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Date: 25 September 2023

Dear Southern Gas Networks Plc,

**SIF Project Direction ref: SGN/Hy-Fair/SIFSJET/Rd2 Alpha**

Southern Gas Networks Plc submitted Hy-Fair - Alpha (the Project) to be considered for funding through the Alpha Phase of round 2 of the Strategic Innovation Fund (SIF). As explained in greater detail below, this Project previously received SIF Funding and completed a Discovery Phase for round 1 of the SIF. In our<sup>1</sup> SIF Funding Decision issued on 22 September 2023, we selected the Project<sup>2</sup> for conditional funding for the round 2 Alpha Phase and as a result we are now issuing this SIF Project Direction to implement that decision.

Southern Gas Networks 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 Project previously received SIF Funding for the round 2 Discovery Phase<sup>3</sup> and submitted an Application for the Project to be considered for SIF Funding for the round 2

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<sup>1</sup> The terms 'we', 'us', 'our' refer to the Gas and Electricity Markets Authority. Ofgem is the office of the Authority.

<sup>2</sup> Unless otherwise specified, defined terms in this SIF Project Direction have the meaning given to them in Appendix 1 of the SIF Governance Document.

<sup>3</sup> The Project Directions for round 2 of the Discovery Phase are available at: <https://www.ofgem.gov.uk/publications/strategic-innovation-fund-round-2-discovery-projects-approved-funding>

Alpha Phase of the SIF. As stated above, the Project has been selected by Ofgem to receive SIF Funding for the Alpha Phase of round 2.

### **Role of UK Research & Innovation (UKRI)**

As per Chapter 1 of the SIF Governance Document<sup>4</sup> the role of UKRI is to deliver the SIF in line with the SIF Governance Document - administering the funding programme, monitoring the delivery of Projects, collating data from Projects on benefits, making recommendations to Ofgem on operational matters, supporting third-party innovators and, where possible, successful Projects to become 'business as usual' activities. To support the success of the Projects and the SIF programme, we expect that the Funding Party and Project Partners collaborate with Ofgem and UKRI.

### **SIF Project Direction**

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

- Set out the Project-specific conditions, to which the Funding Party is committing in accepting SIF Funding.<sup>5</sup>
- 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 SIF Application.<sup>6</sup>
- Where applicable, set out conditions (such as Project stage gates) linked to milestones and deliverables, which Projects must meet.<sup>7</sup>
- 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.<sup>8</sup>
- Set out the Project budget that the Funding Party must report against and how variations in the Project budget will be reported.<sup>9</sup>
- Where applicable, set out special information sharing requirements applicable to the Project.<sup>10</sup>
- Set out the mechanism for the Funding Party receiving the SIF Approved Amount as set out in the SIF Funding Direction.<sup>11</sup>

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<sup>4</sup> <https://www.ofgem.gov.uk/publications/sif-governance-document>

<sup>5</sup> 'Project specific conditions' detailed under Point 3 – 'Condition President' of this SIF Project Direction.

<sup>6</sup> 'Project specific conditions' detailed under Point 3 – 'Condition President' of this SIF Project Direction.

<sup>7</sup> 'Project specific conditions' detailed under Point 3 – 'Condition President' of this SIF Project Direction.

<sup>8</sup> 'SIF Funding Amount' detailed under Point 5 – 'Condition President' of this SIF Project Direction.

<sup>9</sup> Annex 1 – Project Budget.

<sup>10</sup> 'Project specific conditions' detailed under Point 3 – 'Condition President' of this SIF Project Direction.

<sup>11</sup> 'SIF Funding Amount' detailed under Point 5 – 'Condition President' of this SIF Project 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<sup>12</sup>.

This SIF Project Direction constitutes notice pursuant to section 38A (Reasons for decisions) of the Gas Act 1986.

**Marzia Zafar**

**Deputy Director, Decentralisation & Digitalisation**

**For and on behalf of the Authority**

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<sup>12</sup> The meaning 'Eligible SIF Project' is described in Chapter 2 of the SIF Governance Document.

