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Date: 1st February 2026

Dear SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC,

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC submitted Nature4Networks (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 previously received SIF Funding and completed a Round 5 Discovery and Alpha Phase for 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 previously received SIF Funding for the Round 5 Discovery and Alpha Phase and submitted an Application for the Project to be considered for SIF Funding for the Round 5 Beta Phase of the SIF. As stated above, the Project has been selected by Ofgem 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 1989.

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: 10179252

Project title: Nature4Networks

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

Project start date: 2nd February 2026

Project end date: 1st February 2031

SIF Approved Amount for SIF Funding: £7,892,388

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 Nature4Networks (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

FRONTIER ECONOMICS LIMITED
GUTTERIDGE HASKINS & DAVEY LIMITED

GREAT YELLOW LTD GUIDEHOUSE EUROPE LIMITED JAMES HUTTON LIMITED

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 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

Prior to the Project kick-off meeting, the Funding Party must provide to the Monitoring Officer a plan outlining how the Project will engage regularly with Ofgem to explore potential cross-utility and cross-regulatory funding and investment models for the future deployment of nature-based solutions.

Condition 12

Prior to the Month 24 of the Project, the Funding Party must identify all subcontractors and framework suppliers required for delivery of the Project. During Quarterly Review Meetings, the Project will provide updates to the Monitoring Officer of any newly appointed subcontractors and framework suppliers. Once identified, the Funding Party must confirm to the Monitoring Officer that these parties have been onboarded and provided with a clear understanding of the Project objectives, scope and delivery expectations.

Condition 13

As part of the Annual Report, the Funding Party must provide to the Monitoring Officer an Impact Monitoring Report. This report must set out how the nature-based solutions implemented during the Project will be maintained and monitored beyond the Project end date, informed by the evidence and learning generated through the Project.

Condition 14

The Funding Party must provide six-monthly stakeholder engagement updates to the Monitoring Officer. These updates must include details of engagement with other distribution network operators, gas networks, other regulated utilities, landowners, customers, and Ofgem, and explain how feedback and learning from these stakeholders has informed Project delivery.

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 £7,892,388 (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	30-02-2031	<p><u>Describe overall Work Package Objectives</u></p> <ol style="list-style-type: none"> 1. Management of UKRI Engagement 2. Management of day-to-day Project Activities 3. Project dissemination 4. Project Governance <p><u>Describe the high level tasks to achieve the work package objectives.</u></p> <ol style="list-style-type: none"> 1.1. A_1.1.1_Kick Off 2. A_1.1.2_UKRI Quarterly MO Meetings 3. A_1.1.3_UKRI End of Phase 4. A_1.1.4_UKRI Show and Tell 5. A_1.1.5_Annual Reporting [annual progress report, complete with finances, benefits mapping, business case and CBA] 6. A_1.1.6_Commercialisation Strategy [six-monthly updates] 7. A_1.2.1_Weekly Team Sessions 8. A_1.2.2_Face To Face Workshops and Site Visits 9. A_1.2.3_Project Governance 10. A_1.2.4_Milestone Review 11. A_1.2.5_Gate Review 12. A_1.2.6_Quarterly Project Specific Conditions monitoring 13. A_1.3.1_Annual Dissemination Event 	£ 682,234

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			14. A_1.3.2_Publicity as required 15. A_1.3.3.Final Close Down Report	
WP2	WP2 - Linear Woodland Site Trials [Blairmore and Bridge of Awe]	30-02-2031	<p><u>Describe overall Work Package Objectives</u></p> <ol style="list-style-type: none"> 1. Site mapping and stakeholder engagement 2. Site inspection and baseline measurements 3. Site Specific LW Design 4. Site Preparation 5. NbS Delivery 6. Solution Monitoring 7. Ongoing Inspection and Maintenance 8. Value Case 9. Amendments to Work Procedures 10. Policy and Regulation <p><u>Describe the high level tasks to achieve the work package objectives.</u></p> <ol style="list-style-type: none"> 1. A_2.1.1_Review whether there is a long-term forest plan (LTFP), an existing felling licence application in place or any statutory plant health notices etc. 2. A_2.1.2_Engage with the Landowner to agree proposed LW approach 3. A_2.1.3_Establish appropriate funding model based on land 	£ 1,555,691

