

Strategic Innovation Fund (SIF)

Cycle 6 Project Applications – Beta Phase

Funding Decision and Summary of Recommendations from Expert Assessors

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Introduction

Innovation is key to deliver a low-carbon energy system that is reliable, affordable, and efficient, at a pace in line with our Net Zero targets. Energy Networks must find new ways of developing and operating to facilitate the whole system energy transition.

The Strategic Innovation Fund (SIF) supports ambitious, collaborative innovation Projects that have the potential to deliver measurable consumer, environmental and system-wide benefits. Under RIIO-3, the SIF continues to provide competitive funding across the Discovery, Alpha and Beta Phases, and now offers a new Phase called Deployment. The Discovery Phase focuses on feasibility, the Alpha Phase on experimental development, the Beta Phase on build, operation and demonstration and Deployment Phase on rollout.

As set out in the [SIF Governance Document](#), the SIF is open to the National Energy System Operator (NESO), electricity transmission and distribution, gas transmission and gas distribution licensees.

Outcome-focussed strategic Innovation Challenges are set via the Energy Networks Innovation Taskforce and Programmatic Approach. Energy Networks are expected to propose Projects that will address the Innovation Challenges via Innovation Delivery Groups (IDGs). These IDGs will develop an Innovator Charter which sets out the delivery strategy for addressing the innovation needs of the relevant Innovation Challenge. The Innovation Charter will also set out any scope, Project Partner or compulsory contribution requirements.

In addition to the Innovation Charters, there are several Innovation Challenges open within this Cycle, these are detailed in section 2. Innovation Challenges previously published under the SIF RIIO-2, including those issued in [Round 4](#) and [Round 5](#), will remain open for a set period.

This report consolidates the Applications assessed by the Expert Assessors and sets out their recommendations to Ofgem on which Projects should be considered for SIF Funding, as well as a summary of Ofgem's Funding Decision.

Applications submitted by the deadline, and which meet the Innovation Challenge requirements, are assessed by independent Expert Assessors.

The Expert Assessors have relevant expertise and knowledge across policy, regulatory, commercial, financial and technical areas. Consistent with the SIF Governance Document, the Expert Assessors assessed each Application:

- (a) against the Eligibility Criteria in Chapter 3 of the SIF Governance Document; and
- (b) taking into consideration any additional relevant information available to them.

Eligibility Criteria are scored 1-5, with a minimum score of three for an Eligibility Criterion to be considered met. Expert Assessors may provide a suggestion of a Project-specific condition to accompany the score awarded for each Eligibility Criterion. Projects can only be recommended for funding by the Expert Assessors if all Eligibility Criteria are met.

Ofgem, taking into account the Expert Assessors' recommendations, and where necessary the National Energy System Operator (NESO)'s input, will balance considerations to decide whether a Project has met each SIF Eligibility Criterion, the suitability of the Project for SIF Funding and Project-specific conditions recommended. Ofgem is the sole decision-maker for the SIF.

1. Assessment Process

For the Beta Phase there are a maximum of 7 stages in assessing eligible submitted Applications:

- Initial sift - completed by Innovate UK to confirm whether an Application complies with the Innovation Challenge-specific requirements.
- Expert Assessor evaluation – Expert Assessors review each Application and its appendices against the questions set out in the SIF Governance Document, which correspond to the Eligibility Criteria in Chapter 3.
- Expert Assessors' overall recommendations – Each Expert Assessor provides a score for each Eligibility Criterion and an overall recommendation on whether the Project should be considered for SIF Funding. A Project will be recommended where it meets the required Eligibility Criteria threshold and no material risks have been identified that would prevent progression.
- NESO review (where applicable) - Where relevant, Applications are reviewed to determine the need for NESO involvement, including consideration of whole-system impacts, system planning and operational implications, cross-vector coordination, and interaction with NESO's statutory responsibilities.

The outcome of this review is presented in a dedicated NESO review section for each relevant Project.

- Interview stage – All eligible Beta Phase Applications are subject to a mandatory interview as part of the assessment process.

The interview enables the Funding Party and Project Partners to clarify aspects of the Application, respond to questions from the Expert Assessors, and elaborate on technical validation, scalability considerations and commercialisation feasibility.

Following the interview, the Expert Assessors review the evidence presented and, where appropriate, revise scores to reflect the additional information provided. Final scores and overall recommendations are agreed after consideration of both the written Application and the interview.

- Recommended Project-specific conditions – Where areas of risk or uncertainty are identified, Project-specific conditions may be recommended. These are considered by Ofgem and, where appropriate, included in the Project Direction.
- Final decision – The consolidated Recommendations Report is provided to Ofgem. Having considered the Expert Assessors' recommendations and NESO's input, Ofgem decides which Projects will receive SIF Funding and provides brief commentary on each decision.

1.1 Meeting the SIF Eligibility Criteria

Projects submitted must meet all the Eligibility Criteria outlined in Chapter 3 of the SIF Governance Document in order to be considered for SIF Funding. There are twelve Eligibility Criteria which must be evidenced within an Application. The following table outlines how the scored question categories tie with the Eligibility Criteria outlined in the SIF Governance Document.

Application question category	Eligibility Criteria (Chapter 3 of the SIF Governance Document)
Lead Network (not scored)	None
Animal testing (not scored)	None
International collaboration (not scored)	None
Export licence (not scored)	None
Trusted Research and Innovation (not scored)	None
Solution statement	Eligibility Criterion 1: Projects must address the Innovation Challenges set by Ofgem. Eligibility Criterion 10: Projects must consider the needs of the end customers and outline how these stakeholders have been, or will be, meaningfully engaged in the development and adoption of the innovation.
Portfolio Integration and Strategic Alignment	Eligibility Criterion 1: Projects must address the Innovation Challenges set by Ofgem. Eligibility Criterion 4: Projects must support or, at a minimum, be consistent with the development and growth of competitive markets.

	Eligibility Criterion 9: Projects must clearly demonstrate how they build upon existing or previous innovation initiatives and articulate how they provide additional value or advancement.
Innovation justification	Eligibility Criterion 3: Projects must involve network innovation. Eligibility Criterion 4: Projects must support or, at a minimum, be consistent with the development and growth of competitive markets. Eligibility Criterion 5: Projects must be innovative, novel and/or risky.
Impacts and benefits	Eligibility Criterion 2: Projects must have clearly identified potential to deliver a net benefit to consumers (whomever is paying for the innovation).
Team and resources	Eligibility Criterion 6: Projects must include participation from a range of stakeholders. Eligibility Criterion 10: Projects must consider the needs of the end customers and outline how these stakeholders have been, or will be, meaningfully engaged in the development and adoption of the innovation.
National Energy System Operator Involvement (Not Scored)	Eligibility Criterion 6: Projects must include participation from a range of stakeholders.
National Energy System Operator Involvement Justification (Not Scored)	Eligibility Criterion 6: Projects must include participation from a range of stakeholders.
Project management and delivery	Eligibility Criterion 8: Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner.
Key outputs and dissemination	Eligibility Criterion 11: Projects must demonstrate a clear approach to open data, knowledge sharing, and dissemination of learnings.
Intellectual Property Rights (IPR) procurement, and contracting (not scored)	None
Commercialisation, route to market and business as usual	Eligibility Criterion 4: Projects must support or, at a minimum, be consistent with the development and growth of competitive markets. Eligibility Criterion 12: Projects must provide a clear scalable pathway for deployment demonstrating how the innovation will achieve sustained impact.
Policy, standards and regulations (not scored)	None

Consumer impact and engagement	Eligibility Criterion 2: Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation)³ and/or whole system benefits. Eligibility Criterion 10: Projects must consider the needs of the end customers and outline how these stakeholders have been, or will be, meaningfully engaged in the development and adoption of the innovation.
Value for money	Eligibility Criterion 7: Projects must provide value for money and be costed competitively.

