

# **Innovation Strategy**

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# **Foreword**



By evolving our innovation strategy, focusing on long-term challenges, and delivering flagship projects, we aim to support Ireland's energy transition while fostering collaboration across the ecosystem.

In recent years, the electricity network has become increasingly central to advancing national targets and strategies related to housing, economic growth and climate change, with a particular focus on enabling the electrification of heat, transport and industry and the connection of renewable electricity generation.

As we transition towards a clean electric future and meet the needs of our growing population, there is an accelerating requirement to connect further renewable generation (e.g., solar panels), heat pumps, electric vehicles and chargers, and smart meters to the electricity distribution network.

As society becomes increasingly reliant on electricity to meet its energy needs, significant and sustained investment will be needed to enhance network resilience, build additional capacity and handle complex flows of electricity and data across the network.

In this fast-evolving landscape, innovation will be critical in overcoming challenges and enabling new opportunities. To this end, ESB Networks has engaged extensively with industry stakeholders to consult on our innovation plans and share insights from our innovation programme.

Stakeholders across a range of sectors have indicated strong support for our innovation project portfolio, offered thoughtful proposals for collaboration, and highlighted opportunities to accelerate the transition to a Net Zero-ready electricity network. Their feedback has been instrumental in shaping our innovation strategy, which sets out:

- The focus of our innovation programme

   setting out challenges we are seeking
   to address to enable stakeholders and
   collaborators to come forward with ideas
   and solutions:
- An overview of how we innovate to help collaborators understand how we are organised for innovation and the processes we follow, to make it easier for them to participate; and,
- Our view on the stakeholders we are seeking to collaborate with, how we are working to engage with them, and how they can reach out to us.

**Nicholas Tarrant** 

Nicholas Janant

Managing Director, ESB Networks

# Contents and purpose of this document

This document is intended for both external and internal collaborators to provide clarity on what innovation means within ESB Networks, and how we innovate in support of our business strategy.

# Purpose of this document

Establishes how we define "Innovation" for ESB Networks

Offers guidance for external collaborators, making it easier to participate in our innovation activities.

Outlines the process we follow to manage projects from idea to completion to ensure innovation is delivered with confidence and impact.

Outlines how we manage innovation across our business to accelerate and streamline delivery.



#### Contents



across our business.

This section outlines the focus areas of our innovation activity to support our Networks for Net Zero business strategy.

Innovation across our business
This section outlines the horizons of our innovation activity and how we are organized to deliver innovation

Collaborating with stakeholders

This section outlines the stakeholders we engage with, why their input is essential, and how collaborators can get involved with our innovation activity.

Our process for innovation

This section provides an explanation of how we govern, deliver, and monitor our Innovation activity, as guidance for collaborators who want to work with us.



# Our role in delivering the energy transition

At ESB Networks our purpose is to deliver a clean electric future, and to play our part in making Ireland's Net Zero goal a reality.

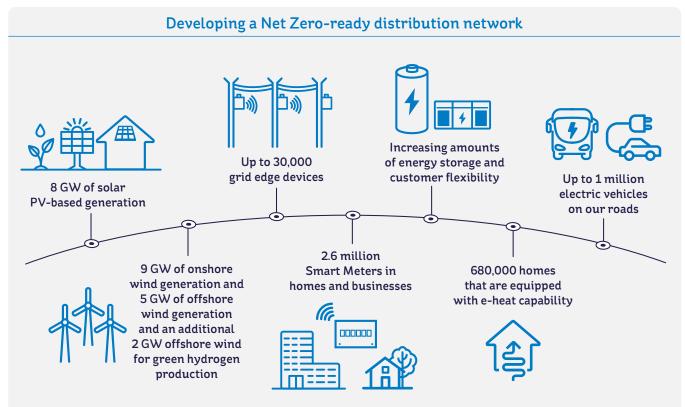
Climate change is one of the greatest challenges facing humanity. It is widely accepted that unprecedented action is required to limit greenhouse gas emissions to avert the worst consequences of climate change and protect both current and future generations.

Our purpose in ESB Networks has always been to connect and distribute electricity - safely, securely, and affordably.

