELECTRICITY DISTRIBUTION (SOUTH WEST) PLC (the "Funding Party") pursuant to the SIF Governance Document issued pursuant to Special Condition 9.9 of the Electricity Distribution Licence. It sets out the conditions to be complied with in relation to Rural Energy and Community Heat (REACH) (the "Project") as a condition of it being funded under the SIF Funding Mechanism.<sup>5</sup>

Unless otherwise specified, defined terms in this SIF Project Direction have the meaning given to them in the Licence or Appendix 1 of the SIF Governance Document.

References to specific sections of the Funding Party's Application in this SIF Project Direction are, for ease of reference, made by referring to the section number in the Funding Party's Application.

### **3. PROJECT SPECIFIC CONDITIONS**

In accepting funding for the Project, the Funding Party is subject to the following Project-specific condition(s):

Condition 1

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<sup>5</sup> The SIF Funding Return Mechanism is defined in the SIF Governance Document.

The Funding Party must not spend any SIF Funding until contracts are signed with the Project Partners named in Table 1 for the purpose of completing the Project.

**Table 1. Project Partners**

Cranfield University
FRONTIER ECONOMICS LIMITED
PASSIV UK
REGEN SW
SMART GRID CONSULTANCY LIMITED
VEPOD LTD

#### Condition 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 within the Project costs template.

#### Condition 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 DESNZ during the Alpha Phase.

#### **Condition 4**

Alpha phase will last for a period of 8 months from the date the Project Direction is issued, the Project will be allowed a flexible start date within the 8 month period. The Project must provide the monitoring officer with the start date and must complete within 6 months of the start date and cannot be completed after the 8 month period has ended.

#### **Condition 5**

The Funding Party must provide to its monitoring officer by the end of the Alpha Phase comparisons with other innovative approaches to support rural communities in accelerating connection time.

#### **4. COMPLIANCE**

The Funding Party must comply with Special Condition 9.9 of the Electricity Distribution Licence, the SIF Governance Document and with this SIF Project Direction.

#### **5. SIF APPROVED AMOUNT**

The SIF Approved amount of £490,017 (as detailed under Section 1: Project details of this Project Direction) will be recovered by National Grid Electricity System Operator from GB customers and transferred to the Funding Party. The Funding Party is responsible for notifying National Grid Electricity System Operator of the bank account details to which transfers must be made, in addition to completing Annex 2 of this SIF Project Direction. If a Funding Party is required to return funding to National Grid Electricity System Operator, the reverse applies. The Funding Party must provide bank account details to National Grid Electricity System Operator within two weeks of accepting this SIF Project Direction.

#### **6. PROJECT BUDGET**

The Project Budget is set out in Annex 1 of this SIF Project Direction.

The Funding Party must report on expenditure against each line under the category total in the Project Budget and explain any projected variance against each line as part of its detailed report which will be provided, in accordance with Chapter 7 of the SIF Governance Document. The Funding Party must report variations in the Project budget as outlined in Chapter 6 of the SIF Governance Document.

#### **7. PROJECT IMPLEMENTATION**

The Funding Party must undertake the Project in accordance with the commitments it has made in the Application and with the conditions of this SIF Project Direction. These include (but are not limited to) the following:

- (i) undertake the Project in accordance with its Application,
- (ii) complete the Project on or before the Project completion date as detailed under section 1 of the schedule of this SIF Project Direction, and
- (iii) disseminate the learning from the Project at least to the level described in chapter 3 of the SIF Governance Document. Dissemination of learning must be carried out whether the Project was concluded successfully or otherwise.

## **8. REPORTING**

Ofgem and UKRI may issue guidance (and amend it from time to time) about the structure and content of the Project reporting required by Chapter 6 of the SIF Governance Document. The Funding Party must follow this guidance in preparing the reports.

As set out in chapter 6 of the SIF Governance Document, the Funding Party may be required to submit an end of Phase report to the UKRI monitoring officer for the round 3 Alpha Phase. An end of Phase report is required for the round 3 Alpha Phase if the Project is not planning on submitting an Application to the round 3 Beta Phase and, if the Funding Party submits an Application for the Project for the round 3 Beta Phase but is not successful. Within this report, the Funding Party must submit information related to questions on Project delivery as detailed in chapter 6, table 6 of the SIF Governance Document.