2. Summary of Beta Projects submitted in Cycle 6

Projects submitted to the SIF must follow the SIF Governance Document. All Phases of Application are expected to meet the Innovation Challenge focus areas and, where applicable, any specific scope or Project Partner requirements set out in the Innovation Charter(s).

For the Beta Phase in Cycle 6:

- Applications had to be received by 24th June 2026.
- Projects can last up to five years and can request SIF Funding greater than £650,000. Prospective Beta applicants seeking more than £10,000,000 were required to provide justification to Innovate UK and Ofgem prior to the Cycle closing.
- Projects were required to demonstrate the required level of Compulsory Contribution applicable to the Phase.

Funding Parties have multiple opportunities throughout the year to apply to each Phase (Discovery, Alpha, Beta, and Deployment). Therefore, we anticipate times when some Phases and Innovation Challenges will not receive any Applications.

In Cycle 6, the following Beta Phase Projects Applications were submitted:

Innovation Challenge	No. of Applications received
Round 4 Faster network development	None

Round 4 Greater heat flexibility	None
Round 4 Embedding resilience	None
Round 4 Accelerating toward Net Zero energy networks	1
Round 5 Advance energy transmission and networks	1
Round 5 Dynamic modelling	None
Round 5 High-energy demand point integration	None
Round 5 Consumer-centric grid expansion	1
Round 5 Enhanced system visibility and control	None
Round 5 Green gas	None
Round 5 Whole system optimisation	None
Taskforce Innovation Challenge 1 Industrial and business connection acceleration	1
Taskforce Innovation Challenge 2 Faster build and maintenance	None
Taskforce Innovation Challenge 3 Instant use domestic energy devices	None
Taskforce Innovation Challenge 4 Eliminating energy outages	None
Taskforce Innovation Challenge 5 Decentralised system balancing	None

3. Innovation Challenge: Accelerating toward Net Zero energy networks

3.1 Overview of Projects

This sub-section covers the assessment of Beta Phase Applications received into the 'Accelerating toward net zero energy networks' Innovation Challenge in Cycle 6.

Project reference number	Project name	Funding licensee	Total Project costs (£)	Total Project contribution (£)	Total SIF Funding requested (£)	Recommended by Expert Assessors for funding (Yes/No)	Input from NESO (Yes/No/NA)	Decision by Ofgem for funding (Yes/No)
10205378	DEsign for Live Line Technology Acceleration (DELLTA)	National Grid Electricity Transmission Plc	5,497,141	550,110	4,947,031	Yes	Yes	Yes

3.2 Expert Assessors' recommendations on Projects

3.2.1 Project 10205378 - DEsign for Live Line Technology Acceleration (DELLTA)

Submitted Project description

Based upon Alpha-phase findings, the project will further develop live working (LW) technologies, safety documents, procedures and training for business-as-usual adoption through demonstration on live network. LW reduces the need for planned/unplanned outages, supports timely maintenance before failures occur, freeing outages for new connections and system improvements. It will enable different live maintenance activities including insulator/fittings replacement. Assessment and integration of different LW technologies in new/existing assets to manage safety distance and live asset health-monitoring, including Portable-Protective-Air-Gap and robotic electric-field sensing-technology, will help to improve system access. Stakeholders will be engaged to have informed asset investments in T3/T4 and beyond.

Eligibility Criteria	Expert Assessor Average Score
1: Projects must address the Innovation Challenge set by Ofgem.	4
2: Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation) and/or a whole system benefits.	4
3: Projects must involve network innovation.	5
4: Projects must support, at a minimum, be consistent with the development and growth of competitive markets.	4
5: Projects must be innovative, novel and/or risky.	4
6: Projects must include participation from a range of stakeholders.	4

7: Projects must provide value for money and be costed competitively.	4
8: Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner.	3
9: Projects must clearly demonstrate how they build upon existing or previous innovative work and articulate how they provide additional value or advancement.	4
10: Projects must consider the needs of the end customers and outline how these stakeholders have been, or will be, meaningfully engaged in the development and adoption of the innovation.	4
11: Projects must demonstrate a clear approach to open data, knowledge sharing, and dissemination of learnings.	4
12: Projects must provide a clear scalable pathway for deployment demonstrating how the innovation will achieve sustained impact.	4

Recommendation to the Office of Gas and Electricity Markets (Ofgem): Fund

The Expert Assessors agree that this Project has met the Eligibility Criteria and recommend this Application for funding.

The Project addresses the Innovation Challenge by focusing on an opportunity to improve the efficiency of system operation, reducing outage constraints costs and increasing the options for delivering network tasks. This will enable activities to be undertaken when they otherwise would not be, or to reduce planned outage costs. The Application clearly articulates that significant impact can be made through reduced faults and disruption from improved methods during outages as well as avoiding outages. There is clear alignment with the Innovation Challenge through accelerating maintenance activity and lowering whole life costs. The Expert Assessors agree Eligibility Criterion 1 is met.

The Project has identified potential to deliver a net benefit to electricity consumers through avoided cost due to avoidance of deferred maintenance on critical lines. The Expert Assessors considered the assumptions as reasonable, and the sensitivity analysis shows the strength of the benefit case even with a reduced rate of success. The Application shows a pathway to deployment within the Lead Network's price control plan as well as providing input to future price controls, which gives clear potential benefit and a strong, achievable timeline. The Expert Assessors agree Eligibility Criterion 2 is met.

The Project is considered to involve network innovation as it seeks to address constrained network operation through novel approaches to live working. The Project clearly concerns transmission network maintenance, access, condition monitoring, overvoltage management, and operational policies. The innovation developed in this Project will be demonstrated on a live network. The Expert Assessors agree Eligibility Criterion 3 is met.

The Project is considered to support the development of competitive markets as the outputs will be shared and some of the networks are involved directly in the Project. There is minimal risk that the technologies could be differently adopted or that this would cause market distortion. The Expert Assessors agree Eligibility Criterion 4 is met.

