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Date: 1st February 2026

Dear SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC,

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC submitted Pathways to 2050 (the Project) to be considered for funding through the Beta Phase of Round 5 of the Strategic Innovation Fund (SIF). As explained in greater detail below, this Project applied straight to Round 5 Beta of the SIF. In our SIF Funding Decision issued on 1st February 2026, we selected the Project for conditional funding for the Round 5 Beta Phase and as a result we are now issuing this SIF Project Direction to implement that decision.

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC must comply with the conditions contained in this SIF Project Direction as a condition of the Project receiving funding through the SIF. These conditions can be found in the Schedule to this document.

Progression through SIF Phases

The SIF consists of a multi-phase approach for Projects in order to mitigate the risk associated with innovations. The Discovery Phase focuses on feasibility, the Alpha Phase on experimental development, and the Beta Phase on deployment and demonstration. The Innovation Challenge issued for each Round will state if a Project can apply directly to Alpha or Beta, without the requirement to have progressed through Discovery and Alpha.

The Project submitted an Application direct to Beta for the Project to be considered for SIF Funding through the Round 5 Beta Phase of the SIF. As stated above, the Project has been selected to receive SIF Funding for the Round 5 Beta Phase.

Role of UK Research & Innovation (UKRI)

As per Chapter 1 of the [SIF Governance Document](#) the role of UKRI is to deliver the SIF in line with the SIF Governance Document - administering the funding programme,

monitoring the delivery of Projects, collating data from Projects on benefits, making recommendations to Ofgem on operational matters, supporting third-party innovators and, where possible, successful Projects to become 'business as usual' activities. To support the success of the Projects and the SIF programme, we expect that the Funding Party and Project Partners collaborate with Ofgem and UKRI.

SIF Project Direction

Paragraph 5.14 of the SIF Governance Document states that a SIF Project Direction will:

- Set out the Project-specific conditions, to which the Funding Party is committing in accepting SIF Funding.
- Require the Funding Party to undertake the Project in accordance with the commitments made in the Application. Where appropriate, the SIF Project Direction may therefore include extracts from the Application or refer to specific sections of the Application.
- Where applicable, set out conditions (such as Project stage gates) linked to milestones and deliverables, which Projects must meet.
- Set out the SIF Approved Amount for the Project, that will form part of the calculation contained in the SIF Funding Direction issued by the Authority under Chapter 7 of the SIF Governance Document.
- Set out the Project budget that the Funding Party must report against and how variations in the Project budget will be reported.
- Where applicable, set out special information sharing requirements applicable to the Project.
- Set out the mechanism for the Funding Party receiving the SIF Approved Amount as set out in the SIF Funding Direction.

All SIF Project Direction requirements are detailed in the Schedule to this SIF Project Direction.

Decision

Provided the Funding Party complies with the SIF Governance Document and with the Schedule to this SIF Project Direction, the Project is deemed to be an Eligible SIF Project.

This SIF Project Direction constitutes notice pursuant to section 49A (Reasons for decisions) of the Electricity Act 1991.

Marzia Zafar

Deputy Director, Decentralisation & Digitalisation

SRO for the Strategic Innovation Fund

For and on behalf of the Authority

Schedule to SIF Project Direction

1. PROJECT DETAILS

Application number: 10179044

Project title: Pathways to 2050

Innovation Challenge/Project Phase: Consumer-Centric Grid Expansion/ Round 5 Beta Phase

Project start date: 1st February 2026

Project end date: 30th April 2029

SIF Approved Amount for SIF Funding: £9,935,676

2. PREAMBLE

This SIF Project Direction is issued by the Gas and Electricity Markets Authority (the "Authority") to SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION 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 Pathways to 2050 (the "Project") as a condition of it being funded under the SIF Funding Mechanism.