## Schedule to SIF Project Direction

### 1. PROJECT DETAILS

SIF Project Direction reference: SGN/Hy-Fair/SIFSJET/Rd2\_Alpha

Application number: 10083475

Project title: Hy-Fair - Alpha

Innovation Challenge/Project Phase: Supporting a just energy transition / Alpha Phase round 2

Project start date: 01 October 2023

Project end date: 31 March 2024

SIF Approved Amount for SIF Funding: £463,201.00

### 2. PREAMBLE

This SIF Project Direction is issued by the Gas and Electricity Markets Authority (the "Authority") to Southern Gas Networks Plc (the "Funding Party") pursuant to the SIF Governance Document issued pursuant to Special Condition 9.13 of the Gas Transporter Licence (the "Licence"). It sets out the conditions to be complied with in relation to Hy-Fair - Alpha (the "Project") as a condition of it being funded under the SIF Funding Mechanism.<sup>13</sup>

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.

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<sup>13</sup> The SIF Funding Return Mechanism is defined in the SIF Governance Document.

**Table 1. Project Partners**

|                                 |
|---------------------------------|
| WALES & WEST UTILITIES LIMITED  |
| NATIONAL GAS TRANSMISSION PLC   |
| CENTRE FOR ENERGY EQUALITY LTD  |
| FIFE COUNCIL                    |
| SP DISTRIBUTION PLC             |
| LANE CLARK & PEACOCK LLP        |
| BRITISH GAS NEW HEATING LIMITED |
| ENERGY SYSTEMS CATAPULT LIMITED |
| CADENT GAS LIMITED              |

### **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 within the Project costs template.

### **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 DESNZ during the Alpha Phase.

### **Condition 4**

The Funding Party must provide to its monitoring officer by the end of the Alpha Phase a summary of how its proposed solution by the end of the Alpha Phase could be commercialised should it proceed into business as usual deployment. This summary must demonstrate consideration for how its proposed solution compare with the current capabilities available.

## **4. COMPLIANCE**

The Funding Party must comply with Special Condition 9.13 of the Gas Transporter Licence (the "Licence"), the SIF Governance Document and with this SIF Project Direction.

## **5. SIF APPROVED AMOUNT**

The SIF Approved amount of £463,201.00 (as detailed under Section 1: Project details of this Project Direction) will be recovered by National Gas Transmission from GB customers and transferred to the Funding Party. The Funding Party is responsible for

notifying National Gas Transmission 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 Gas Transmission, the reverse applies. The Funding Party must provide bank account details to National Gas Transmission within two weeks of accepting this SIF Project Direction.

## **6. PROJECT BUDGET**

The Project Budget is set out in Annex 1 of this SIF Project Direction.

The Funding Party must report on expenditure against each line under the category total in the Project Budget and explain any projected variance against each line as part of its detailed report which will be provided, in accordance with Chapter 7 of the SIF Governance Document. The Funding Party must report variations in the Project budget as outlined in Chapter 6 of the SIF Governance Document.

## **7. PROJECT IMPLEMENTATION**

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

- (i) 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**

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 for the round 2 Alpha Phase. An end of Phase report is required for the round 2 Alpha Phase if the Project is not planning on submitting an Application to the round 2 Beta Phase and, if

the Funding Party submits an Application for the Project for the round 2 Beta 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.

## **9. MONITORING**

The Funding Party must comply with any reasonable request for information by its monitoring officer at UKRI and related deadlines. Ofgem, with the support of UKRI, will together monitor Project delivery, impacts and benefits. Throughout the term of the Project, progress is monitored by UKRI through a monitoring officer. The monitoring officer is the first point of contact for official notifications, queries and correspondence with UKRI and the Authority, unless otherwise required by this SIF Project Direction.

As detailed in Chapter 6 of the SIF Governance Document, meetings with the monitoring officer will take place at regular intervals, as advised by Ofgem or the monitoring officer during the delivery of the Project, and at the end of each Project Phase.

## **10. EVALUATION**

The Funding Party has acknowledged when it submitted its Application for this Project, that reporting information and data gathered during the Project's timescales (as detailed in Section 1 of this SIF Project Direction) will be used to evaluate Project performance. In addition, the Funding Party may be required to provide requested information outside of the Project timescales and, in particular, for the period from the Project end date to the end of the SIF Programme. Further data and reporting information may be requested (frequency and method based on requirement) outside of standard monitoring and reporting requirements as deemed necessary. Further data and information requirements must be complied with by the Funding Party and Project Partners.