The Project is considered innovative, novel and/or risky because the use of such live line techniques cannot be part of standard operations as they have not yet been proven. The novel robotic or remote sensing solutions to enable live line work without risks to safety of personnel are not widely used today. The Project also contains genuine personnel safety, technical integration and regulatory risks. The final solutions are not currently certain, but the pathways to development and application are based on research and capability from previous work and bringing in external capability. The Expert Assessors agree Eligibility Criterion 5 is met.

The Project is considered to include participation from a sufficient range of stakeholders because it brings together a range of stakeholders, with a well-balanced technical team. The Expert Assessors supported the inclusion of a

technical stakeholder working group that extended beyond Great Britain, noting a specific package to develop the learning across the participants and wider organisations. The Expert Assessors commented that it is critical the Project stay informed about technical advancements in robotics. The Expert Assessors agree Eligibility Criterion 6 is met.

The Project is considered to represent value for money and be costed competitively because the Application provides a clear breakdown of Project costs across the consortium and presents a positive Cost-Benefit Analysis demonstrating the potential for significant consumer and whole-system benefits if the technology is successfully deployed. The Expert Assessors were confident that there is a genuine focus on safe working practices to improve effectiveness of transmission maintenance, and that the Project will take forward these aspirations. The Expert Assessors agree Eligibility Criterion 7 is met.

The Project is considered to have a robust methodology capable of progressing in a timely manner as it has been carefully structured with clearly defined work packages covering technology development, laboratory validation, live network demonstration and dissemination. The Expert Assessors considered that the overall pathway is logical and reflective of an appropriate progression towards operational deployment, with responsibilities for delivery clearly assigned to Project Partners and subcontractors. The Expert Assessors agree Eligibility Criterion 8 is met.

The Project is considered to have clearly demonstrated how it builds on previous or existing innovative work through describing how the findings and outputs of the Alpha Phase Project and previous awareness and technology developed under Network Innovation Allowance funding have paired with academic and industrial developments internationally. The descriptions also give the benefit of the direction being taken. For instance, the discussion between drone and crawler technology shows awareness of the current state of the art and the need of the networks. The Project has articulated how it will engage with relevant parties on the road to deployment including the delivery team, planning team, in training, and the risk and safety assessments and policies. Although the detail of this engagement is high level currently and will need developing alongside the

technical and delivery teams to ensure the right people are involved at all stages, on balance, the Expert Assessors considered Eligibility Criteria 9 is met. The Project is considered to have considered the needs of the end consumer through as consideration has been given to the needs of those who will ultimately operate and implement the proposed technology such as the Lead Network operational, safety, outage planning and asset management teams. The Expert Assessors considered that the involvement of senior management supports the exploitation, as there may be additional budgetary requirements depending on the development of the training and the final technology options. The Expert Assessors agree Eligibility Criterion 10 is met.

The Project is considered to have demonstrated a clear approach to open data, knowledge sharing, and dissemination of learnings because it will produce industrial publications and potentially publications for conference, as well as hold the stakeholder Show and Tell. The delivery to other Transmission Operators and Distribution Network Operators is included at a high level and states that all information will be shared on request. The engagement of a technical steering group is a good development to promote the wider adoption of the learning by other network operators. The Expert Assessors noted that it was positive to see intention for international engagement however, given the nature of the Project, it could be expected that further outreach and education could be strengthened through giving greater clarity regarding the publication of technical outputs. Open access to Project learning and long-term dissemination arrangements would have increased confidence that the Project will maximise wider industry benefit. On balance, the Expert Assessors considered Eligibility Criterion 11 to be met.

The Project is considered to have provided a clear, scalable pathway for deployment because the Application explained the route with reference to the relevant planning and delivery teams in the Lead Network's structure. The training and development of the safety case and policy is also part of the Project ahead of deployment. The key teams are integrated into the Project via the senior leaders. Some scalability for the technology development has been considered, particularly the Portable Protective Air Gap route. Consideration to the commercial future with procurement pathways and adoption across other

network operators is discussed at a relatively strategic level. Additional detail regarding long-term ownership, procurement arrangements and industry-wide implementation would have further strengthened confidence in the scalability of the proposed solution but, on balance, the Expert Assessors agree Eligibility Criterion 12 is met.

Review from National Energy System Operator (NESO)

NESO was not asked to Project Partner but reviewed the Application to determine whether partnering would be appropriate and decided against partnering.

Decision from the Office of Gas and Electricity Markets (Ofgem): Fund

Ofgem agrees with the Expert Assessors and approves this Project for funding.

Recommended Project-specific conditions

Ahead of the first quarterly review meeting, the Project must report on its technical approach and confirm that it is sufficiently agile to deal with changes in working practices and technologies.

The technical engagement panel should consider robotics and live line management working in parallel. The Project should consider the merits of having a separate robotics only technical engagement panel and report to the monitoring team on this option at the first quarterly review meeting.

The Project must demonstrate after year one how it is going beyond Energy Network Association working groups to channel learnings with all Transmission Operators and Distribution Network Operators.

The Project must work with the monitoring team to devise a reporting framework for safety incidents and any related supply interruptions in the course of delivery to ensure any incidents or accidents are passed on to Ofgem.

4. Innovation Challenge: Advance energy transmission and networks

4.1 Overview of Projects

This sub-section covers the assessment of Beta Phase Applications received into the 'Advance energy transmission and networks' Innovation Challenge in Cycle 6.

Project reference number	Project name	Funding licensee	Total Project costs (£)	Total Project contribution (£)	Total SIF Funding requested (£)	Recommended by Expert Assessors for funding (Yes/No)	Input from NESO (Yes/No/NA)	Decision by Ofgem for funding (Yes/No)
10205384	SC-ADVANCE - Superconducting AC Demo & Validation for Accelerated Network Capability Expansion	National Grid Electricity Transmission Plc	14,253,640	4,713,352	9,540,288	No	Yes	No

4.2 Expert Assessors' recommendations on Projects

4.2.1 Project 10205384 - SC-ADVANCE - SuperConducting AC Demo & Validation for Accelerated Network Capability Expansion

Submitted Project description

This project will design, build, and operate a full-scale 132 kV high-temperature superconducting (HTS) demonstrator to assess the technology's suitability for future transmission-level use. The demonstrator will allow operators to familiarise themselves with HTS equipment, validate key modelling assumptions, and observe system behaviour under realistic conditions. It will also provide a structured baseline for identifying organisational capability gaps; spanning operations, maintenance, safety, and asset management processes. By generating robust technical and organisational learning, the project will lay the foundation for future HTS deployments and support the scaling of the technology to higher-voltage applications.