Acknowledging the central role that electricity plays in climate action, our role is to support the delivery of a clean electric future by enabling the electrification of heat, transport and industry, and connecting renewable generation at scale in support of the Irish Government's Climate Action Plan targets.

Our purpose is therefore to deliver a Net Zero-ready electricity network by 2040, to enable Ireland's goal of delivering Net Zero no later than 2050.





In the decade ahead, all customers, from renewable generators to home and business customers, will adopt new technologies, products and services that will change how they generate, store, or consume electricity.

As the electricity system transitions to Net Zero, our role is to deliver a smart and sustainable distribution system that supports this transition. This will require a transformation of our network, our systems, and our approach.

# Our strategy for delivering a Net Zero-ready electricity network

Our Networks for Net Zero strategy sets out our approach to delivering a Net Zero-ready electricity network by 2040, and this sets the frame for the focus of our innovation activity.

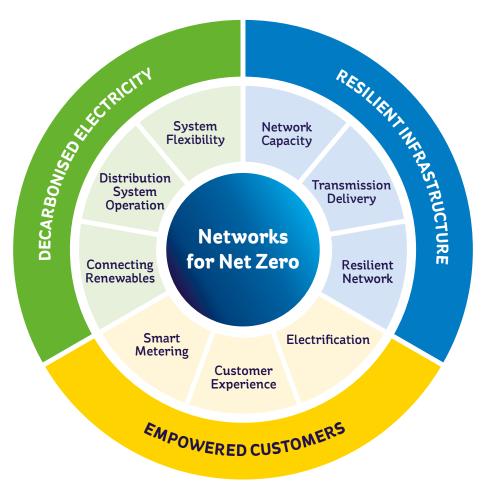
Our Networks for Net Zero strategy sets out ESB Networks' commitment to achieving a Net Zero-ready electricity network by 2040. It also describes our role in supporting national policy targets relating to economic growth, housing development and the Climate Action Plan. The strategy aims to support the development of a flexible and smart electricity network that will serve as a foundation for a clean electric future.

The transformation of the energy system will require significant changes to create a smarter, more flexible electricity system where customers are empowered and incentivised to contribute to network efficiency. This transformation will require collaboration with stakeholders, customers, and industry partners.

ESB Networks has identified three strategic objectives which are core to the delivery of our Net Zero strategy: Decarbonised Electricity, Resilient Infrastructure, and Empowered Customers, each of which contains three key areas of focus as illustrated in the figure opposite.

To accelerate this transformation, ESB Networks has established structures and programmes to drive change, including the **Distribution Markets System Operator**, which is driving an integrated design across distribution markets (retail and flexibility) and system operations, and our **Powering Ahead** transformation programme, building digital and data capabilities and solutions that are enabling our business in new ways.

Whilst innovation is delivered by all areas of our business, our **central innovation team** works closely with colleagues across all business units to support the delivery of our strategy by exploring innovative technologies and business models to accelerate and enable change.



#### Our innovation focus

We have aligned our innovation focus to our Networks for Net Zero strategy. We will maintain a balance of focus across these themes in our project portfolio.



#### Resilient Infrastructure



# **Decarbonised Electricity**



# **Empowered Customers**

#### **Delivering Network Capacity**

We are seeking solutions that will enhance and accelerate project delivery through standardisation, modularisation, the application of optimised processes and learnings from other jurisdictions.

#### **Network Reliability**

We are seeking solutions that will improve the reliability of the network through faster fault identification and restoration, and by enabling us to identify and influence the operation of low carbon generation and loads across the network.

### Network Resilience and Safety

We are seeking solutions that will enhance the resilience of our network and mitigate risks to our assets, including those related to storms, flooding, wildlife interference, and cyber security, all the while keeping the public and our personnel safe.

#### **Flexibility**

We are seeking to develop open markets and offer new products and services that unlock system capacity and maximise the efficiency of the network, in support of constraint management and accelerating connections. We will also optimise and leverage smart meters to transform our operations.

# Whole Energy System Engagement

We are seeking solutions that will enable greater transparency of electrification plans across utility organisations and local authorities. We will also explore and socialise technology solutions that support electrification with reduced societal impact.