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

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

FACULTY SCIENCE LIMITED
Low Carbon Hub IPS Limited

JAMES HUTTON LIMITED
ENERGY SYSTEMS CATAPULT LIMITED
SIA PARTNERS UK PLC
INDUSTRIAL AND FINANCIAL SYSTEMS
IFS UK LTD
NFU SCOTLAND

Condition 2 – financial contribution

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).

Condition 3 – Meeting arrangements

The Funding Party must 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 Beta Phase.

Condition 4 – Stage gate scoping

The Funding Party must, with support from Innovate UK and, where applicable Ofgem, scope the requirements and success criteria for each stage gate, as set out in the Project management plan within a Project at the quarterly reporting meetings ahead of any stage gate. These will be used to determine what criteria a Project must meet in order to pass a stage gate, and whether any additional information, such as a report, must be produced as part of the stage gate.

Condition 5 – Impact monitoring

As part of the end of Project Phase report, the Funding Party must produce a Project Impact Monitoring and Evaluation Plan. This plan must outline how the Project plans to monitor and evaluate the delivery of benefits outlined in the Beta Phase Application following the end of the Beta Phase. The plan must also include the methodology that will be utilised for quantifying and qualifying benefits realisation and how the Funding Party plans to report this to Ofgem 1, 3, 5 & 10 years post-Beta Phase completion. Further details on how to approach the development of this plan may be provided by Ofgem or Innovate UK.

Condition 6 – SIF Community Forums

The Funding Party and all Project Partners must make reasonable attempts to attend, participate and/or contribute at SIF Community Forum events occurring during the Project delivery. We anticipate there being approximately one event per year.

Condition 7 – Policy, regulatory and standards barriers

The Funding Party must provide verbal updates at each quarterly review meeting on any regulatory, policy and standards barriers and any change requirements which may impact delivery of the Beta Phase activities. The Funding Party must also include as an attachment to each of its annual progress report an update on any regulatory, policy and standards barriers which may require derogations and articulation of any proposed regulatory, policy and standards changes which would be necessary in deployment. The Funding Party must also provide an as an attachment to its end of Project Phase report a summary of the Project's findings on regulatory, policy and standards barriers, including any considerations for future work, and where applicable, where specific regulatory, policy and standards changes would be required for deployment.

Condition 8 – Updated 60-second videos

The Funding Party must provide within the first three months of signing contracts with its Project Partners an updated 60-second video. If the Project is greater than two years (24 months) in length, an updated video must also be provided at the Project's mid-point meeting. All Projects must also provide an updated 60-second video as part of their end of Project phase report. Innovate UK can share its guidance for 60-second videos with the Funding Party, if necessary.

Condition 9 – Post-Beta Phase roadmap

The Funding Party must provide to the monitoring officer within six months of it signing contracts with its Project Partners a roadmap for activities post-Beta Phase. This can build on the Project's Application question (question 11) and must focus on how and when the proposed solution will become business as usual within the network concerned and across the other GB gas or electricity networks.

As part of this, the Funding Party must include consideration for:

- I. any steps the Project will take to ensure its innovation has suitable business as usual adoption;
- II. the Funding Party's strategy for adoption of the innovation or proposed solution, giving consideration to potential investment, ongoing costs and third-party involvement and;

III. any early indication of interest from other networks in adopting the innovation.

The Funding Party must provide an update on all the above at every second quarterly review meeting (i.e. every six months) and must include a final update of this roadmap as attachment to its end of Project Phase report.

Condition 10 – Commercialisation strategy

The Funding Party must provide at every second quarterly review meeting (i.e. every six months) an update on its commercialisation strategy. This can build on the Project's Application (question 11) and must focus on what considerations has the Project consortium made for the commercialisation of the proposed solution or innovation, and how the Project provides support for non-network Project Partners to move towards commercialisation. As part of this, the Funding Party may wish to include consideration for:

- I. who the primary customer segment is beyond the Funding Party; the customer value proposition;
- II. if identified, the outline of the route to market and potential new partnerships;
- III. any additional Project Partner capital requirements in order to commercialise the innovation and;
- IV. how this product, process or service could be scaled across the GB network and taken to new markets.