Eligibility Criteria	Expert Assessor Average Score
1: Projects must address the Innovation Challenge set by Ofgem.	4
2: Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation) and/or a whole system benefits.	3
3: Projects must involve network innovation.	3
4: Projects must support, at a minimum, be consistent with the development and growth of competitive markets.	3
5: Projects must be innovative, novel and/or risky.	4
6: Projects must include participation from a range of stakeholders.	2
7: Projects must provide value for money and be costed competitively.	2

8: Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner.	2
9: Projects must clearly demonstrate how they build upon existing or previous innovative work and articulate how they provide additional value or advancement.	2
10: Projects must consider the needs of the end customers and outline how these stakeholders have been, or will be, meaningfully engaged in the development and adoption of the innovation.	2
11: Projects must demonstrate a clear approach to open data, knowledge sharing, and dissemination of learnings.	3
12: Projects must provide a clear scalable pathway for deployment demonstrating how the innovation will achieve sustained impact.	2

Recommendation to the Office of Gas and Electricity Markets (Ofgem): No Fund

The Expert Assessors agree that this Project has not met the Eligibility Criteria and do not recommend this Application for funding.

The Project addresses the Innovation Challenge because it strongly aligns with demonstration and validation of superconducting transmission technologies to support scalable, high-capacity and low-loss electricity networks. The Expert Assessors agreed that the Project aligns almost perfectly with the Innovation Challenge, with high-power transmission representing a key application for superconducting cables. The Application would have benefited from more detailed evidence on scalability, the extent to which the Project differentiates itself from other initiatives, particularly internationally, and the practical installation challenges associated with this type of system. The Expert Assessors agree Eligibility Criterion 1 is met.

The Project has identified potential to deliver a net benefit to electricity consumers because it presents a credible and well-articulated benefits case, and identifies potential consumer and network value from deployment in constrained urban environments. The benefits of superconducting were well articulated, and the Expert Assessors acknowledged that, while the benefits are likely to be realised over the longer term, the technology could deliver cost savings to consumers.

However, the Expert Assessors also noted that the benefits case heavily relies on the avoidance of tunnelling, which is carried out in congested urban areas where space constraints limit options. The proposal gave limited consideration to the additional costs, operational complexity and uncertainties associated with High-Temperature Superconducting (HTS) technology and the practical challenges around achieving direct installation of fluid-filled cable systems, which would require further validation through future live trials. The Application would have benefited from further evidence on the whole-life costs including constant refrigeration, maintenance, reliability and asset management costs in the benefits case, as well as potential alignment with NESO future planning scenarios. On balance, the Expert Assessors agree Eligibility Criterion 2 is met.

The Project is considered to involve network innovation as it aims to demonstrate novel network assets, notably a HTS cable at 132kV, with the potential to improve network capacity, reduce energy transmission costs in constrained locations, and support Net Zero objectives. The Expert Assessors stated that some aspects of the proposed solution, notably the flexible superconducting cable design and certain system components, could be considered as novel. The Expert Assessors noted that the Project could provide significant experience and learning to inform future network development, reinforcement, and optioneering processes, particularly in situations where conventional cables may not be suitable due to space constraints and demand needs. The Expert Assessors also stated that the innovation case could have been clearer, noting that the core technology had been trialled internationally. On balance, the Expert Assessors agree Eligibility Criterion 3 is met.

The Project is considered to support the development of competitive markets because efforts will be required to share the learning with other potential technology providers and network operators. The Expert Assessors recognised

that trialling the solution with one supplier could potentially impact the competitive market by giving a single provider an advantage. However, this risk was acknowledged by the Project, with competitive tenders being carried out as part of business as usual (BAU). The Expert Assessors also noted that the outputs would be available for all other networks to use in the development of network infrastructure options and that the Project could help reduce specific network constraints and improve the functioning of existing and future markets. Whilst concerns were also raised about the limited involvement of Distribution Network Operators (DNOs) and whether more could be done to stimulate a competitive market upon scaling the solution, on balance the Expert Assessors agree Eligibility Criterion 4 is met.

The Project is considered innovative, novel and/or risky because it aims to generate operational evidence that is currently lacking within the Great British transmission system and is likely to produce technical learning and insights relating to industry standards and policies which would not be taken forward on a live network within price control revenues due to its novelty, cost, complexity and risk. The Expert Assessors noted that a significant proportion of the innovation lies with the system integration, operational readiness and approach to adoption, rather than the HTS technology itself. However, Expert Assessors also noted that the Application seemed to overstate the novelty of individual technical aspects, particularly the 132kV demonstrator, and gave limited consideration to learnings from other international installations. The Application would have benefited from greater consideration of alternative solutions and the technical, commercial and regulatory uncertainties. Overall, the Expert Assessors agreed that the Project is inherently risky given the challenges associated with the installation and operation of these assets and the uncertainty associated with their practical application and agree that Eligibility Criterion 5 is met.

The Project is not considered to include participation from a sufficient range of stakeholders because, although the consortium includes HTS technology specialists, academia and testing, some key gaps were identified. In particular, the Expert Assessors were concerned by the lack of engagement with DNOs, despite the proposed 132kV demonstration and the use of urban areas to support the benefits case. Expert Assessors considered that DNOs, as the potential first

adopters of the solution, should have been more closely engaged during Project development. The Expert Assessors also raised concerns around the level of engagement from the Lead Network, as much of the technical delivery is being undertaken by Project Partners while the role of the Lead Network appeared to be primarily focused on coordination and governance. Concerns were also raised around the lack of representation from the Deeside facility, where the Lead Network seemed to have limited knowledge of progress within the testing facility, as well as the limited evidence of how the Lead Network could develop internal capability as well as progress any required work beyond the Project's conclusion. Although Expert Assessors noted the planned approach to engage with stakeholders through a Technical Advisory Group, they did not consider that the Project demonstrated participation from a sufficient range of stakeholders and agree Eligibility Criterion 6 is not met.

The Project is not considered to represent value for money and be costed competitively because significant further testing and investment would still be required before the technology could progress to BAU and deliver impact to the energy system. Expert Assessors also raised concerns with the balance of costs across Project Partners, calling into question the role of the Lead Network. Further concerns were raised around high labour rates and the lack of detail provided for the significant subcontractor costs. Expert Assessors considered that the overall costs, particularly related to Project management and support costs, seemed disproportionately high relative to the progress the Project is expected to make. The Expert Assessors agree Eligibility Criterion 7 is not met.

The Project is not considered to have a robust methodology capable of progressing in a timely manner as the risks had not been sufficiently considered as part of Project planning and decision making, particularly the dependency on the availability of the Deeside testing facility. While this was identified as a Project risk, it was not incorporated into the proposed stage gates. Although alternative testing facilities were identified, Expert Assessors were not confident that these could be used without impacting delivery timescales. the Expert Assessors stated that it was not clear how the stage gates would operate as go/no go decision points, what metrics would be used to support these decisions, and how risks would be managed if a stage gate was not passed. Some concerns were also raised

around the Lead Network's oversight of the Project, with limited evidence of a clear understanding of key dependencies and delivery risks. There were also concerns regarding the capability to manufacture and deploy the solution within the proposed timescales. The Expert Assessors agree Eligibility Criterion 8 is not met.

