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# Innovation Deployment Guidance

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SP Energy Networks

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# Introduction

**Ensuring that innovations successfully transition into Business as Usual (BAU) operations - whilst maintaining world-leading levels of system reliability and customer service - is key to achieving Net Zero at the lowest cost possible to consumers.**

As part of the 2023 Innovator Action Plan and following feedback from over 200 innovators, the EIC Partnership reinforced its commitment to continuously developing the support, information and guidance available to Innovators.

This Innovation Deployment Guidance provides details of 14 key BAU readiness indicators that should be considered by both innovators and the networks to ensure that innovative solutions are successfully deployed. It has been developed using the EIC Partnership's extensive experience in delivering projects and trialled with multiple innovators over the past 12 months.

## BAU readiness indicators

1. Cost Benefit Analysis
2. Senior Business Sponsorship
3. Route to Commercialisation
4. Solution Cost & Performance
5. Testing & Trials
6. Policies & Procedures
7. Market Review
8. Standards & Regulations
9. Deployment Strategy & Support
10. Staff training
11. Deployment budget
12. Legal & Procurement
13. Performance & Benefits Tracking
14. Dependencies

> As a small innovator, accessing clear guidance and adopting the structured BAU readiness indicators approach has been invaluable. This is ensuring that both our team and the networks are carefully considering all the elements that will lead to successful deployment of our innovation, and we expect that this will also contribute to increasing the pace of adoption across the industry.
>
> **Brian Lasslet** Previously CEO of PowerLine Technologies, now Head of Innovation for Lucy Electric GridKey Ltd.

# How to Use this Guidance

**The following pages summarise the 14 key BAU readiness indicators and offer advice on best next steps for each one.**

Use this document as a reference to assess the status of each indicator at the start of an innovation project and to track progress at key stages during the project lifecycle.

1

## Cost Benefit Analysis (CBA)

Before a project is started, it will require a completed CBA. This is prepared using an estimate of the costs and benefits (including non-financial) associated with the development and implementation of the solution. The depth of this analysis will typically depend on the specific project and the funding networks usually take a lead on completing the CBA, with input from innovators. For a project to be started and proceed to BAU deployment, the net result should usually be - and continue to be - positive.

**Guidance:**

Throughout the project lifecycle, please check that any assumptions or assertions are still valid and consider whether the original CBA has changed.

2

## Senior Business Sponsorship

Most innovation projects are initiated to introduce a change to regular business operations. Therefore, it is important to have the support of a senior manager who will be responsible for BAU deployment and can help with the resolution of issues and challenges. This individual should understand the anticipated benefits and their significance to the business.

**Guidance:**

Ensure that every collaborating network has a business sponsor for the project. Consider how supportive they are and whether they are being kept informed of relevant developments.

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## Route to Commercialisation

Prior to undertaking an innovation project, the networks will require information on the route to market. This typically includes the anticipated commercial model(s) and may include other relevant commercial information such as the anticipated price per unit, subscription agreement, any licences to other organisations, etc.

**Guidance:**

Consider the estimated cost and scale of both the initial roll out and full-scale deployment across several networks. Is the anticipated commercial model well defined and are there any commercial or licensing agreements required? Are there any constraints or is support required for deployment or for scaling up? Ensure that this is discussed with the project team and revisited at appropriate stages during the development of the solution.

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## Solution Cost & Performance (Compared to specification)

The anticipated cost of the solution (or an indication) will be required during the project conception phase and will be used as part of the CBA calculation. In most instances, the anticipated cost of the solution and specifications will have been discussed and agreed.

**Guidance:**

Throughout the project lifecycle, ensure that any changes to the anticipated cost or specification is discussed with the project team. Also remember to identify costs such as testing and/or accreditation (if appropriate).

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## Testing & Trials (Network, testing & demo facility)

Network companies will need evidence that the deployment of any solution will not have an adverse impact. Therefore, as solutions are developed to a higher Technology Readiness Level (TRL) with increased confidence in their performance within controlled environments, it may be necessary to undertake trials or testing at approved facilities and / or on the network. This should be discussed and agreed as part of the project scoping and included in the project programme.

**Guidance:**

Consider all the testing and/or trials required to fully test and build confidence in the solution prior to deployment on the network. Are there plans in place to address these requirements? Consider whether engagement with an external test and/or network facilities will be required. See link to testing facilities map.