## **9. MONITORING**

The Funding Party must comply with any reasonable request for information by its monitoring officer at UKRI and related deadlines. Ofgem, with the support of UKRI, will together monitor Project delivery, impacts and benefits. Throughout the term of the Project, progress is monitored by UKRI through a monitoring officer. The monitoring officer is the first point of contact for official notifications, queries and correspondence with UKRI and the Authority, unless otherwise required by this SIF Project Direction.

As detailed in Chapter 6 of the SIF Governance Document, meetings with the monitoring officer will take place at regular intervals, as advised by Ofgem or the monitoring officer during the delivery of the Project, and at the end of each Project Phase.

## **10. EVALUATION**

The Funding Party has acknowledged when it submitted its Application for this Project, that reporting information and data gathered during the Project's timescales (as detailed in Section 1 of this SIF Project Direction) will be used to evaluate Project performance. In addition, the Funding Party may be required to provide requested information outside of the Project timescales and, in particular, for the period from the Project end date to the end of the SIF Programme. Further data and reporting information may be requested (frequency and method based on requirement) outside of standard monitoring and reporting requirements as deemed necessary. Further data and information requirements must be complied with by the Funding Party and Project Partners.



## 11. DATA SHARING

As set out in Chapter 3 of the SIF Governance Document, the Funding Party must follow Data Best Practice Guidance with regards to all data gathered or created in the course of a Project. We expect the Funding Party to document any reasons, such as commercial sensitivities, for desensitising data. As defined by, and in accordance with, Data Best Practice Guidance, Funding Parties must have a data triage process. Where multiple Project Partners are collaborating on a Project, the consortium must adopt a consistent Open Triage Process for the data related to the Project. Ofgem may require that Project information and data is also shared with other specified parties, such as parties working on complementary innovation funding programmes (subject to redaction of sensitive data).

## 12. CYBER SECURITY

It is the responsibility of the Funding Party and all Project Partners to implement and maintain appropriate security measures to protect personal data in accordance with The GDPR (General Data Protection Regulation)<sup>6</sup> and DPA (Data Protection Act) 2018<sup>7</sup>. Protection of computer systems from unauthorised access or being otherwise damaged or made inaccessible must be in place alongside effective working practices. These must be maintained in line with the Funding Party's IT Management Strategies and policies.

## 13. PROJECT MILESTONES

The Funding Party must provide an outline in its end of Project Phase meeting with its UKRI monitoring officer that verifies the Project milestones have been achieved or explains why they have not.

Project milestones are outlined below in Table 3, based upon details contained within Question 7 and Appendix Question 9 in the Funding Party's.

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<sup>6</sup> [https://ec.europa.eu/info/law/law-topic/data-protection/data-protection-eu\\_en](https://ec.europa.eu/info/law/law-topic/data-protection/data-protection-eu_en)

<sup>7</sup> <https://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>

Table 3. Project milestone<sup>8</sup>

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
Milestone 1	Work package 1: Community Requirements (feasibility)	30 May 2025	<p>Overall objective:</p> <ul style="list-style-type: none"> <li>- Deep dive into communities' requirements for partner communities.</li> <li>- Full feasibility analysis for 2-3 communities most aligned with REACH goals.</li> <li>- Wider community engagement to better understand broader support requirements.</li> <li>- Development of user requirements and guidance for options support tool.</li> </ul> <p>Key tasks:</p>	£144,368

<sup>8</sup> As outlined in in the Application or Project Plan appendix.