The Project is not considered to have clearly demonstrated how it builds on previous or existing innovative work because the Application provided limited justification of the additional value it delivers beyond previous work and international HTS demonstrations and did not clearly differentiate the knowledge to be generated from that already available elsewhere. Expert Assessors noted that relevant outcomes and learnings from previous SIF, NIA and international Projects were not sufficiently evidenced to fully justify the trial and show how the targeted learning builds on knowledge developed elsewhere. The Expert Assessors had little confidence that there was sufficient evidence to support Beta Phase progression, as the Project appeared to focus on testing the solution itself, rather than generating the incremental evidence expected to facilitate deployment. It was also noted that a further live network trial would still be required before progression to BAU, limiting confidence in the Project's deployment potential. The Expert Assessors agree Eligibility Criterion 9 is not met.

The Project is not considered to have considered the needs of the end consumer as the proposed consumer engagement activities were primarily focused on dissemination rather than involvement in the development and adoption of the innovation. The Expert Assessors recognised that the Application identified several potential consumer benefits but considered that a more robust engagement strategy with relevant stakeholder groups and consumer representatives would have provided evidence of a deeper understanding of customer needs, preferences and acceptability. Expert Assessors noted the lack of engagement with DNOs, despite the proposed 132kV application, where the solution could provide capacity advantages and could offer an early route to market. There was also limited evidence that the networks expected to deploy and operate the technology had been sufficiently involved in the Project. The Expert Assessors agree Eligibility Criterion 10 is not met.

The Project is considered to have demonstrated a clear approach to open data, knowledge sharing, and dissemination of learnings because it describes a well-articulated dissemination strategy involving targeted industry engagement through a Technical Advisory Group, conference publications, workshops, and wider stakeholder engagement activities. The Expert Assessors recognised the clear commitment to sharing learning, supported by the involvement of academic partners. Expert Assessors also noted that more detail on the proposed Technical Advisory Group, including how it would be established and who would participate, would have provided more confidence in the approach. The Application would have also benefited from engagement with a wider group of stakeholders, including other network operators, to support operational learning. On balance, the Expert Assessors agree Eligibility Criterion 11 is met.

The Project is not considered to have provided a clear, scalable pathway for deployment as it did not provide sufficient evidence of a credible route to BAU adoption beyond the proposed Beta Phase. Although a roadmap from an offline demonstrator to future live deployment was presented, Expert Assessors noted that a further live network trial would still be required following completion of the Project, meaning key commercial, operational, regulatory and ownership considerations would remain unresolved. The Expert Assessors also stated that the Project articulated a pathway towards type validation but did not demonstrate a scalable pathway to wider production, deployment or adoption. The Application also gave limited consideration to the wider uptake of the technology by other Licensees, and they considered that wider involvement from other network operators, particularly at the distribution level, would have strengthened confidence in future uptake and sustained impact. The Expert Assessors agree Eligibility Criterion 12 is not met.

Review from National Energy System Operator (NESO)

NESO was not asked to Project Partner, but reviewed the Application to determine whether partnering would be appropriate and decided against partnering.

Decision from the Office of Gas and Electricity Markets (Ofgem): No Fund

Ofgem agrees with the Expert Assessors and does not approve this Project for funding as it does not meet Eligibility Criteria 6, 7, 8, 9, 10 and 12.

The Project does not meet Eligibility Criterion 6 as it does not include participation from a sufficient range of stakeholders due to the lack of engagement with DNOs, who would be the potential first adopters of the solution at 132kV and given the focus on constrained urban areas. There was also a lack of representation from the Deeside facility and insufficient evidence that the Lead Network had enough knowledge and awareness of this facility.

The Project does not meet Eligibility Criterion 7 as it does not represent value for money as costs are high relative to the progress expected to be made in Beta Phase as significant further testing and investment will still be required after the conclusion of the Project.

The Project does not meet Eligibility Criterion 8 as risks to the Project, particularly the availability of the Deeside facility, had not been sufficiently considered and it was also not clear how proposed stage gates would operate. Therefore, the Project does not have a robust methodology, nor is it capable of progressing in a timely manner.

The Project does not meet Eligibility Criterion 9 as there was limited evidence of how it builds on previous or existing innovative work, such as international HTS demonstrations.

The Project does not meet Eligibility Criterion 10 as it has not considered the needs of the end consumer, as there was limited evidence of stakeholders expected to deploy the technology being involved in the development and adoption of the innovation.

The Project does not meet Eligibility Criterion 12 as a further live network trial would still be required upon completion of the Project and did not provide a clear, scalable pathway for deployment.

Recommended Project-specific conditions

N/A

5. Innovation Challenge: Consumer-centric grid expansion

5.1 Overview of Projects

This sub-section covers the assessment of Beta Phase Applications received into the 'Consumer-centric grid expansion' Innovation Challenge in Cycle 6.

Project reference number	Project name	Funding licensee	Total Project costs (£)	Total Project contribution (£)	Total SIF Funding requested (£)	Recommended by Expert Assessors for funding (Yes/No)	Input from NESO (Yes/No/NA)	Decision by Ofgem for funding (Yes/No)
10205981	Net Zero Terrace	Electricity North West Ltd	7,987,073	798,708	7,188,365	Yes	Yes	Yes

5.2 Expert Assessors' recommendations on Projects

5.2.1 Project 10205981 – Net Zero Terrace

Submitted Project description

Net Zero Terrace will demonstrate a new, equitable, scalable approach to decarbonising mixed tenure terraced streets through coordinated, community scale delivery. Building on earlier innovation funded Projects, Net Zero Terrace Beta will build and trial an integrated Smart Local Energy System that connects homes, shared energy assets, and the electricity network. The Project will validate how digital coordination, fair control strategies, and community scale heat and energy solutions can reduce costs for communities, improve affordability of LCTs, and minimise grid reinforcement. The final solution will become a toolkit for community energy partnerships to adopt and roll out across GB.

Eligibility Criteria	Expert Assessor Average Score
1: Projects must address the Innovation Challenge set by Ofgem.	4
2: Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation) and/or a whole system benefits.	3
3: Projects must involve network innovation.	3
4: Projects must support, at a minimum, be consistent with the development and growth of competitive markets.	3
5: Projects must be innovative, novel and/or risky.	3
6: Projects must include participation from a range of stakeholders.	4
7: Projects must provide value for money and be costed competitively.	3

8: Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner.	4
9: Projects must clearly demonstrate how they build upon existing or previous innovative work and articulate how they provide additional value or advancement.	4
10: Projects must consider the needs of the end customers and outline how these stakeholders have been, or will be, meaningfully engaged in the development and adoption of the innovation.	3
11: Projects must demonstrate a clear approach to open data, knowledge sharing, and dissemination of learnings.	3
12: Projects must provide a clear scalable pathway for deployment demonstrating how the innovation will achieve sustained impact.	3

Recommendation to the Office of Gas and Electricity Markets (Ofgem): Fund

The Expert Assessors agree that this Project has met the Eligibility Criteria and recommend this Application for funding.