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p>ownership and existing wayleave agreements.</p> <p>4. A_2.1.4_Negotiate relevant consents, wayleaves and street works.</p> <p>5. A_2.1.5_Secure relevant permits and licences</p> <p>6. A_2.1.6_ Carry out local community engagement, and testing local WTP</p> <p>7. A_2.1.7_ Identification of potential constraints.</p> <p>8. A_2.1.8_Internal assessment of the site to establish job type</p> <p>9. A_2.1.9_Carry out basic topological survey of the site</p> <p>10. O_2.2.1_Develop evaluation and monitoring framework</p> <p>11. O_2.2.2_Inspect the site(s) to gather 'as is' state for future performance comparison against the 'NbS'.</p> <p>12. O_2.2.3_Measure performance elements like: wind speed, ice accretion, bird strikes, faults etc, while the existing woodland is in place.</p> <p>13. O_2.3.1_Design the NbS in accordance with site specifications, NbS specifications and any electrical constraints.</p> <p>14. A_2.3.2_SSEN sign off on permission to move to delivery</p> <p>15. A_2.4.1_Clear existing vegetation from site</p> <p>16. A_2.4.2_Prepare site for replanting.</p> <p>17. A_2.4.3_Engage suppliers (i.e. tree nurseries) and subcontractors (i.e. for planting, fencing, aftercare) to plan work</p> <p>18. A_2.5.1_Plant new vegetation and ongoing management of replant die off.</p> <p>19. A_2.5.2_Establish fencing, or other form of protection</p>	

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p>20. A_2.6.1_Carry out repeated measurements while the site is cleared of vegetation: wind speeds, ice accretion, bird strikes, faults, etc. based on SSEN data.</p> <p>21. A_2.7.1_Regular (annual) inspection and maintenance during establishment period (5 years)</p> <p>22. A_2.7.2_Confirm the end of SSEN's management period and return all responsibility for the site to the landowner.</p> <p>23. A_2.8.1_Process evaluation and business model monitoring</p> <p>24. A_2.8.2_Economic valuation of financial benefits of NbS</p> <p>25. A_2.8.3_Economic valuation of social and environmental benefits of NbS</p> <p>26. A_2.8.4_Evaluation of farmers and rural communities' attitudes towards NbS</p> <p>27. A_2.8.5_Document evaluation conclusions and recommendations</p> <p>28. A_2.9.1_Develop/Update work instructions and relevant policies.</p> <p>29. A_2.9.2_Engagement with ENA</p> <p>30. A_2.10_Provide recommendations on amendments to VA scheme, and engagement with Ofgem and input into ED3 consultation.</p>	
WP3	WP3 - SuDS for Substation Flood Protection [Conon Bridge]	30-02-2031	<p><u>Describe overall Work Package Objectives</u></p> <ol style="list-style-type: none"> 1. Site mapping and stakeholder engagement 2. Site inspection and baseline measurements 3. Site Specific NbS Design 4. NbS Delivery 5. Solution Monitoring 	£ 1,334,528