#### **Net Zero Network**

We are seeking to decarbonise our own operations, reducing losses, and embedding circularity, biodiversity, and regeneration across our sites. We will also explore new technologies to decarbonise networks such as storage and enable the use of low carbon fuels in the energy system.

#### **Vulnerable Customers**

We are seeking to explore innovations that unlock customer insights and influence policy, while enabling fair access to low carbon technologies, ensuing no one is left behind in the energy transition.

# **Enabling Electrification**

We are seeking solutions that address barriers and deliver the customer experience needed to promote the uptake of low carbon technologies which support the electrification of heat, transport, and industry.

#### **Self-Serve Solutions**

We are seeking to enhance services for our customers by developing digital self-serve solutions that leverage accessible data and meet their requirements, helping them to transition towards low carbon in an informed and safe manner.

# Digital, Data and Artificial Intelligence (AI)

We are seeking to enable customer-focused solutions, using an open and shared data approach and leveraging solutions, such as digital twin technologies and Augmented and Virtual Reality (AR/VR), to drive smarter decisions, enable automation, improve customer experience, and unlock value across the energy system.



# What do we mean by innovation?

Innovation can help to accelerate delivery of our strategy where there are opportunities to explore and prove new approaches that would be unlikely to be progressed under normal business funding.

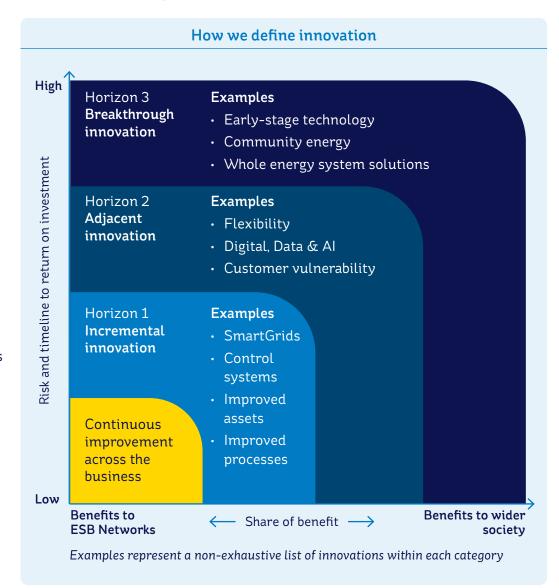
Innovation is essential to the energy transition, enabling the development and adoption of new technologies and business models. Innovation stimulus funding is used in many markets to drive technology, process, business model, policy and regulatory, or social change. It is used where there is higher risk of return, or provides broader public or systemic benefits that do not accrue to the entity making investments.

We define innovation across three horizons:

- Incremental innovation focuses on introducing, optimising, and scaling existing technologies or processes, with low risk and/or near-term benefits.
- Adjacent innovation focuses on more developed propositions, or applying existing capabilities in new ways, with moderate risk and/or mid-term benefits.
- Breakthrough innovation focuses on early technologies and business models, or entirely new ways of working, with higher risk and/or longer-term benefits.

The regulator allocates funding to ESB Networks for the implementation of work programmes across its business. Incremental innovation activities that contribute to these programmes are funded through these specific allowances. Additionally, a separate innovation and electrification allowance is allocated to support longer-term and higher risk initiatives, or projects that do not fall under other existing programmes or allowances.

Our aim is to maintain a balanced innovation portfolio across the three horizons, and we target an innovation portfolio comprised of 70% Incremental, 25% Adjacent and 5% Breakthrough projects. The use of our innovation and electrification allowance however is more focused on the Adjacent and Breakthrough horizons, as they are associated with a higher risk to return on investment, yet are crucial for driving early stage learning to address challenges that may deliver value over longer time horizons.



# How we manage innovation

We promote a culture of innovation across our business, with a central innovation team providing support to business teams, whilst also taking a lead on longer-term 'Breakthrough' innovation.

Our central innovation team is a dedicated group within ESB Networks that plays a key role in enabling the successful delivery of our innovation strategy while collaborating with colleagues across the organisation.

We promote a culture of innovation across our business. As such, innovation which aligns closely with business activities (i.e., 'Incremental' and 'Adjacent' innovation) is delivered within operational business units, with support from the central team in a "Hub & Spoke" model.