The Project addresses the Innovation Challenge because it presents a clear and well-articulated consumer-centric solution for hard-to-decarbonise terrace homes that aims to reduce electricity demand and the need for grid reinforcement through a community heat pump model, while supporting public acceptance of low-carbon infrastructure. Although the Expert Assessors noted that stronger detail on community engagement and the application of previous learning would have further strengthened the Project proposal, they agree Eligibility Criterion 1 is met.

The Project has identified potential to deliver a net benefit to electricity and gas consumers because it demonstrates how a community-based approach could help decarbonise hard-to-treat homes, improve comfort for consumers - particularly those in vulnerable circumstances - and avoid grid reinforcement.

The Expert Assessors expressed reservations about the scalability of the model, the strength of the cost-benefit case, and the extent to which benefits would extend beyond the limited pilot deployment but, on balance, they agree Eligibility Criterion 2 is met.

The Project is considered to involve network innovation as it adopts a novel community-based approach to decarbonisation that combines collaborative delivery, community cluster network effects, and shared low-carbon heating solutions to optimise network performance, reduce reinforcement costs, and generate real-world evidence of how coordinated community flexibility can support Net Zero objectives. The Expert Assessors highlighted that the strategic network benefits and alignment with Distribution Network Operator (DNO) priorities could have been articulated more strongly but, on balance, they agree Eligibility Criterion 3 is met.

The Project is considered to support the development of competitive markets because it uses a technology agnostic, collaborative approach that seeks to unlock access to low-carbon technologies for hard-to-reach terraced households. This will generate evidence on the viability of a new community flexibility model and includes appropriate safeguards against market distortion. The Expert Assessors agree Eligibility Criterion 4 is met.

The Project is considered innovative, novel and/or risky because it seeks to develop and demonstrate a novel, coordinated community-based model for decarbonising hard-to-treat terraced homes through the integration of technical, commercial, governance and engagement approaches. This would generate valuable learning in a challenging and underserved market segment, while carrying significant delivery and customer acceptance risks associated with shared heating solutions, complex stakeholder coordination, and the need to maintain consumer trust. Although the Expert Assessors noted that the innovation case, additionality and risk mitigation arrangements could have been more clearly articulated, they agree Eligibility Criterion 5 is met.

The Project is considered to include participation from a sufficient range of stakeholders as it involves a range of Project Partners with appropriate expertise

across networks, a local authority, and community groups, and the consortium have worked together on previous Phases of the Project. The Expert Assessors agree Eligibility Criterion 6 is met.

The Project is considered to represent value for money and be costed competitively as it presents generally reasonable and appropriately justified costs for a complex four-year demonstration involving key Project Partners and community stakeholders, with labour rates largely aligned to the skills required, while offering the potential to generate valuable evidence for decarbonising hard-to-treat homes. Expert Assessors raised concerns regarding the clarity of additionality alongside Warm Homes funding, and the justification for some higher cost consultancy inputs but, on balance, they agree Eligibility Criterion 7 is met.

The Project is considered to have a robust methodology capable of progressing in a timely manner with a well-structured and mature programme management approach including clear workstreams, defined dependencies, collaboration across Project Partners, and appropriate stage gated delivery. This is supported by a credible Project schedule. The Expert Assessors noted that further detail on contingency planning, consumer engagement risks, protection for participating households, and resilience to delays in key Project dependencies would have strengthened confidence in delivery but, on balance, they agree Eligibility Criterion 8 is met.

The Project is considered to have clearly demonstrated how it builds on previous or existing innovative work by comprehensively outlining how it fits with previous innovations such as Fairer Warmth and Crowdflex. The Application also identifies where it might generate evidence that could support wider policy areas such as energy performance certificates. The Expert Assessors agree Eligibility Criterion 9 is met.

The Project is considered to have considered the needs of the end consumer by placing customer and community engagement at the heart of delivery through dedicated resources, tailored engagement channels, and the use of trusted local champions. The Project will build on evidence from earlier Phases to address the

decarbonisation needs of hard-to-treat terraced homes and ensure vulnerable customers can participate and benefit, although the Expert Assessors noted that the ultimate effectiveness of the proposed heating solution will only be proven through trial, and that additional detail on the target customer demographics would have further strengthened the case. On balance, the Expert Assessors agree Eligibility Criterion 10 is met.

The Project is considered to have demonstrated a clear approach to open data, knowledge sharing, and dissemination of learnings because it sets out a structured programme of dissemination activities across work packages, assigns clear responsibilities to Project Partners for engaging different stakeholder groups, and promotes the sharing of learning throughout the Project via participating network operators and wider stakeholders, thereby maximising the reach and impact of Project outcomes. Expert Assessors noted that the approach would have been strengthened by more explicit detail on open data arrangements, dissemination routes and activities, and how learning from previous Phases would be leveraged to support public acceptance and wider sector adoption. On balance, the Expert Assessors agree Eligibility Criterion 11 is met.

The Project is considered to have provided a clear, scalable pathway for deployment as it includes dedicated work to develop future commercial and deployment models, is supported by the active involvement of three DNOs to facilitate wider sector adoption and seeks to generate the evidence required to assess scalability across hard-to-decarbonise terraced homes. Expert Assessors noted some uncertainty around the long-term replicability and competitiveness of the approach given its reliance on grant funding and intensive coordination. The Expert Assessors also noted that greater clarity was needed on how deployment would be sustained beyond the Beta Phase, how the model would address varying local circumstances, how the assumption based in the deployment strategy could be better driven by the Project, and how participating DNOs would embed and apply Project learnings within their long-term strategic objectives but, overall, they agree Eligibility Criterion 12 is met.

Review from National Energy System Operator (NESO)

NESO was not asked to Project Partner, but reviewed the Application to determine whether partnering would be appropriate and decided against partnering.

Decision from the Office of Gas and Electricity Markets (Ofgem): Fund

Ofgem agrees with the Expert Assessors and approves this Project for funding.

Recommended Project-specific conditions

At its first anniversary, the Project shall produce a new CBA which should specifically review the use of electric boilers as the counter factual heating system.

On a six-monthly basis (at every other quarterly review meeting, starting with review meeting 02), the Project must present to the monitoring team a summary of its current learning on what is working or not working in relation to community-based approaches.

The Project shall create a working group or utilise an existing working group or communication structure to create a local authority community of learning relating to insights on the community-based approaches being trialled in the Net Zero Terrace Project. The Project shall present a plan for this to the monitoring team at the first quarterly review meeting.

The Project shall create a working group or utilise an existing working group or communication structure to share learning on the interface with Net Zero Terrace and the DSO control room to include sharing of learning with Ofgem and DESNZ. The Project shall present a plan for this to the monitoring team at the first quarterly review meeting.

At the kick-off meeting, the Project shall present to the monitoring team a set of KPIs that it will use to monitor the uptake of the Net Zero Terrace measures as part of the demonstrator. The KPIs shall be set to ensure that there are enough of the right participants in the demonstrator to ensure that the Project fully

demonstrates statistical significance in findings and proves learnings for both the operation of the physical and digital infrastructure and makes a viable case for DNOs, including alignment with DNO priorities.