			<ol style="list-style-type: none"> <li>1. Developing detailed requirements: working directly with our partner communities to finalise project details and identify recommendations and next steps for communities to progress their projects.</li> <li>2. Feasibility assessment: conducting full feasibility assessments for 2-3 of the partner communities to determine applicability of REACH energy centre.</li> <li>3. Wider cohort engagement: supporting broader engagement and knowledge exchange with the wider community cohort initially engaged in the Discovery Phase (70+) as potential users of the Options Assessment Tool we will develop in beta</li> <li>4. Define user requirements for options support tool: consolidating insights from wider community engagement and 1:1 engagement with the 8 communities.</li> </ol>	
Milestone 2	Work package 2: Capability Led Network Assessment	30 May 2025	<p>Overall objective: Understand where rural networks are likely to be overloaded and develop operational scenarios for where REACH energy centre would provide benefit over Counterfactual</p> <p>Key tasks:</p>	£11,750

			<ol style="list-style-type: none"> <li>Where and when are overloads likely to happen based on existing network forecasts.</li> <li>Likely resolutions using existing policies and solutions</li> <li>Costs and timescales relating to outputs of 2.</li> <li>4. Gap analysis of costs and benefits of using REACH alternative.</li> </ol>	
Milestone 3	Work package 3: Energy System breakpoints	30 May 2025	<p>Overall objective: Establish a process diagram for communities to follow when initiating community energy projects.</p> <p>Key tasks: 1. Repackage the WP-A2 D2.1 report into a community friendly format including process diagrams and scenario maps</p>	£18,300
Milestone 4	Work package 4: Review of alternative delivery options	30 May 2025	<p>Overall objective: Establish alternative delivery options for community energy developments according to key network parameters</p> <p>Key tasks: 1. Identify SGC and NGED stakeholders to input into delivery options framework</p>	£15,732

			<ol style="list-style-type: none"> <li>2. Organise workshop to explore options and conditions under which are more/less appropriate</li> <li>3. Draft insights into summary report to inform development of Community Low Carbon Options Assessment Tool</li> </ol>	
Milestone 5	Work package 5: Community Low Carbon Options Assessment Tool	30 May 2025	<p>Overall objective: Provide a structured framework specifying the calculations, interconnections, and dependencies for the community decision-making tool to be built during the REACH Beta phase.</p> <p>Key tasks:</p> <ol style="list-style-type: none"> <li>1. Develop the decision tree architecture based on inputs, required calculations and outputs</li> <li>2. Determine community energy use profiles</li> <li>3. Define community input data</li> <li>4. Define network constraint data</li> <li>5. Define Energy Centre parameters</li> <li>6. Identify data sources necessary to support process flow diagram and method of incorporating into future tool (Beta phase)</li> </ol>	£27,450

Milestone 6	Work package 6: REACH Energy Centre – Technical design	30 May 2025	<p>Overall objective: REACH energy centre data analysis</p> <p>Key tasks: Provide data input and output flows for use in the tool by considering:</p> <ol style="list-style-type: none"> <li>1. Identification of all energy centre community support tool data requirements</li> <li>2. Testing for the community to provide the necessary data (REGEN support)</li> <li>3. Support to SGC for providing data dependencies and weights for the tool</li> <li>1. 4. Producing data dependency document write up including beta support</li> </ol>	£27,287
Milestone 7	Work package 7: Heat Network – Feasibility assessment	30 May 2025	<p>Overall objective: Support the selection of sites where a shared heating solution is proposed; establish the techno-economic feasibility of a shared heating solution at each site; determine a high level technical solution enabling central coordination of distributed heat pumps to minimise network load.</p>	£47,340

			<p>Key tasks:</p> <ol style="list-style-type: none"> <li>1. Define data related to community heating solution as input to characterisation of community sites</li> <li>2. Undertaking high level feasibility studies for shared heating solutions at each community site, incorporating high level geological suitability assessment</li> <li>3. Support to SGC and VEPOD in determining how individual heat pump controls can interact with the REACH energy centre to deliver network benefit</li> <li>4. Assess likely peak electrical load of networked heat pumps, and technical control strategies for mitigating peak load risk</li> <li>5. Refinement / extension of high level feasibility studies for two or three sites chosen to be examined in greater depth</li> </ol>	
Milestone 8	Work package 8: Commercial Model	30 May 2025	<p>Overall objective: Generate commercial and ownership models for the REACH energy centre, and produce a CBA workbook to evaluate it's economic feasibility.</p> <p>Key tasks:</p>	£49,739