This "in-the-line" approach ensures that innovation is owned by the relevant subject matter experts, particularly where it involves refining technical deployments, updating design standards and guides, or directly supporting customer needs.

The central team takes a lead in 'Breakthrough' innovation, delivering projects primarily resourced from the central team with input from wider business experts where needed.

This approach, modelled on best practices from other network operators, strikes a balanced model for driving innovation across ESB Networks. It continues to support "in-the-line" innovation, empowering experts across the business, whilst ensuring effective governance and support, and a focus for leadership of outward-looking innovation.

#### How we deliver innovation

We adopt a decentralised model for nearer-term innovation topics, promoting a culture of innovation across the business Longer-term innovation topics are driven through a more centralised approach with increasing central team support

#### Decentralised



Limited central function involvement.

Local teams lead all delivery and make all decisions on priorities.

#### Hub & Spoke



The central function plays an enabling role while wider business teams remain autonomous and lead delivery.

#### Centralised



The central team provides the majority of people and decision making to drive these innovation projects.

#### Innovation horizons

# **Business** improvement

General business improvement is conducted "in the line" with limited involvement from the central innovation team

#### Horizon 1: Incremental innovation

'Incremental'
innovation is
delivered "in the
line" with support
from the central
innovation team

# Horizon 2: Adjacent innovation

'Adjacent' innovation is led by specialist business teams – e.g., the Distribution Market System Operator and the Powering Ahead transformation team.

#### Horizon 3: Breakthrough innovation

'Breakthrough' innovation is delivered by the central innovation team, with support from the business.



#### Who we collaborate with

Collaboration is central to the success of ESB Networks' innovation programme. We collaborate, inform and engage at different levels with a wide range of stakeholders.

ESB Networks engages with a broad range of internal and external stakeholders in all aspects of what we do, including regulators, policymakers and planning authorities, and connecting and connected customers. Working with stakeholders is central to the success of our innovation programme as it allows us to understand stakeholder, customer and operational team issues and challenges, and to co-create workable solutions.

At present, this primarily focuses on entities that are either closely linked to the energy industry – such as equipment manufacturers and consultancies – or those actively involved in innovation – such as academic institutions, start ups or local authorities.

As we broaden our strategic focus to deliver projects that enable wider system and societal benefits, we expect to interact with a more diverse set of stakeholders and new customer segments, including those who are seeking to decarbonise, reduce their impact on the grid or manage their energy use more effectively, and representatives of communities challenged by the energy transition, such as vulnerable customer groups.

We need stakeholders and collaborators to engage with us to bring ideas and work together to develop and test new technologies and propositions. In turn they need us to make it easy for them to come forward and get involved. This strategy document aims to make our objectives and approach clear, and invites stakeholders to come forward to engage with us.

Our engagement channels							
Help us deliver our strategy	Bring challenges that need solving	Bring ideas and new technologies	Participate in our projects and trials				
Collaborate to build new propositions	Share learnings and best practices	Bring insight to inform solutions	Give feedback on the impact of innovation				



# How you can engage with us

Collaborators and stakeholders can engage with us through a range of channels and events, and we invite them to do so to propose challenges, ideas, and opportunities for collaboration.

Our innovation team runs a calendar of events and participates in a range of industry forums in search of new ideas and collaborators that can enhance our innovation programme. We also have a range of communication channels through which stakeholders can reach out to our team at any time.

Given the wide range of stakeholder activity across our business on various topics, we coordinate our engagement via ESB Networks' Stakeholder Engagement Strategy & Plan . This document outlines our business-wide approach to engaging with customers and stakeholders, and contains additional detailed information regarding our aims and objectives for interested stakeholders.

We aim to support our stakeholders and collaborators through:

# A clear innovation strategy and focus areas

This document sets out our refreshed strategy and ambitions, and the focus areas for future innovation projects.

### Engagement and collaboration opportunities

We offer a variety of channels for proactive outreach and to handle inbound queries and requests. We also welcome collaboration through events, forums, and challenge-driven idea generation.

#### A transparent and simple innovation process

We've reviewed how we manage innovation to help us support increased external collaboration, set out in the "Our innovation process" section.