On a six-monthly basis (at every other quarterly review meeting, starting with meeting 03) the Project must present how it is engaging with the Energy Digitalisation Framework (or equivalent frameworks if it ceases to exist). The Project shall specifically share its learnings on the design of the Net Zero Terrace digital interface and its use by vulnerable customers. It shall present its intermediate findings from previous funding stages at the beginning of the Project, again at the Project mid-point and finally as part of the end-of-phase dissemination. The exact timing and mechanism for disseminating these learnings can be agreed with the monitoring team.

At the kick off meeting, the Project must present to the Monitoring Team an update on its approach to contingency planning, consumer engagement risks, protection for participating households, and resilience to delays in key Project dependencies.

Within a month of the formal Project kick-off meeting, the Project shall commit to a further introductory meeting with Ofgem Policy and Engineering Leads who wish to stay involved in the Project, to answer questions and agree an appropriate route to ongoing engagement throughout the Project lifespan.

6. Innovation Challenge: Industrial and business connection acceleration

6.1 Overview of Projects

This sub-section covers the assessment of Beta Phase Applications received into the 'Industrial and business connection acceleration' Innovation Challenge in Cycle 6.

Project reference number	Project name	Funding licensee	Total Project costs (£)	Total Project contribution (£)	Total SIF Funding requested (£)	Recommended by Expert Assessors for funding (Yes/No)	Input from NESO (Yes/No/NA)	Decision by Ofgem for funding (Yes/No)
10205352	FastTrack	Southern Electric Power Distribution Plc	6,142,272	614,228	5,528,044	No	Yes	No

6.2 Expert Assessors' recommendations on Projects

6.2.1 Project 10205352 – FastTrack

Submitted Project description

FastTrack supports DNO decision-making by helping networks assess the risks, costs and constraints of offering customers earlier access before reinforcement is completed. It is a step-change in managing uncertainty in connection queues and supports risk-based, transparent, and consistent decision-making processes, aiming to bridge the gap between flexible access and traditional reinforcement planning. Its difference lies in turning uncertain connection queues into practical early-access decisions. This supports faster connections for businesses, low-carbon projects and essential services. Strategically, FastTrack supports Ofgem's build-and-flex approach, improves confidence in connections reform, and provides a scalable route to faster, lower-cost electrification and decarbonisation.

Eligibility Criteria	Expert Assessor Average Score
1: Projects must address the Innovation Challenge set by Ofgem.	4
2: Projects must have clearly identified potential to deliver a net benefit to gas or electricity consumers (whomever is paying for the innovation) and/or a whole system benefits.	4
3: Projects must involve network innovation.	4
4: Projects must support, at a minimum, be consistent with the development and growth of competitive markets.	2
5: Projects must be innovative, novel and/or risky.	2
6: Projects must include participation from a range of stakeholders.	4
7: Projects must provide value for money and be costed competitively.	2

8: Projects must be well thought through and have a robust methodology so that they are capable of progressing in a timely manner.	4
9: Projects must clearly demonstrate how they build upon existing or previous innovative work and articulate how they provide additional value or advancement.	2
10: Projects must consider the needs of the end customers and outline how these stakeholders have been, or will be, meaningfully engaged in the development and adoption of the innovation.	2
11: Projects must demonstrate a clear approach to open data, knowledge sharing, and dissemination of learnings.	3
12: Projects must provide a clear scalable pathway for deployment demonstrating how the innovation will achieve sustained impact.	4

Recommendation to the Office of Gas and Electricity Markets (Ofgem): No Fund

The Expert Assessors agree that this Project has not met the Eligibility Criteria and do not recommend this Application for funding.

The Project addresses the Innovation Challenge because it focuses on accelerating industrial and business connections and presents a clear problem statement on improving connection queue management and network planning. The Project provided reasonable evidence that its forecasting approach could support acceleration of these connections by supporting network planners to assess available capacity. It aligns well with current industry challenges and addresses a genuine, well-articulated gap in network planning. Although the Project could have benefited from further detail on its ability to unlock additional capacity, as well as more justification of the anticipated impacts, on balance the Expert Assessors agreed Eligibility Criterion 1 is met.

The Project has identified potential to deliver a net benefit to electricity consumers through improved connection processes, better utilisation of existing network capacity and potentially by reducing reinforcement requirements. During the interview, the Expert Assessors gained confidence in how the tool could provide additional value and deliver positive impacts beyond business as usual (BAU) approaches, by helping network planners assess the likelihood of connections progressing and identifying opportunities to connect customers earlier. The proposal would have benefited from further evidence to support the claimed benefits, such as accelerated connections, consumer savings and avoided reinforcement costs rely on assumptions around adoption, planner behaviour, and future decision-making processes that were not fully evidenced. The Expert Assessors also stated that many assumptions within the CBA required further validation, including those related to distribution-connected battery energy storage system and data centres. Although the benefits case was considered credible and the interview provided greater confidence that positive impacts could be delivered, stronger evidence would be needed to support the scale and certainty of the forecast consumer and whole-system benefits. On balance, the Expert Assessors agree Eligibility Criterion 2 is met.

The Project is considered to involve network innovation because it intends to deliver an AI-based decision-support tool to facilitate network and system operation. The Project aims to validate a risk-based, probabilistic approach to connection planning that could improve network utilisation, customer outcomes, and the services and products provided by Licensees for consumers in line with Net Zero ambitions. The Expert Assessors noted the potential value of applying probabilistic forecasting to improve visibility of available network capacity and provide planners with greater confidence in connection decisions and to identify opportunities for earlier connections. The Expert Assessors highlighted that the spread of work within the Application appeared more focussed on deployment type activities and the Application would have also benefited from further evidence to support claims around reductions in reinforcement requirements and accelerated connections. On balance, the Expert Assessors agree Eligibility Criterion 3 is met.

The Project is not considered to support the development of competitive markets as it was unclear how fair access to the solution would be maintained beyond the Project, and concerns were raised around competition within the software supply market for Distribution Network Operators (DNOs). Although the Project presented a reasonable case for supporting competition through greater transparency in connection planning activities, concerns were raised around the commercialisation model, licensing arrangements and ownership of intellectual property. Expert Assessors noted that the proposed approach to roll out a common product across DNOs could result in reliance on a single supplier, creating a risk of market distortion. Although the tool may be transferable between network operators, there was insufficient clarity on how competing suppliers could maintain, develop or enhance the solution, or how fair access would be maintained across DNOs. The Expert Assessors agree Eligibility Criterion 4 is not met.