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## Policies & Procedures (New or amendments)

Network companies maintain extensive libraries of policies and procedures which govern all aspects of their business and operations. In particular, innovations which have safety and/or environmental implications require rigorous attention. Early identification of necessary or impacted policies and procedures is crucial. This allows sufficient time for the implications to be fully considered, and for the development and authorisation of appropriate documentation.

**Guidance:**

Network companies often have a separate department responsible for the development of policies and procedures. Establish who will be responsible for the development and/or amendment of required policies and procedures.

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## Market Review (Other solutions available)

A competitor analysis should be undertaken and include solutions in development or solutions that have become available since the project started.

### Guidance:

Has a competitor analysis been conducted to identify any comparable solutions available in the market? Network companies expect Innovators to be aware of other solutions and also to evaluate the strengths and weaknesses against the solution being developed.

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## Standards & Regulations to be met (H&S, Cybersecurity etc.)

The required external standards and regulations (e.g. technical, operational, cybersecurity etc.) should be identified.

**Consideration should be given to the following:**

- Who will be responsible for ensuring that those are met?
- Does the solution require completion of assessments such as a Data Protection Impact Assessment?
- Some network assets are classed as Critical National Infrastructure and increased due diligence will be necessary to ensure that security considerations are not compromised.

### Guidance:

The time and cost involved in gaining accreditation can vary significantly depending on the innovation. Ensure that this is understood and factored into the CBA.

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## Deployment Strategy & Support

**(Including integration with existing systems, change management, comms, maintenance)**

Consider what steps will be required to ensure that the solution is successfully deployed into BAU. This can vary widely, depending on the solution, and may require significant time and resources from more than one department within the network company. In particular, any innovation requiring integration with internal Information and Communication Technologies (ICT) is almost certain to take more time and resources. Similarly, change management may be straightforward or complex and resource intensive.

**Guidance:**

In addition to securing sponsorship from a senior manager (see 2 above), it is important to identify and secure the commitment of the relevant manager who will ultimately be using the solution. They are best placed to understand the implications of implementing the solution within the business. This will typically be done in conjunction with the network company.

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## Staff training (Users etc.)

Introducing a new innovation inevitably impacts staff who work in the business. It is therefore crucial that the relevant personnel are identified and engaged in the process.

**Guidance:**

Who will the users of the solution be? This might be a mixture of internal or external staff, such as contractors. How, when, and by whom will staff be trained? If network Operational staff are involved, consider that their availability may be limited. If more than one department is involved, then extra time for co-ordination is likely to be required.

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## Deployment Budget

Developing the deployment strategy (see 9 above) will provide insight into the resources and budget required for successful deployment into BAU operations.

How will deployment be funded and who is the deployment budget owner? Are they being kept informed of progress? Is there commitment to fund deployment?

**Guidance:**
Processes can differ across network companies. Check if the deployment budget holder is an Innovation Manager or a Manager within the business.

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## Legal & Procurement

Ensure that the relevant Legal and Procurement teams have been involved to establish the requirements associated with BAU deployment.

One aspect to consider during project inception is Intellectual Property Rights, please follow this link for more information on this topic: https://www.ukeic.com/intellectual-property-insights-and-legal-guidance

**Guidance:**
Have the relevant Legal and Procurement teams been involved? It is important to understand whether a formal tendering exercise will be required as part of the BAU deployment process.

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## Performance & Benefits Tracking (Methodology in place)

Once a solution has been deployed by the networks, the financial and non-financial benefits will be tracked and reported internally and externally to Ofgem.

All innovation projects will usually require a positive CBA (see 1 above). This involves an estimate of forecasted benefits which subsequently need to be verified with actual performance. Following implementation of a solution, benefits will be tracked to demonstrate that the anticipated benefits are being realised.

### Guidance:

Make sure that you understand what success looks like and how the benefits will be assessed, measured and reported.

More information on how the networks track benefits can be found in Section 6 of the following document - https://smarter.energynetworks.org/media/nvef1gwb/energy-networks-innovation-process-final.pdf

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## Dependencies (Other projects etc.)

Ensure that all the relevant dependencies have been identified.

### Guidance:

Is the deployment of the solution dependent on any other projects, business initiatives etc.?

# It's time to get started!

We hope that the knowledge shared in this guide empowers you to get started on your own journey of innovation.

**For more guidance and advice for innovators on navigating the energy sector, visit www.ukeic.com where you can …**

- → Explore our list of industry opportunities on the EIC website.
- → Sign up to our energy innovation hub for full access to all of the useful tools and materials mentioned in this document.
- → Connect with EIC Innovator community across the world for new collaboration opportunities.

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