The Funding Party must also include a final update of its strategy as an attachment to its end of Project Phase report. Ofgem and/or Innovate UK may issue a template for the final update as part of the end of Project Phase report.

Condition 11 - Data Best Practice and Digital Strategy and Action Plan Guidance alignment

The Funding Party must provide at its second monitoring meeting (i.e. quarter one) a summary of how it intends to comply with Ofgem's Data Best Practice Guidance, and Digitalisation Strategy and Action Plan Guidance. Additionally, a part of its year 1 annual progress report, the Funding Party must provide a written update to the monitoring officer on its incorporation and application of data best practices to date in the Project, including its presumed open data policies, and data triaging methodology.

Condition 12

The Funding Party must realign the Ofgem Stage Gates to occur at six (6), eighteen (18), and thirty (30) months from the Project Start Date. The Project must not progress

beyond each Ofgem Stage Gate unless the criteria set out below have been satisfied to the satisfaction of the Monitoring Officer.

Ofgem Stage Gate 1 – six (6) months from Project Start Date

Prior to progressing beyond Ofgem Stage Gate 1, the Funding Party must provide evidence to the Monitoring Officer that the following outputs have been delivered:

- a) a report consolidating learning from relevant previous Projects, demonstrating insights equivalent to an Alpha Phase and evidencing a clear understanding of the challenges, diversity and complexity associated with replicating the approach across multiple distribution network operator licence areas;
- b) a proof of concept for the asset scorecard, reflecting outputs that would typically be expected at the Alpha Phase;
- c) a comprehensive mapping of stakeholder groups beyond the existing Project Partners, including (but not limited to) regional industrial bodies, transport and logistics groups, local authorities, community bodies, and large campus sites (such as NHS, MOD and universities), together with confirmation that a Project advisory board has been established to inform how local plans will interface with asset scorecards; and
- d) an assessment of potential consumer and system benefits, setting out:
 - the benefits where rollout is limited to the Funding Party's licence area; and
 - the benefits where rollout is extended to the Funding Party and other initially engaged organisations.

Ofgem Stage Gate 2 – eighteen (18) months from Project Start Date

Prior to progressing beyond Ofgem Stage Gate 2, the Funding Party must demonstrate to the Monitoring Officer:

- a) progress in the technical development and delivery of the asset scorecard;
- b) progress in engagement with local actors and local planning processes, recognising that while delivery of the scorecard sits with network companies, engagement with local decarbonisation plans often sits outside their direct control;
- c) evidence of engagement with organisations that could support local actor and local plan engagement, including (where relevant) initiatives such as Great British Energy's Local Power Plan; and
- d) a clear explanation of how technical development of the asset scorecard is being integrated with engagement activity, taking account of the dependencies and constraints identified under (b).

Ofgem Stage Gate 3 – thirty (30) months from Project Start Date

Prior to completion of the Project and for the purposes of considering transition to business-as-usual, the Funding Party must provide to the Monitoring Officer a summary of discussions with Ofgem and other relevant stakeholders regarding the potential for wider rollout and, where appropriate, the potential for mandating the Project's outputs across Great Britain energy networks.

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 £9,935,676 (as detailed under Section 1: Project details of this Project Direction) will be recovered by National Energy System Operator from GB customers and transferred to the Funding Party. The Funding Party is responsible for notifying National Energy 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 Energy System Operator, the reverse applies. The Funding Party must provide bank account details to National Energy 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) complete the Project on or before the Project completion date as detailed under Section 1 of the Schedule of this SIF Project Direction, and

- (ii) 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.

The Funding Party must submit an end of Project Phase report to UKRI monitoring officers for the Beta Phase. 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. An End of Phase template is available and can be requested from UKRI.

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 regard 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 \(General Data Protection Regulation\)](#) and [DPA \(Data Protection Act\) 2018](#). 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 2, based upon details contained within Question 7 in the Funding Party's Application.