The Project is not considered innovative, novel and/or risky because the Beta Phase appeared to focus heavily on deployment, scaling, and integration of a solution that has largely been developed during the Alpha Phase. Although the Expert Assessors recognised the potential value of applying AI-based probabilistic forecasting and simulation techniques to support electricity network and connection planning, these are well-established techniques and it was not sufficiently clear what was unique about the proposed approach beyond its application to DNO planning. Although the Project could generate new learning through deployment across network operations, the Expert Assessors did not believe there would be significant innovation between the Alpha and Beta Phases, with the key risk appearing to relate primarily to scalability, deployment, data integration and organisational adoption rather than technical uncertainty. The response would have benefited from stronger evidence of the novel technical contribution and associated innovation risks. The Expert Assessors agree Eligibility Criterion 5 is not met.

The Project is considered to include participation from a sufficient range of stakeholders as the consortium brings together relevant expertise in network planning, AI development, and cross-DNO validation, with clear roles for SSEN, Faculty and Northern Powergrid. Expert Assessors also noted the Project's

engagement with wider industry stakeholders including other DNOs, NESO, and customer representatives, which provides a reasonable route for collaboration and dissemination. The progress made during the Discovery and Alpha Phases provided assurance that the consortium would work together effectively during the Beta Phase. The Application would have benefited from more detail around how some of these stakeholder relationships would materialise in practice, including governance arrangements, stakeholder commitments, and the specific roles of wider participants but, on balance, the Expert Assessors agree Eligibility Criterion 6 is met.

The Project is not considered to represent value for money or to be costed competitively because the requested funding appears disproportionately high relative to the proposed scope of work and the stage of development reached during the Alpha Phase. The Expert Assessors noted that a significant proportion of the Beta Phase focuses on deployment, integration and validation of an existing proof of concept, rather than the development of new solution capabilities. There was insufficient evidence to demonstrate why the level of resource proposed was necessary to deliver the Project, where resource allocations for some roles appeared high relative to the Project duration. The Expert Assessors therefore agreed that Eligibility Criterion 7 is not met.

The Project is considered to have a robust methodology capable of progressing in a timely manner because it represents a logical, well-structured Project management approach, with clearly defined governance arrangements, work packages, delivery dependencies and stage gates to de-risk the Project and provide confidence that it can be delivered in a controlled and timely manner. The proposal would have benefited from more detail around decision-making responsibilities and contingency actions should key milestones not be achieved. Additionally, while key delivery risks were identified, some mitigation strategies did not fully address potential challenges associated with AI model performance, live data integration, and reliance on a single delivery Project Partner for the core technology. On balance, the Expert Assessors agree Eligibility Criterion 8 is met.

The Project is not considered to have clearly demonstrated how it builds on previous or existing innovative work as there was limited evidence that the proposed Beta activities represent a significant advancement beyond the innovation already developed in previous Phases. The Expert Assessors noted that many of the activities proposed for the Beta Phase were primarily focused on deployment, stating that the core innovation had largely been demonstrated in Alpha, with limited justification for why these activities could not be undertaken as BAU activity. Expert Assessors therefore did not consider the Project to be delivering significant additional innovation and questioned why further SIF innovation funding was required. Concerns were also raised that progressing through an additional innovation Phase could delay adoption of a solution that appeared to be ready for deployment. The Expert Assessors agree Eligibility Criterion 9 is not met.

The Project is not considered to have considered the needs of the end consumer because the proposed engagement approach focuses mostly on internal stakeholders, while engagement with end customers is described only at a very high level. Although the Application demonstrates that the Project has considered the needs of commercial and industrial connection applicants who may benefit from faster and more transparent connection processes, limited detail is provided around the participants, methodology, or how customer feedback will influence the development of the tool. Expert Assessors noted that the Project seems primarily designed as an internal efficiency improvement tool, and concerns were raised around the solution being developed largely using internal data, with little evidence that customer needs and wider stakeholder perspectives had informed development. The proposal would have benefited from a more structured and evidence-based engagement plan, with clearer commitments and mechanisms for taking customer feedback into account. The Expert Assessors agree Eligibility Criterion 10 is not met.

The Project is considered to have demonstrated a clear approach to open data, knowledge sharing, and dissemination of learnings by presenting a well-structured dissemination strategy with clearly identified technical outputs, stakeholder engagement activities and routes for sharing learning across the electricity sector. The Project includes plans to engage with other DNOs, NESO,

Department for Energy Security and Net Zero, Ofgem, UK Research and Innovation, and industrial and commercial customers through Energy Network Association working groups, alongside the publication of technical documentation, white papers and Project newsletters. This demonstrates a commitment to sharing learning, promoting wider adoption and reducing duplication across the sector. The Application would have benefited from more detail on how technical knowledge, models and supporting datasets will be made openly accessible beyond the minimum SIF reporting requirements. Additionally, further detail on the availability of technical artefacts, implementation guidance, consideration of potential barriers for different deployment scenarios, and open documentation would have provided greater confidence that the Project will maximise learning and value across the wider sector. On balance, the Expert Assessors agree Eligibility Criterion 11 is met.

The Project is considered to have provided a clear, scalable pathway for deployment by clearly articulating how the solution could be transitioned into BAU deployment and scaled across other DNOs. Expert Assessors noted the consideration given to identification of operational owners, BAU readiness criteria and knowledge transfer, which provided a credible path for future deployment within the Lead Network. However, there was some lack of clarity around the evidence supporting long-term deployment and sustained sector-wide impact. Although there was some consideration around rollout beyond the lead network and adoption by other DNOs, these came across as somewhat aspirational and were not supported by firm commitments or a detailed implementation strategy. The proposal would have also benefited from more detail on how the solution will be maintained, governed, and further developed beyond the Beta Phase, and how organisational adoption challenges would be overcome. Overall, the Expert Assessors considered there to be sufficient evidence for Eligibility Criterion 12 to be met.

Review from National Energy System Operator (NESO)

NESO was not asked to Project Partner but reviewed the Application to determine whether partnering would be appropriate and decided against partnering.

Decision from the Office of Gas and Electricity Markets (Ofgem): No Fund

Ofgem agrees with the Expert Assessors and does not approve this Project for funding as it does not meet Eligibility Criteria 4, 5, 7, 9 and 10.

The Project does not meet Eligibility Criterion 4 as there was insufficient clarity on how competing suppliers could maintain, develop or enhance the solution, or how fair access would be maintained across DNOs and a possible risk of market distortion, therefore the Project does not support the development of competitive markets.

The Project does not meet Eligibility Criterion 5 as it is not innovative, novel or risky as the spread of activities within the Application focuses heavily on deployment and scaling of a solution that has been developed in the previous Alpha Phase, rather than substantial further innovation and technical novelty within the Beta Phase.

The Project does not meet Eligibility Criterion 7 as it does not represent value for money as there was insufficient evidence and justification to demonstrate why the level of resource proposed was necessary to deliver the Project.

The Project does not meet Eligibility Criterion 9 as it does not demonstrate how it builds on previous or existing innovative work as there was limited evidence the proposed Beta Phase represented significant innovation and advancement beyond what had already been developed in previous Phases.

The Project does not meet Eligibility Criterion 10 as it has not considered the needs of the end consumer as there was limited evidence of how the views of end customers would influence the development of the tool.

Recommended Project-specific conditions

N/A