Making a positive difference
for energy consumers

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Date: 29th September 2026

Dear National Grid Electricity Transmission Plc,

Strategic Innovation Fund – Approval of the Material Change request for NGET/PROMUPS

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

On 27th April 2026, National Grid Electricity Transmission Plc was awarded SIF Funding for PROMUPS – PRObabilistic Methods for Uncertainty in Power Systems (the Project).[2] Further to this decision, Ofgem[3] issued a SIF Project Direction.[4]

On 28th September 2026, National Grid Electricity Transmission Plc submitted a Material Change request for the Project to the Authority. The Material Change request was submitted due to:

- Time extension

[11]https://www.ofgem.gov.uk/sites/default/files/2026-06/ED2%20SIF%20Governance.pdf
[2] Strategic Innovation Fund: Cycle 5 projects funding decisions | Ofgem
[3] The terms the "Authority", "Ofgem", "we" and "us" are used interchangeably in this document. The Authority refers to the Gas and Electricity Markets Authority. Ofgem is the Office of the Gas and Electricity Markets Authority.
[4] Strategic Innovation Fund: Cycle 5 projects funding decisions | Ofgem

Ofgem's review

As set out in chapter 1 of the SIF Governance Document, Ofgem is the decision-maker in the SIF. Furthermore, as set out in chapter 8, Ofgem will consider Material Changes in circumstances and requests to change SIF Project Directions on a case by case, and will engage with monitoring officers on Projects to support the assessment of Material Change requests.

Ofgem has reviewed this Material Change requested submitted by National Grid Electricity Transmission Plc and has engaged with the Monitoring Officer on the Project. Ofgem has reviewed the reasoning for the Material Change submitted by National Grid Electricity Transmission Plc and considers it to satisfy the Eligibility Criteria in chapter 3 of the SIF Governance because:

- That the requested change to the Project Direction should be approved as the requested change does not violate any of the Eligibility Criteria outlined in Chapter 3 of the SIF Governance Document.

- That the requested change to the Project Direction should be approved as the requested change also does not violate the eligibility outlined in the Innovation Challenge Documentation.

- This extension will be approved on the understanding that no further extensions to the Project will be allowed.

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

Decision

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

In accordance with Section 17 of the Project Direction issued on 27th April 2026 and paragraph 8.28 of the SIF Governance Document, the amended SIF Project Direction for NGET/PROMPUS is published in the Schedule 1 of this letter. The amended SIF Project Direction is effective as of the date of this letter and, unless stated otherwise, supersedes the SIF Project Direction issued on 27th April 2026 The letter constitutes

notice pursuant to section 49A (Reasons for decisions) of the Electricity Act 1989 and 38A (Reasons for decisions) of the Gas Act 1986.

If you would like to discuss any of the issues, you can contact Ofgem via networks.innovation@ofgem.gov.uk. Alternatively, you can contact UKRI via SIF_Ofgem@innovateuk.ukri.org.

Yours sincerely,

Marzia Zafar
SRO for the Strategic Innovation Fund
Deputy Director of Digitalisation, Innovation and Decentralisation
For and on behalf of the Authority

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Schedule: Amended SIF Project Direction

1. PROJECT DETAILS

Application number: 10191773

Project title: PROMUPS – PRObabilistic Methods for Uncertainty in Power Systems

Innovation Challenge/Cycle: Dynamic modelling / Cycle 5

Project start date: 1st May 2026

Project end date: ~~30th September 2026~~ 30th November 2026

SIF Approved Amount for SIF Funding: £138,674

2. PREAMBLE

This SIF Project Direction is issued by the Gas and Electricity Markets Authority (the "Authority") to National Grid Electricity Transmission PLC (the "Funding Party") pursuant to the SIF Governance Document issued pursuant to Special Condition 9.19 of the Electricity Transmission Licence. It sets out the conditions to be complied with in relation to PROMUPS – PRObabilistic Methods for Uncertainty in Power Systems (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

The Funding Party must comply with all requirements detailed in the SIF Governance Document and the relevant SIF Funding Direction. 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

WSP UK LIMITED

Condition 2
Prior to the kick-off meeting, the Funding Party must provide further clarification on how the proposed probabilistic modelling approach will align with the Innovation Challenge requirements, including how the outputs may support the development of real-time or operational network modelling capabilities where relevant.

Condition 3
Prior to the kick-off meeting, the Funding Party must provide additional justification for the allocation of costs to Work Package 1 to demonstrate that the costs remain proportionate to the activities being delivered.

4. COMPLIANCE
The Funding Party must comply with Special Condition 9.19 of the Electricity Transmission Licence, the SIF Governance Document and with this SIF Project Direction.

5. SIF APPROVED AMOUNT
The SIF Approved amount of £138,674 (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 as set out in Table 3 in Chapter 8 of the SIF Governance Document.

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

(i) undertake the Project in accordance with its Application,
(ii) complete the Project on or before the Project completion date as detailed under section 1 of the schedule of this SIF Project Direction, and

(iii) disseminate the learning from the Project at least to the level described in chapter 3 of the SIF Governance Document. Dissemination of learning must be carried out whether the Project was concluded successfully or otherwise.

8. REPORTING

As set out in Table 3 in Chapter 6 of the SIF Governance Document, the Funding Party, are required to report on various information at set points through the lifecycle of the Project. Ofgem and UKRI may issue guidance (and amend it from time to time) about the structure and content of the Project reporting required. The Funding Party must follow this guidance in preparing the reports.

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 and Innovation Lead. 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.

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 the Funding Party's Application.

Table 2. Project milestones

Reference	Project milestone	Deadline	SIF Funding Request
Milestone 1	Project Management, Coordination and Dissemination	04/09/2026	£32,589.00
Milestone 2	Probabilistic Modelling Methods Review	~~20/07/2026~~30/11/2026	£24,860.00
Milestone 3	Benchmarking of Probabilistic and Deterministic Modelling Methods	07/08/2026	£36,200.00
Milestone 4	Cost–Benefit Assessment	28/08/2026	£14,257.00
Milestone 5	Implementation planning for future demonstration and evaluation	04/09/2026	£30,768.00

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. For additional guidance, refer to the SIF handbook.

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 4 and 8 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 4 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 9.19 of the Electricity Transmission 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 9.19 of the Electricity Transmission Licence of the Licence, the Authority hereby issues this SIF Project Direction to the Funding Party in relation to the Project.

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

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

ANNEX 1: PROJECT BUDGET

SIF Project Direction costs

Cost Category	Total Project costs (£)
Labour	£121,680
Materials	£-
Subcontracting	£24,860
Travel and subsistence	£900
Other costs	£7,000
Total	**£154,440**

Project Partner	Total project costs (£)	Project contribution (£)	Total SIF Funding requested (£)	Project contribution (%)
National Grid Electricity Transmission PLC	50,660.00	5,066.00	45,594.00	
WSP UK LIMITED	103,780.00	10,700.00	93,080.00	
Total	**£154,440.00**	**£15,766.00**	**£138,674.00**	**11%**