## **11. DATA SHARING**

As set out in Chapter 3 of the SIF Governance Document, the Funding Party must follow Data Best Practice Guidance with regards to all data gathered or created in the course of a Project. We expect the Funding Party to document any reasons, such as commercial sensitivities, for desensitising data. As defined by, and in accordance with, Data Best Practice Guidance, Funding Parties must have a data triage process. Where multiple Project Partners are collaborating on a Project, the consortium must adopt a consistent Open Triage Process for the data related to the Project. Ofgem may require that Project information and data is also shared with other specified parties, such as parties working

on complementary innovation funding programmes (subject to redaction of sensitive data).

## **12. CYBER SECURITY**

It is the responsibility of the Funding Party and all Project Partners to implement and maintain appropriate security measures to protect personal data in accordance with The GDPR (General Data Protection Regulation)<sup>14</sup> and DPA (Data Protection Act) 2018<sup>15</sup>. Protection of computer systems from unauthorised access or being otherwise damaged or made inaccessible must be in place alongside effective working practices. These must be maintained in line with the Funding Party's IT Management Strategies and policies.

## **13. PROJECT MILESTONES**

The Funding Party must provide an outline in its end of Project Phase meeting with its UKRI monitoring officer that verifies the Project milestones have been achieved or explains why they have not.

Project milestones are outlined below in Table 3, based upon details contained within Question 7 and Appendix Question 9 in the Funding Party's.

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<sup>14</sup> [https://ec.europa.eu/info/law/law-topic/data-protection/data-protection-eu\\_en](https://ec.europa.eu/info/law/law-topic/data-protection/data-protection-eu_en)

<sup>15</sup> <https://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>



**Table 3. Project milestone<sup>16</sup>**

| Reference   | Project milestone             | Deadline      | Overall objectives and key tasks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Summary of milestones                                                                                                                                                                                                                                                                                                | SIF Funding Request |
|-------------|-------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Milestone 1 | Fairer Warmth Hub Development | 31 March 2024 | <p>Overall Work Package Objectives:</p> <ol style="list-style-type: none"> <li>1. Understand the data and information that is available and relevant for the Fairer Warmth Hub as well as informing the structure of content.</li> <li>2. Understand the tools currently available, what they offer, and how they support HyFair project objectives.</li> <li>3. Identifying and compiling relevant case studies and information to be included in the Fairer Warmth Hub</li> </ol> <p>Key Tasks:</p> <ol style="list-style-type: none"> <li>1. Conduct a requirements workshop with key stakeholders and document the insights and expectations gathered.</li> </ol> | <p>M1: Requirements workshop (£6,316).</p> <p>M2: Requirements complete (£6,316).</p> <p>M3: Data sources identified (£6,316).</p> <p>M4: Data methodologies established (£6,316).</p> <p>M5: Relevant data and information for hub collected (£6,316).</p> <p>M6: Analysis of collected data complete (£6,316).</p> | £69,480             |

<sup>16</sup> As outlined in in the Application or Project Plan appendix.

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|             |                   |               | <p>2. Develop a set of requirements based on the findings of the workshop and stakeholders' inputs.</p> <p>3. Identify relevant data sources, such as energy consumption, heating systems, best practices, and demographic factors.</p> <p>4. Establish data collection methodologies and protocols to ensure consistent and accurate data acquisition.</p> <p>5. Collect and compile relevant data from various sources for analysis and integration into the Fairer Warmth Hub.</p> <p>6. Analyse and process the collected data to ensure accuracy and consistency.</p> <p>7. Develop a structured framework for organising and storing data within the Fairer Warmth Hub.</p> <p>8. Define data categories and hierarchies for efficient retrieval and utilisation.</p> | <p>M7: Frameworks and data storage structures implemented (£6,316).</p> <p>M8: Data categorisation defined (£6,316).</p> <p>M9: Review of available tools and resources complete (£6,316).</p> <p>M10: Evaluation of available tools complete (£6,316).</p> <p>M11: Shortlist of most suitable tools in relation to Fairer Warmth complete (£6,316).</p> |          |
| Milestone 2 | Tools Development | 31 March 2024 | <p>Overall Work Package Objectives:</p> <p>1. Improve the existing Fairer Warmth App to provide personalised guidance and support for individuals transitioning to</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>M1: Requirements workshop for Fairer Warmth App (£10,689).</p>                                                                                                                                                                                                                                                                                        | £138,960 |