			<ol style="list-style-type: none"><li>1. Understand the intervention and the counterfactual: collaborate with other partners to obtain information on the operating parameters of the energy centre. Develop a broad counterfactual to assess what the DNO would do in the absence of the Energy Centre.</li><li>2. Generate Commercial/ownership models: define which entities own which assets, which payments are sent/received and the broad structure of the contracts. Illustrate how individual modules of the energy centre would fit together and shortlist a number of business models using the business model canvas framework.</li><li>3. Build illustrative model to demonstrate financial flows: build a simple spreadsheet to quantify the financial flows starting from the usage of the system and revenues available. This would also include illustrative calculations of the value of flexibility services, drawing on sources such as the Revenue Stacking for Flexibility report illustrating the extent to which different ancillary services can stack.</li><li>4. Produce CBA model: Populate the SIF CBA framework using the outputs from the illustrative financial model. This will involve referring back to the commercial model and</li></ol>	
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			counterfactual to determine which benefits will ultimately flow to the DNO and its customers and the social and environmental benefits which do not flow to the DNO but should be valued.	
Milestone 9	Work package 9: Carbon Accounting	30 May 2025	<p>Overall objective: Develop methodology for a carbon assessment decision support tool to assess and compare carbon impacts of the baseline case and the proposed solutions.</p> <p>Key tasks:</p> <ol style="list-style-type: none"> <li>1. Assessment of data requirements and sources - we will undertake a rapid evidence assessment that will review the academic and grey literature for available data on the environmental impacts of low carbon technologies (heat pumps, electric vehicles, solar panels etc). This will also include assessment of data and information on energy consumption in rural areas (e.g. ONS statistics on building stocks, household characteristics)</li> <li>2. Development of carbon assessment tool layout and its testing and validation with the communities - initial conceptual layout of the decision support tool (e.g. typology and number</li> </ol>	£45,901

			<p>of buildings involved, heating fuel consumption, transport demands) will be discussed, tested and validated with the communities via focus groups (N=2-3 to capture different typology of rural areas and with N=6~8 participants)</p> <p>3. Development of methodology for a carbon assessment decision support tool for communities - synthesising insights, the conceptual methodology for the decision support tool will be developed</p>	
Milestone 10	Work package 10: Project Management and Development of Beta Phase	30 May 2025	<p>Overall objective: Perform Project Management tasks, author a detailed project plan and outputs for subsequent Beta phase including detailed budget requirements.</p> <p>Key tasks:</p> <ol style="list-style-type: none"> <li>1. Perform Project Management tasks including weekly meetings, Programme and risks governance documentation updates as required.</li> <li>2. Prepare business case</li> <li>3. Develop Beta project plan</li> <li>4. Develop benefit metrics and measurement</li> <li>5. Develop project governance agreement for Beta phases</li> </ol>	£102,150



Making a positive difference  
for energy consumers

			6. Develop required costing and Gantt	
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## **14. USE OF LOGO**

The Funding Party and the Project Partners, External Funders and Project Supporters or subcontractors<sup>9</sup> must not use the Innovate UK/UKRI and/or Ofgem logo for purposes associated with the Project in any circumstances.

As an alternative for use of both Ofgem and UKRI logos, all external Project communications must include the following standard form of wording:

- (i) "this project is funded by network users and consumers under the Strategic Innovation Fund, an Ofgem programme managed in partnership with UKRI."

For additional guidance, refer to the communications and media guidelines for competition winners, detailed as part of your delivery pack. These guidelines are designed to help with some suggestions and encourage you to take a proactive approach to communicating about your Project.

## **15. SHARING OF LESSONS LEARNED**

The Funding Party is required to ensure that the sharing of lessons learned and the facilitation of knowledge transfer is conducted as effectively as possible, to ensure that all parties, and therefore all consumers including future consumers, can benefit from Projects.

As contained within Chapter 3 of the SIF Governance Document, we require the Funding Party to work collaboratively to maintain the ENA Smarter Networks Portal so that all reporting and dissemination of learnings on Projects (as required by chapter 6 of the SIF Governance Document) is available via the ENA Smarter Networks Portal.

## **16. COLLABORATION**

The Funding Party must collaborate with third-party innovators as Project Partners, as well as work closely with other parties in the energy supply chain, as set out in Chapter 3 of the SIF Governance Document.