Table 2. Project milestone

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
WP1	WP1 - Project Management	End of project: April 30 20228	<p>Describe overall Work Package Objectives</p> <ol style="list-style-type: none"> 1. Ensure the efficient running of the project, deliverables are met on time and to budget. 2. Governance, coordination and dissemination <p>High level tasks to achieve the work package objectives.</p> <ol style="list-style-type: none"> 1.UKRI Engagement 2.Project Delivery Management 3.Stakeholder Engagement and Dissemination 4. Monitoring and Reporting 	£993,567.00
WP2	WP2 - Stakeholder Engagement	October 30 2027	<p>Describe overall Work Package Objectives</p> <ol style="list-style-type: none"> 1. Engagement with stakeholders to understand technical requirements. 2. Gather consumer and stakeholder insights to inform methodology development. <p>Describe the high level tasks to achieve the work package objectives.</p> <ol style="list-style-type: none"> 1. Stakeholder engagement plan 2. Requirements gathering 	£1,539,209.00

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
WP3	WP3 - Scoring and Optimisation Assessment	April 30 2028	<p>Describe overall Work Package Objectives:</p> <ol style="list-style-type: none"> 1. Bring together a vast volume of diverse datasets and information on each asset on the distribution network - data that has previously been disparate 2. Build, test and iterate (versioned) an Asset Pathways Scorecard (multi-vector) 3. Build, test and iterate (versioned) an Asset Pathways Plan (up to 2050) with options assessment and prioritisation 4. Plan for incremental improvement of the tool by adding in additional datasets or new actions, which would enhance the quality, robustness and accuracy of the tool 5. Integrate the solution into decision-making and hand it over to the end users <p>Describe the high level tasks to achieve the work package objectives:</p> <ol style="list-style-type: none"> 1. Define data sharing, protection and governance rules & Acquire, analyse and process the necessary data 2. Specify solution design, and set up the existing forecasting model, as well as systems and the platform. Build additional infrastructure, if required 3. Define rules for substituting missing data, classifying/scoring data, monitoring data, and handling other data quality issues 4. Develop business rules and define requirements for the Scorecard and the Asset Pathways Plan & Update these business rules for every 	£2,048,852.00

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p>new version of the solution</p> <p>5. Identify rules for transforming the Scorecard into a Pathways Plan with options assessment and prioritisation</p> <p>6. Identify other datasets to be integrated into the solution and prepare the data for ingestion</p> <p>7. Agree and develop output sharing method / interface for the Scorecard and Asset Pathways Plan</p> <p>8. Build, test and iterate on the Scorecard and Asset Pathways Plan (the solution will have 4 different iterations, with each iteration incorporating an additional dataset(s))</p> <p>9. Continual model deployment with best practice monitoring and testing</p> <p>10. Hand over the tool and upskill the end users on the best use of the tool</p>	
WP4	WP4 - Work Plan Optimisation	February 28 2027	<p>Describe overall Work Package Objectives</p> <ol style="list-style-type: none"> 1. Consume the outputs of the scorecards as input into Copperleaf 2. Enable scenario optimisation around scorecard outputs 3. Initial Sprint to develop & design a prototype value model to iterative testing & feedback 4. Subsequent sprints to build remaining Value Models <p>Describe the high level tasks to achieve the work package objectives.</p> <p>Sprint 1</p> <ol style="list-style-type: none"> 1. Support Pathways Design for v1 release 	£462,524.00