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p>6. Ongoing Inspection and Maintenance 7. Value Case 8. Amendments to Work Procedures 9. Policy and Regulation</p> <p><u>Describe the high level tasks to achieve the work package objectives.</u></p> <p>1. A_3.1.1_Engage with the Landowner to agree proposed SuDS approach 2. A_3.1.2_Investigate appropriate funding arrangements based on land ownership and existing wayleave agreements. 3. A_3.1.3_Negotiate relevant consents, wayleaves and street works. 4. A_3.1.4_ Identification of potential constraints 5. A_3.1.5_Commission topographical survey of site 6. A_3.1.6_Conduct utilities mapping 7. A_3.2.1_Develop evaluation and monitoring framework 8. A_3.2.2_Carry out CCTV survey of adjacent culvert 9. A_3.2.3_Inspect the site to gather 'as is' state for future performance comparison against the 'NbS'. 10. A_3.3.1_Design the NbS in accordance with site specifications, NbS specifications and any electrical constraints. 12. A_3.3.2_Secure relevant permits and licences 13. A_3.3.3_SSEN sign off an permission to move to delivery 14. A_3.4_Install SuDS in accordance with the designs</p>	

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p>15. A_3.5.1_Carry out repeated measurement on site to demonstrate NbS effectiveness.</p> <p>16. A_3.6.1_Regular inspection and maintenance during establishment period (year 1)</p> <p>17. A_3.6.2_Develop a maintenance regime for an established solution</p> <p>18. A_3.7.1_Process evaluation and business model monitoring</p> <p>19. A_3.7.3_Carry out evaluation (including CBA)</p> <p>20. A_3.7.3_Document evaluation conclusions and recommendations</p> <p>21. A_3.8.1_Develop/Update work instructions and relevant policies.</p> <p>22. A_3.8.2_Engagement with ENA</p> <p>23. A_3.9_Provide recommendations on amendments to ETR138 scheme, and engagement with Ofgem and input into ED3 consultation.</p>	
WP4	WP4 - Bioswale for Secondary Transformer Oil Containment Trial [Inchbare]	30-02-2031	<p><u>Describe overall Work Package Objectives</u></p> <p>1.O_4.1_Material Testing</p> <p>2. O_4.2_Stakeholder Engagement and Business Model Testing</p> <p>3. O_4.3_Site mapping</p> <p>4. O_4.4_Site inspection and baseline measurement</p> <p>5. O_4.5_Site Specific NbS Design</p> <p>6. O_4.6_NbS Delivery</p> <p>7. O_4.7_Solution Monitoring</p> <p>8. O_4.8_Ongoing Inspection and Maintenance</p> <p>9. O_4.9_Value case</p> <p>10. O_4.10_Amendments to Work Procedures</p> <p>11. O_4.11_Policy and Regulation</p>	£ 1,375,821

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p><u>Describe the high level tasks to achieve the work package objectives.</u></p> <ol style="list-style-type: none"> 1. A_4.1.1_Testing of materials to ensure appropriate oil containment properties are achieved; fire resistance provided and interaction with electrical equipment understood [go/no-go decision] 2. A_4.2.1_Engage with other DNOs to share designs and provide and establish willingness to utilise in the future 3. A_4.3.1_ Identification of potential constraints 4. A_4.3.2_Commission basic topographical survey of site using dGPS survey to get broad overview of site topography 5. A_4.3.3_Conduct utilities mapping 6. A_4.4.1_Develop evaluation and monitoring framework 7. A_4.5.1_Design the NbS in accordance with site specifications, NbS specifications and any electrical constraints. 8. A_4.5.2_Secure relevant permits and licences 9. A_4.5.3_SSEN sign off an permission to move to delivery 10. A_4.6.1_Install transformer bioswale bund in accordance with the designs. 11. A_4.7.1_Carry out repeated measurement on site to demonstrate NbS effectiveness. 12. A_4.8.1_Regular inspection and maintenance during establishment period (year 1) 	