The Funding Party must collaborate with other parties and with UKRI to organise an annual conference in a format appropriate to enabling the building of consortiums and

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<sup>9</sup> As detailed in the Application.

disseminating learning widely. The conference may be a single event for gas and electricity, or more than one event, as appropriate.

## **17. AMENDMENT OR REVOCATION**

As set out in Chapter 7 of the SIF Governance Document, this SIF Project Direction may be amended or revoked under the following circumstances:

- (i) if the Funding Party considers that there has been a material change in circumstance that requires a change to the SIF Project Direction, and the Authority agrees; or
- (ii) to reflect amendments made to the Licence.

## **18. HALTING OF PROJECTS**

This SIF Project Direction is subject to the provisions contained in Chapter 7 of the SIF Governance Document relating to the halting of Projects. By extension, this SIF Project Direction is subject to any decision by the Authority to halt the Project to which this SIF Project Direction relates and to any subsequent relevant SIF Funding Direction issued by the Authority pursuant to Special Condition 9.9 of the Electricity Distribution Licence.

Further to the requirements in Chapter 7 of the SIF Governance Document, in the event the Authority decides to halt the Project, to which this SIF Project Direction relates, the Authority may issue a statement to the Funding Party clarifying the effect of that halting decision as regards to the status and legal force of the conditions contained in this SIF Project Direction.

### **NOW THEREFORE:**

In accordance with the SIF Governance Document issued pursuant to Special Condition 9.9 of the Electricity Distribution Licence of the Licence the Authority hereby issues this SIF Project Direction to the Funding Party in relation to the Project.

This constitutes notice of reasons for the Authority's decision pursuant to section 49A (Reasons for decisions) of the Electricity Act 1989.

Failure to comply with the conditions of this SIF Project Direction means that Ofgem may treat all or part of the SIF Approved Amount received by the Funding Party as SIF Disallowed Expenditure.

## ANNEX 1: PROJECT BUDGET

Cost Category	Total Project costs (£)
Labour	£570,466.00
Materials	£6,000.00
Subcontracting	£13,475.00
Travel and subsistence	£12,350.00
Other costs	£25,566.00
<b>Total</b>	<b>£627,857.00</b>

Project Partner	Total project costs (£)	Project contribution (£)	Total SIF Funding requested (£)	Project contribution (%)
National Grid Electricity Distribution	£57,685.00	£6,893.00	£50,792.00	
Cranfield University	£57,376.00	£11,475.00	£45,901.00	
Frontier Economics	£55,265.00	£5,526.00	£49,739.00	
Regen SW	£171,475.00	£17,147.00	£154,328.00	
Smart Grid Consultancy Ltd	£206,050.00	£83,432.00	£122,618.00	
VEPOD	£36,281.00	£8,994.00	£27,287.00	
Passiv UK	£43,725.00	£4,373.00	£39,352.00	
<b>Total Cost by Category</b>	<b>£627,857.00</b>	<b>£136,715.00</b>	<b>£490,017.00</b>	<b>28%</b>

**ANNEX 2 TO SCHEDULE: TEMPLATE OF BANK ACCOUNT DETAILS TO BE PROVIDED TO EITHER NGGT ([BOX.GSOSETTLEMENTS@NATIONALGRID.COM](mailto:BOX.GSOSETTLEMENTS@NATIONALGRID.COM)) OR NG ESO ([revenue.invoice@nationalgrideso.com](mailto:revenue.invoice@nationalgrideso.com))**

**Company name:**

**Primary Contact Details (only one contact permitted)**

First Name:

Last Name:

Email address:

Mobile phone number:

Work phone number:

**Address details**

Address name:

Street address:

City:

State / region:

Post code:

PO box: (if applicable)

PO box post code: (if applicable)

**Banking details**

These should be evidenced in non-editable format. The evidence provided must show company name and bank details and it should be dated within the last 6 months.

Any of the below documents will suffice:

- Bank statement (scanned document)
- Void cheque
- Paying in slip
- Screenshot of online banking (showing a logged in account with bank account and sort code, with browser visible)