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			2. Support Initial Scorecard design for v1 release 3. Specify, design, build & test the first value model as a prototype 4. Import & validate core datasets required for v1 5. Provide guidance and validation or initial scenario optimisation using scorecard values. Sprint 2+ 1. Specify design, build & test two additional value models per sprint 2. Perform Incremental Data Loads 3. Perform Incremental Optimisation	
WP5	WP5 - Visualisation	October 30 2027	Describe overall Work Package Objectives 1. Develop internal and external visualisation tools 2. Create internal and external views of Pathways artefacts Describe the high level tasks to achieve the work package objectives. 1. Internal visualisation tool 2. External visualisation tool	£2,067,366.00
WP6	WP6 - Validation and Verification	October 30 2027	Describe overall Work Package Objectives 1. Ensure the system is both fit for purpose (validation) and corrected implemented (verification). Describe the high level tasks to achieve the work package objectives. 1. Validation and verification planning 2. Validation and verification	£934,132.00

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
WP7	WP7 - Commercialisation and release plan	March 31 2028	<p>Describe overall Work Package Objectives</p> <ol style="list-style-type: none"> 1. Create commercialisation and release plan including a Pathways Playbook and cost benefit analysis. <p>Describe the high level tasks to achieve the work package objectives.</p> <ol style="list-style-type: none"> 1. Create the commercialisation and release plan 2. Improve and refine the cost-benefit plan 3. Considerations for data use and sharing 	£299,184.00
WP8	WP8 - End user engagements	March 31 2028	<p>Describe overall Work Package Objectives</p> <p>Develop and test engagement materials supporting long-term consumer participation.</p> <p>Describe the high level tasks to achieve the work package objectives.</p> <ol style="list-style-type: none"> 1. End user engagement plan 2. Development 3. Engagement testing 4. Consider stakeholder incentive schemes (SSEN define, Catapult focus groups) 	£1,102,253.00
WP9	WP9 - Wider Uptake	February 29 2028	<p>Describe overall Work Package Objectives</p> <p>Engagement with DNOs and industry to test, adopt and scale.</p> <p>Describe the high level tasks to achieve the work package objectives.</p> <ol style="list-style-type: none"> 1. Engage with other DNOs 2. Engage DNOs to test Pathways Framework 	£488,589.00

14. USE OF LOGO

The Funding Party and the Project Partners, External Funders and Project Supporters or subcontractors 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 outlined in Chapters 3 and 6 of the SIF Governance Document, we require the Funding Party to work collaboratively with other Networks and third-party innovators to disseminate the learnings and data from Projects and ensure that these are publicly available. This includes taking part in annual events.

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.

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 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 1991.

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

SIF Project Direction costs	
Cost Category	Total Project costs (£)
Labour	£9,506,297
Materials	£99,290
Subcontracting	£250,000
Travel and subsistence	£131,760
Other costs	£1,052,322
Total	£11,039,669

Project Partner	Total Project costs (£)	Project contribution (£)	Total SIF Funding requested (£)	Project contribution (%)
SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC	3,725,770	372,577	3,353,193	
FACULTY SCIENCE LIMITED	3,592,750	359,275	3,233,475	
INDUSTRIAL AND FINANCIAL SYSTEMS, IFS UK LTD	182,140	18,240	163,900	
JAMES HUTTON LIMITED	500,000	50,000	450,000	
ENERGY SYSTEMS CATAPULT LIMITED	894,152	89,415	804,737	
SIA PARTNERS UK PLC	1,320,800	132,080	1,188,720	
Low Carbon Hub IPS Limited	764,407	76,441	687,966	



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for energy consumers

Project Partner	Total Project costs (£)	Project contribution (£)	Total SIF Funding requested (£)	Project contribution (%)
NFU SCOTLAND	59,650	5,965	53,685	
Total	£11,039,669	£1,103,993	£9,935,676	11%

The Office of Gas and Electricity Markets

Commonwealth House, 32 Albion Street, Glasgow, G1 1LH **Tel** 020 7901 7000

www.ofgem.gov.uk

**ANNEX 2 TO SCHEDULE: TEMPLATE OF BANK ACCOUNT DETAILS TO BE PROVIDED
TO EITHER NGT (BOX.GSOSETTLEMENTS@NATIONALGRID.COM) OR NESO
(revenue.invoice@neso.energy)**

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)