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|  |  | <p>hydrogen and other low carbon energy systems.</p> <p>2. Develop the Fairer Warmth Advisor and Training Platform to equip local champions and advisors with the necessary knowledge and resources for energy advice.</p> <p>3. Create tools for networks and organisations involved in the transition to facilitate data sharing, collaborative planning, and performance tracking.</p> <p>Key Tasks:</p> <p>1. Conduct a requirements workshop with key stakeholders and document the findings.</p> <p>2. Design and implement improvements to the Fairer Warmth App, including features like energy consumption tracking, energy-efficient tips, and access to grants and subsidies.</p> <p>3. Develop the Fairer Warmth Advisor and Training Platform, integrating initial</p> | <p>M2: Design improvements complete (£10,689).</p> <p>M3: Feature integration in Fairer Warmth App (£10,689).</p> <p>M4: User testing and feedback complete (£10,689).</p> <p>M5: Fairer Warmth App improvements and MVP reissued (£10,689).</p> <p>M6: Requirements workshop for Advisory and Training Platform (£10,689).</p> <p>M7: Training modules and supporting documentation complete (£10,689).</p> |  |
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|  |  |  | <p>training modules, best practice guides, and relevant data and tools.</p> <p>4. Conduct user testing and gather feedback on the Fairer Warmth App and the Fairer Warmth Advisor and Training Platform.</p> <p>5. Make necessary improvements based on user feedback and reissue the Minimum Viable Product.</p> <p>6. Create tools for networks and organisations, including a Demographic Analysis Tool and a Transition Pathway Tool.</p> | <p>M8: Module integration in Advisory and Training Platform (£10,689).</p> <p>M9: User testing and feedback complete (£10,689).</p> <p>M10: Advisory and Training Platform improvements and MVP reissued (£10,689).</p> <p>M11: Requirements set for the tools for networks, suppliers and community organisations (£10,689).</p> <p>M12: Demographic Analysis Tool complete (£10,689).</p> <p>M13: Transition Pathway Tool complete (£10,689).</p> |  |
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| Milestone 3 | Engagement and Service Design | 31 March 2024 | <p>Overall Work Package Objectives:</p> <ol style="list-style-type: none"> <li>1. Ensure the system is designed such that it can be effectively adopted in the Beta Phase by engaging with end users.</li> <li>2. Optimise user experience based on feedback</li> <li>3. Understand how tools will be used during trials and BaU adoption and develop improvement plans.</li> <li>4. Create a blueprint for future service operation.</li> </ol> <p>Key Tasks:</p> <ol style="list-style-type: none"> <li>1: Research design, develop an appropriate research methodology to extract insight from user groups</li> <li>2: Recruit suitable participants to take part in research activities, from the 4 user groups identified (consumers, vulnerable consumers, businesses and consumer champions e.g. local authorities)</li> </ol> | <p>M1: Begin User Needs Gathering (£0).</p> <p>M2: Finalise the requirements for the Resource Hub and Consumer Champions app (£18,528).</p> <p>M3: Complete initial design recommendations (£18,528).</p> <p>M4: Complete initial UX designs (£18,528).</p> <p>M5: Complete final UX designs following usability testing (£18,528).</p> <p>M6: Detailed input from supply perspective (£18,528).</p> | £92,640 |
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|  |  |  | <p>3: Conduct a rapid review of existing evidence to extract insight on what is already know with respect to key consumer retrofit challenges, that can be factored into any recommendations</p> <p>4: Conduct research activities with the 4 user groups, and collect data</p> <p>5: Analyse data and report emerging insights with respect to user needs.</p> <p>6: Create informed UX architecture, e.g., task flows, user stories, and mapping for the app, further shaping requirements. Produce key screens to indicate how the user journey of the tool would work including functionality, interaction points, and key users tasks based on research analysis.</p> <p>7: Develop and design appropriate research methodologies for testing the suite of tools</p> <p>8: Recruit suitable participants to take part in the research activities</p> |  |  |
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|             |                       |               | <p>9: Conduct usability testing of the working prototypes, and capture any issues or desirable design improvements</p> <p>10: Produce a succinct report, highlighting how the tools could be improved to better meet user needs for each tool, incorporating feedback from all user groups engaged with</p>                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                   |         |
| Milestone 4 | Operating Model & CBA | 31 March 2024 | <p>Overall Work Package Objectives:</p> <ol style="list-style-type: none"> <li>1. Identify the processes, protocols, and resources needed for the effective operation of the Fairer Warmth Hub in the short- and long-term.</li> <li>2. Understand the high-level costs of implementing the solutions and the potential benefits.</li> </ol> <p>Key Tasks:</p> <ol style="list-style-type: none"> <li>1. Develop a commercialisation plan that outlines strategies for revenue generation, pricing models, and business development opportunities.</li> </ol> | <p>M1: Commercialisation plan developed (£11,580).</p> <p>M2: Partnerships and funding opportunities explored (£6,580).</p> <p>M3: Operating method defined (£11,580).</p> <p>M4: Cost Benefits Analysis conducted (£16,580).</p> | £46,320 |

