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Date: 27th April 2026

Dear SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC,

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC submitted RISE - Robotics Integration for Sustainable Energy (the Project) to be considered for funding through the Discovery Phase of Round 5 of the Strategic Innovation Fund (SIF). In our SIF Funding Decision issued on 27th April 2026, we selected the Project for conditional funding for the Round 5 Discovery 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 respectively.

### **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, supporting 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 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 1994.

**Marzia Zafar**

**Deputy Director of Digitalisation, Innovation and Decentralisation**

**For and on behalf of the Authority**

## Schedule to SIF Project Direction

### 1. PROJECT DETAILS

Application number: 10193298

Project title: RISE - Robotics Integration for Sustainable Energy

Innovation Challenge/Project Phase: Consumer-centric grid expansion/ Discovery Phase  
Round 5

Project start date: 1st May 2026

Project end date: 30th September 2026

SIF Approved Amount for SIF Funding: £145,787

### 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 RISE - Robotics Integration for Sustainable Energy (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**

CENTRE FOR ENGINEERING EDUCATION & DEVELOPMENT HERIOT-WATT SERVICES TRADING
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### **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 on the Innovation Funding Service (IFS).

### **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 the Department for Energy Security and Net Zero during the Discovery Phase.

### **Condition 4**

The Discovery phase will last for a period of up to five months from the date the Project Direction is issued; the Project will be allowed a flexible start date within the five-month period. The Project must provide the monitoring officer with the start date of the Project and must be completed before the end of the five-month period.

### **Condition 5**

Prior to the kick-off meeting, the Funding Party must set out how the Project will leverage relevant learning from existing Projects exploring the use of robotics in electricity networks, including Projects undertaken by transmission owners (for example, Optimisation and Diagnostics for Innovative Networks (ODIN) and Live Line Working robotics initiatives), to ensure that the proposed approach builds on existing knowledge and avoids duplication. At the end of phase, the Project should report on where applicable learnings were incorporated into the Project.

### **Condition 6**

Prior to the end of phase meeting, the Funding Party must provide a defined and prioritised set of robotics and autonomous system use cases for electricity distribution operations, including:

- (i) clear selection criteria used to identify and rank use cases,
- (ii) justification of alignment with specific network operational needs (e.g. inspection, maintenance, fault response),
- (iii) expected operational benefits and constraints for each use case.

#### **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 £145,787 (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 is to 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.

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 within six months of the Project ending, if the Project is not planning on submitting an Application into the Alpha Phase, or if the Funding Party submits an Application for the Project into the Alpha 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. An end of phase report 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 with 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 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 the Data Best Practice Guidance issued by Ofgem in 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, the 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 that 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 and Appendix Question 9 in the Funding Party's Application.



**Table 2. Project milestones**

Reference	Project milestone	Deadline	Overall objectives and key tasks	SIF Funding Request
Milestone 1	<b>Project Management</b>	28/08/2026	<p><b>Describe overall Work Package Objectives</b></p> <p>WP1 will ensure effective management and oversight of the project through structured planning, communication, risk management, and progress tracking. This work package includes initiating the project, facilitating regular meetings, documenting project processes, managing risks, and reviewing project progress at key milestones.</p> <p><b>Describe the high level tasks to achieve the work package objectives.</b></p> <ol style="list-style-type: none"> <li>1. Coordination of Deliverables and monitoring</li> <li>2. Risk management and barrier monitoring</li> <li>3. Weekly sessions and workshop management</li> <li>4. UKRI Engagement</li> </ol>	£8,637.00

Milestone 2	<b>Research and Readiness Review</b>	06/07/2026	<p><b>Describe overall Work Package Objectives</b></p> <ol style="list-style-type: none"> <li>1. Conduct initial workshops and interviews to identify relevant stakeholders, understand their roles, and assess how robotics could support their job functions, enabling the identification of opportunities for robotic application.</li> <li>2. Carry out an assessment of current robotics technologies and produce a Robotics Readiness Review to identify which specific DNO functions robots can be applied to.</li> <li>3. Review wider DNO robotics project to prevent duplication, understand learnings and facilitate future collaboration.</li> </ol> <p><b>Describe the high level tasks to achieve the work package objectives.</b></p> <ol style="list-style-type: none"> <li>1. Determine the job functions and key stakeholders best suited for robotic application, forming the foundation for developing targeted robotics use cases.</li> <li>2. Determine which available robotic technologies are best suited to the selected business functions, and conduct a readiness evaluation to determine the steps, enablers, and barriers to successful robotic deployment.</li> <li>3. Review existing robotics projects across the DNOs - understanding where robots have been used before and outcomes of any previous projects.</li> </ol>	£44,342.00
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Milestone 3	<b>Adoption Assessment and Robotics Recommendations</b>	07/08/2026	<p><b>Describe overall Work Package Objectives</b></p> <p>1. Develop a catalogue of potential business areas that robotics technologies can be applied to based on engagements and recommend 2 to 3 possible use cases for alpha.</p> <p>2. Identify current constraints that are acting as a barrier from implementing robotics technologies.</p> <p><b>Describe the high level tasks to achieve the work package objectives.</b></p> <p>1. Identify and recommend the best business areas that we would like to apply robotics to as a use case.</p> <p>2. Document the barriers and opportunities of implementing robotics technologies to each chosen use case.</p>	£67,732.00
Milestone 4	<b>CBA and Industry engagement</b>	28/08/2026	<p><b>Describe overall Work Package Objectives</b></p> <p>WP4 will develop a robust understanding of current DNO robotics progress through targeted innovator engagement, evaluate the economic viability of selected robotics use cases via comprehensive CBAs, and consolidate insights into an opportunities report that outlines future pathways and recommendations for advancing robotics applicability across DNO operations.</p>	£25,076.00

#### **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.

#### **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 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 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 1994.

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	£150,677
Materials	£-
Subcontracting	£5,900
Travel and subsistence	£500
Other costs	£4,908
<b>Total</b>	<b>£161,985</b>

Project Partner	Total project costs (£)	Project contribution (£)	Total SIF Funding requested (£)	Project contribution (%)
SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC	29,950.00	2,995.00	26,955.00	
CENTRE FOR ENGINEERING EDUCATION & DEVELOPMENT	4,120.00	412.00	3,708.00	
HERIOT-WATT SERVICES TRADING	127,915.00	12,791.00	115,124.00	
<b>Total</b>	<b>£161,985.00</b>	<b>£16,198.00</b>	<b>£145,787.00</b>	<b>11%</b>

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