### Access to insights and learnings

The results of our innovation is available in our reports, and additional information is provided on our website.





# Governance of the innovation portfolio

Our governance approach ensures that the project portfolio we manage contributes meaningfully to our business objectives and broader societal goals.

We maintain a central view of the innovation project portfolio across our business. Projects funded through the central innovation and electrification allowance are governed via a 3-stage gated process, used to: review and select ideas, approve projects for delivery, and ensure a structured approach to project close-down.

For higher value projects, delivery decisions are made biannually at meetings of the ISG which is comprised of senior managers from across the business. This group ensures that innovation projects align with the strategy and priorities of the business. Oversight is provided by the Senior Leadership Team (SLT), which is briefed annually to maintain visibility of the portfolio and ensure it can provide support as needed.

This approach ensures that:

- We maintain the balance of our portfolio in alignment with our business strategy, ensuring an optimal mix of near-term and longer-term benefits.
- Risk is managed across the portfolio to ensure that projects are well supported and that innovation drives tangible business value.
- Projects are assessed on a level playing field to enable new innovators to bring forward ideas that get included in the project pipeline.
- · Benefits are realised and tracked to inform our future focus.
- We are not funding the same innovations twice, or overlapping with progress being made elsewhere in the business or across wider network operators.
- We are leveraging best practice in delivering innovation projects and ensuring the right stakeholders are involved in the right projects.
- Where projects impact on wider business governance needs such as in data management, cybersecurity, or making changes to policies and procedures – the relevant teams are engaged to align with those additional governance requirements.

## Stage-gate process for centrally funded projects

A structured stage-gate process is used to support key decision-making at three points during our innovation process.



#### Idea Screening and Evaluation

To ensure the most appropriate projects move forward, we hold portfolio review meetings monthly (and by exception) to prioritise and screen ideas prior to more detailed project scoping and design.



# **Approve Project Delivery**

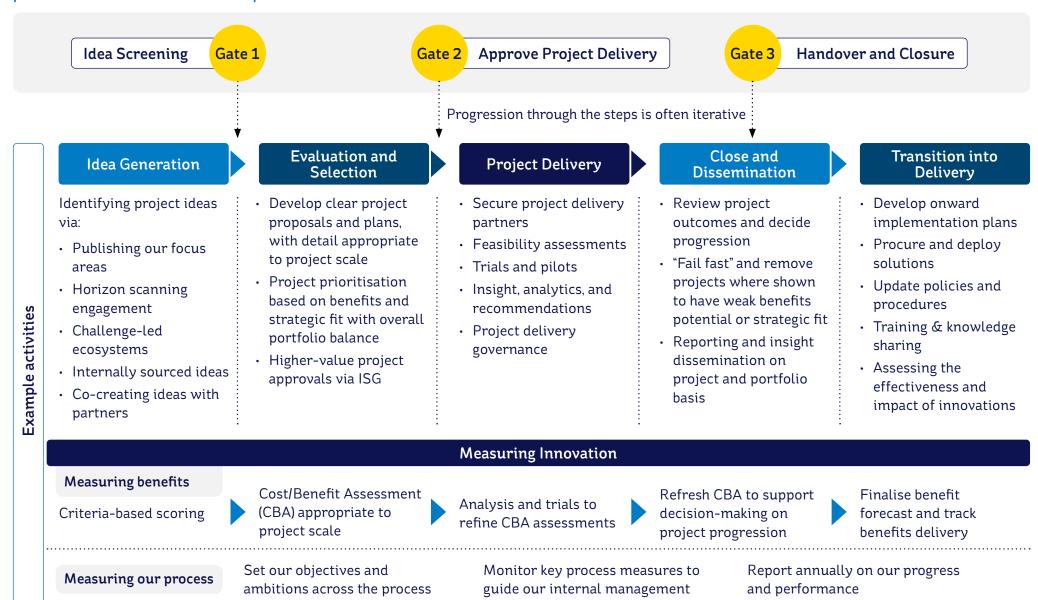
This gate ensures that viable projects that align to our strategic objectives advance to project delivery. Approval is provided by the ISG during biannual meetings. Projects may return for further approval as they progress through phases, for example, following a feasibility study, a project may submit a proposal for a larger delivery phase.