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p>13. A_4.8.2_Develop a maintenance regime for an established solution</p> <p>14. A_4.9.1_Process evaluation and business model monitoring</p> <p>15. A_4.9.2_Carry out evaluation (including CBA)</p> <p>16. A_4.9.3_Evaluation of farmers and rural communities' attitudes towards NbS.</p> <p>17. A_4.9.4_Economci valuation of social and environmental benefits of NbS.</p> <p>18. A_4.9.5_Document evaluation conclusions and recommendations</p> <p>19. A_4.10.1_Develop/Update work instructions and relevant policies.</p> <p>20. A_4.10.2_Engagement with ENA</p> <p>21. A_4.11_Provide recommendations on amendments to CNAIM, and engagement with Ofgem and input into ED3 consultation.</p>	
WP5	WP5 - Thorny Planting for Asset Protection [Hutton]	30-02-2031	<p><u>Describe overall Work Package Objectives</u></p> <p>1. O_5.1_Stakeholder Engagement and Business Model Testing</p> <p>2. O_5.2_Site inspection and baseline measurements</p> <p>3. O_5.3_Site Specific NbS Design</p> <p>4. O_5.4_NbS Delivery</p> <p>5. O_5.5_Solution Monitoring</p> <p>6. O_5.6_Ongoing Inspection and Maintenance</p> <p>7. O_5.7_Value Case</p> <p>8. O_5.8_Amendments to Work Procedures</p> <p>9. O_5.9_Policy and Regulation</p>	£ 1,590,978

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p><u>Describe the high level tasks to achieve the work package objectives.</u></p> <ol style="list-style-type: none"> 1. O_5.1.1_Design appropriate funding model(s) based on land ownership and existing wayleave agreements. 2. A_5.1.2_Investigate consents and wayleaves options for BAU deployment. 3. A_5.1.3_ Carry out local community engagement, and testing local WTP to inform BAU deployment. 4. A_5.1.4_Carry out topological survey of the site 5. A_5.2.1_Develop evaluation and monitoring framework 6. A_5.2.2_Inspect the site to gather 'as is' state for future performance comparison against the 'NbS'. 7. A_5.2.3_Measure performance elements like: animal intrusion, soil carbon baseline 8.A_5.3.1_Design the NbS in accordance with site specifications, NbS specifications and any electrical constraints. 9. A_5.3.2_SSEN sign off an permission to move to delivery 10. A_5.4.1_Install hedging in accordance with the designs 11. A_5.4.2_Establish fencing, or other form of protection 12. A_5.5.1_Monitor how solution is establishing and evidence time taken to become sufficiently established 13. A_5.6.1_Regular maintenance during establishment period (5 years) 14. A_5.6.2_Establish maintenance regime for an established solution 	

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			15. A_5.7.1_Process evaluation 16. A_5.7.2_Carry out evaluation (including CBA) 17. A_5.7.3_Evaluation of farmers and rural communities' attitudes towards NbS. 18. A_5.7.4_Economci valuation of social and environmental benefits of NbS. 19. A_5.7.5_Predictive model for thorny planting 20. A_5.7.6_Document evaluation conclusions and recommendations 21. A_5.8.1_Develop/Update work instructions and relevant policies. 22. A_5.8.2_Engagement with ENA 23. A_5.9.1_Produce summary of value case and recommendations, including required changes for policy and regulation	
WP6	WP6 - Optioneering, Design and Delivery of Multi- Stakeholder NbS	30-02-2031	<p><u>Describe overall Work Package Objectives</u></p> 1. O_6.1_Trial area identification and stakeholder mapping 2. O_6.2_Market opportunity and co-benefit valuation 3. O_6.3_Commercial arrangement design and strategic business case development 4. 6.4_Trial and Stakeholder Management 5. O_6.5_Detailed site design (Ecological & Engineering) 6. O_6.6_Implementation & monitoring <p><u>Describe the high level tasks to achieve the work package objectives.</u></p>	£ 1,353,135