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|             |                        |               | <p>2. Identify and explore potential partnerships with relevant organisations, stakeholders, and industry players.</p> <p>3. Research and evaluate funding opportunities such as grants, sponsorships, and investment options.</p> <p>4. Define an operating method that includes standard operating procedures, data management protocols, and resource allocation strategies.</p> <p>5. Conduct a comprehensive Cost Benefits Analysis to assess the financial costs and potential benefits of the Hub, considering factors such as energy savings, environmental impact, and social benefits.</p> |                                                                                                                |         |
| Milestone 5 | Data Flows and Sharing | 31 March 2024 | <p>Overall Work Package Objectives:</p> <p>1. Enable the efficient flow of data between the Fairer Warmth Hub and the relevant stakeholders and user groups.</p> <p>2. Understand the actions required to sufficiently protect user information</p>                                                                                                                                                                                                                                                                                                                                                  | <p>M1: Data flows defined (£7,720).</p> <p>M2: Data sharing protocols and mechanisms established (£7,720).</p> | £23,160 |



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|  |  |  | <p>Key Tasks:</p> <ol style="list-style-type: none"> <li>1. Analyse the data requirements of the Fairer Warmth Hub and identify sources from which data needs to be integrated.</li> <li>2. Design and establish efficient data flows and integration processes to ensure smooth data transfer and interoperability.</li> <li>3. Develop protocols for data sharing among different user groups, specifying access levels, data formats, and sharing mechanisms.</li> <li>4. Implement data sharing mechanisms within the Fairer Warmth Hub, ensuring secure and controlled access to relevant data.</li> <li>5. Define and implement data security measures, including encryption, access controls, and user authentication, to protect users' privacy and confidentiality.</li> <li>6. Regularly monitor and evaluate data flows and sharing processes to identify</li> </ol> | <p>M3: Data security measures implemented (£7,720).</p> |  |
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|             |                         |               | and address any potential issues or improvements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |         |
| Milestone 6 | Beta Phase Trial Design | 31 March 2024 | <p>Overall Work Package Objectives:</p> <ol style="list-style-type: none"> <li>1. Collaborate with the H100 project and align the trial design with Fife's wider Net Zero ambitions.</li> <li>2. Define trial objectives and scope for the Fairer Warmth Hub.</li> <li>3. Identify and engage participants for the trial.</li> <li>4. Plan other regional trials in the Beta stage with wider network partners.</li> </ol> <p>Key Tasks:</p> <ol style="list-style-type: none"> <li>1. Establish collaboration with the H100 project and align the trial design with Fife's wider Net Zero ambitions.</li> <li>2. Define the objectives and scope of the trial, considering the specific goals of the Fairer Warmth Hub and its integration within the local energy transition.</li> </ol> | <p>M1: Trial objectives and scope defined (£11,580).</p> <p>M2: Participants for the trial identified (£11,580).</p> <p>M3: Engagement strategy completed (£11,580).</p> <p>M4: Regional trials planned with wider network partners (£11,580).</p> | £46,320 |