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<ol style="list-style-type: none"> 1. A_6.1.1_Define site selection criteria to identify potential trial sites 2. A_6.1.2_Identify potential trial sites in SSEN-D's southern license area using SSEN geospatial and asset data overlayed with Landscape Recovery intervention sites 3. A_6.1.3_Conduct multicriteria assessment (MCA) to identify and explore a shortlist of sites in SSEN-D's southern license areas that include assets from multiple utilities 4. A_6.1.4_Develop stakeholder maps of other utilities and affected stakeholders for shortlisted sites 5. A_6.1.5_Initiate and conduct engagement with mapped stakeholders to test interest 6. A_6.1.6_Select priority site based on MCA and stakeholder interest 7. A_6.1.7_Secure an expression of interest (EOI) from the associated stakeholders for the priority site identified 8. A_6.2.1_Assess relevant NbS interventions and select one for identified priority site 9. A_6.2.2_Identify the scale of multi-stakeholder intervention/funding required based on chosen trial site and NbS selected 10. A_6.2.3_Design and align on CBA methodology; Develop CBA to estimate financial and non-financial benefits from multi-stakeholder funding model for NbS 11. A_6.3.1_Using case studies within GB, identify examples of possible commercial arrangements (i.e., funding and revenue sharing mechanisms) for multi-stakeholder collaboration 	

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p>12. A_6.3.2_Draft commercial arrangements to incentivise the coordination necessary to enable and unlock the benefits of multi-stakeholder finance model</p> <p>13. A_6.3.3_Support additional stakeholders in approving commercial arrangements and securing funding</p> <p>14. A_6.3.4_Create a strategic business case for SSEN investment into multi-stakeholder finance model</p> <p>15. A_6.3.5_Support SSEN to make go/no-go decision</p> <p>16. A_6.4.1_Manage stakeholders and high-level activities within NbS trial period</p> <p>17. A_6.5.1_Undertake ongoing evaluation of multi-stakeholder arrangement of the NbS intervention</p> <p>18. A_6.5.2_Undertake site inspection and baseline measurements</p> <p>19. A_6.5.3_Undertake detailed intervention planning and create design specifications for the chosen NbS intervention, in partnership with additional ecological and engineering expertise</p> <p>20. A_6.5.4_Develop a monitoring and evaluation framework to assess success of the NbS intervention</p> <p>21. A_6.5.5_Develop inspection and maintenance regime and carry out regular inspection and maintenance</p> <p>22. A_6.5.6_Develop work instructions and amendment policies, and engage with ENA</p> <p>23. A_6.6.1_Develop pre-construction delivery plan that sets out delivery sequencing, procurement, risk management and resourcing</p>	



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Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
			<p>24. A_6.6.2_Implement the NbS intervention in partnership with ecological and engineering expertise</p> <p>25. A_6.6.3_Carry out repeated measurement on the NbS to collect data on performance of the intervention in terms of asset resilience to inform wider financial, economic and social benefits</p> <p>26. A_6.6.4_Provide recommendations, and engage with Ofgem for input into ED3 consultation.</p> <p>27. A_6.6.5_Update the initial CBA developed periodically using live field data gathered</p>	

The Office of Gas and Electricity Markets

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

www.ofgem.gov.uk

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 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

SIF Project Direction costs	
Cost Category	Total Project costs (£)
Labour	£7,600,780
Materials	£530,827
Subcontracting	£557,053
Travel and subsistence	£132,172
Other costs	£171,922
Total	£8,992,754

Project Partner	Total Project costs (£)	Project contribution (£)	Total SIF Funding requested (£)	Project contribution (%)
SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC	2,308,252	431,915	1,876,337	
FRONTIER ECONOMICS LIMITED	1,214,867	121,487	1,093,380	
GUTTERIDGE HASKINS & DAVEY LIMITED	2,671,091	267,109	2,403,982	
JAMES HUTTON LIMITED	2,034,742	203,474	1,831,268	
GUIDEHOUSE EUROPE LIMITED	630,090	63,009	567,081	
GREAT YELLOW LTD	133,712	13,372	120,340	
Total	£8,992,754	£1,100,366	£7,892,388	14%

**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)