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|             |                    |               | <p>3. Identify potential participants for the trial, including individuals, community groups, and organizations, based on their relevance to the trial objectives.</p> <p>4. Engage with the identified participants, explaining the trial's purpose, benefits, and their role in the trial.</p> <p>5. Coordinate with wider network partners to plan other regional trials in the Beta stage, ensuring alignment with the overall project goals and timelines.</p> <p>6. Develop detailed trial protocols, including trial duration, data collection methods, and evaluation criteria.</p> <p>7. Obtain necessary approvals and permissions from relevant authorities and stakeholders for conducting the trial.</p> |                                                                                                                   |         |
| Milestone 7 | Project Management | 31 March 2024 | <p>Overall Work Package Objectives:<br/>Effective project management by all partners ensuring timely and quality project delivery</p> <p>Key Tasks:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>M1: Project Management: SGN (£4,632).</p> <p>M2: Project Management: Centre for Energy Equality (£18,528).</p> | £46,320 |

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|  |  |  | 1. Project Management activities by all partners. | <p>M3: Project Management: Energy Systems Catapult (£4,632).</p> <p>M4: Project Management: LCP Delta (£4,632).</p> <p>M5: Project Management: Fife Council (£2,316).</p> <p>M6: Project Management: British Gas Centrica (£2,316).</p> <p>M7: Project Management: SP Energy Networks (£2,316).</p> <p>M8: Project Management: Cadent (£2,316).</p> <p>M9: Project Management: Wales and West Utilities (£2,316).</p> |  |
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Making a positive difference  
for energy consumers

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|  |  |  |  | M10: Project Management:<br>National Gas Transmission<br>(£2,316). |  |
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#### **14. USE OF LOGO**

The Funding Party and the Project Partners, External Funders and Project Supporters or subcontractors<sup>17</sup> 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 contained within Chapter 3 of the SIF Governance Document, we require the Funding Party to work collaboratively to maintain the ENA Smarter Networks Portal so that all reporting and dissemination of learnings on Projects (as required by chapter 6 of the SIF Governance Document) is available via the ENA Smarter Networks Portal.

#### **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.

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<sup>17</sup> As detailed in the Application.

## **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 9.13 of the Gas Transporter Licence (the "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 to 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 9.13 of the Gas Transporter Licence (the "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 38A (Reasons for decisions) of the Gas Act 1986.

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                      | 522,481                 |
| Materials                   | 1,777                   |
| Subcontracting              | 23,130                  |
| Travel and subsistence      | 0                       |
| Other costs                 | 0                       |
| <b>Total</b>                | <b>£547,388</b>         |

| Project Partner                 | Total project costs (£) | Project contribution (£) | Total SIF Funding requested (£) | Project contribution (%) |
|---------------------------------|-------------------------|--------------------------|---------------------------------|--------------------------|
| SOUTHERN GAS NETWORKS PLC       | £20,040.00              | £-                       | £20,040.00                      |                          |
| WALES & WEST UTILITIES LIMITED  | £3,624.00               | £-                       | £3,624.00                       |                          |
| NATIONAL GAS TRANSMISSION PLC   | £2,220.00               | £-                       | £2,220.00                       |                          |
| CENTRE FOR ENERGY EQUALITY LTD  | £273,705.00             | £43,705.00               | £230,000.00                     |                          |
| FIFE COUNCIL                    | £6,447.00               | £3,197.00                | £3,250.00                       |                          |
| SP DISTRIBUTION PLC             | £3,510.00               | £-                       | £3,510.00                       |                          |
| LANE CLARK & PEACOCK LLP        | £54,000.00              | £5,400.00                | £48,600.00                      |                          |
| BRITISH GAS NEW HEATING LIMITED | £59,900.00              | £19,900.00               | £40,000.00                      |                          |
| ENERGY SYSTEMS CATAPULT LIMITED | £119,856.00             | £11,985.00               | £107,871.00                     |                          |
| CADENT GAS LIMITED              | £4,086.00               | £-                       | £4,086.00                       |                          |
| <b>Total</b>                    | <b>£547,388.00</b>      | <b>£84,187.00</b>        | <b>£463,201.00</b>              | <b>18%</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 NG ESO ([revenue.invoice@nationalgrideso.com](mailto:revenue.invoice@nationalgrideso.com))**

**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)