#### Handover and Closure

This gate ensures each project's closure and knowledge dissemination, and assesses whether it will move forward for delivery into the business. Additionally, it serves as an opportunity to stop or pause the project to avoid unnecessary investment, or explore new project ideas, extensions or evolutions to unlock additional value.

To effectively implement our Innovation Strategy, we have revised our end-to-end process as illustrated below. Each step is described in further detail in this section.



Idea Generation

Evaluation and Selection

**Project Delivery** 

Close and Dissemination

Transition into Delivery

Measuring Innovation

#### What we do

How we find and generate new project ideas:

**Engage internal teams** to explore and develop solutions to business challenges.

Undertake **horizon scanning** to identify emerging ideas and bring insight back to the business.

Participate in international industry groups and bilateral discussions to drive innovation.

Host and attend **industry conferences**, exhibitions and events to share insights and enable collaboration.

Actively participate in the Free Electron's Programme to identify and work with high potential start ups and learn from peer Utilities.

Use an outcome-focused / challenge-led innovation process to unlock new solutions.

# Challenge led innovation

For ideas sourcing, our approach centres on setting challenges and inviting solutions, to help direct innovation toward specific business challenges and goals. We have set out our focus areas in this innovation strategy, as well as our approach to innovation highlighting how stakeholders can get involved.

We maintain an innovation ecosystem of partners, through which we publish challenges to invite ideas and solutions. This allows us to reach a wide range of potential collaborators, and to pursue an outcome-focused approach in which we set specific challenges but allow innovators to come forward with solutions.

We intend to expand our use of challenge-led innovation and will grow the level of networks-specific challenges that we set.

# Stakeholder Collaboration

Successful projects require novel propositions or technology, or a service provider or employee with a good idea for change.

To participate in our innovation pipeline, we ask stakeholders to:

- Attend our events to learn about our latest work.
- Share your insights and experiences to help us track emerging trends and identify fast-follower opportunities.
- Collaborate and build partnerships with us to deliver projects.
- Join us in driving sectorwide innovation through partnerships.
- Share your innovation ideas through available channels (see How you can engage with us)
- Respond to our challenge-led calls for innovation.

# Example outputs from this step in the process include:

Innovation project ideas submitted via our website or ecosystem platform.

Partnerships and collaboration opportunities to drive innovation.

New innovation project ideas that align with our strategic priorities

New prototypes that can be fully evaluated and safely tested before implementation.

**Idea Generation** 

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#### What we do

How we evaluate, select and mobilise projects for delivery:

Manage the pipeline of innovation ideas

Oversee and implement the governance to effectively screen and approve projects for delivery.

Prioritise projects at portfolio level based on several key factors such as the strategic fit and expected benefits potential.

Develop and review scoping documents for project approval.

Define the necessary resources and/or contractual requirements for successful delivery.

Allocate the necessary funding and contract with partners and subcontractors.

# **Scoping document**

To ensure that ideas are assessed fairly and consistently, we use a scoping document template containing the following information. The level of detail within this document will vary depending on the project stage and scale. A light touch approach may be used during the early stages, while a more comprehensive approach is necessary for higher-cost project phases.

Problem statement	Potential solutions	Project approach	Benefits and costs
Definition of the problem and key questions to investigate	Description of options to be investigated	Project activity plan Risks and mitigations assessment	Benefits described & materiality estimated Costs set out plus estimate of future costs

# Stakeholder Collaboration

We engage with internal and external stakeholders to:

- Understand the level of support from key internal teams and external collaborators, ensuring alignment with business priorities.
- Hold biannual meetings with the ISG to approve suitable projects for delivery.
- Develop project scoping documents, either within ESB Networks or in collaboration with external project partners.
- Involve broader BAU governance processes, including procurement and spending approvals, cybersecurity risk assessments, and other relevant controls as needed.
- Contract with partners and subcontractors to deliver innovation projects.

# Example outputs from this step in the process include:

Screening matrix used to rank project ideas against a simple set of criteria.

High level CBA that evaluates projected costs in relation to the anticipated benefits.

Scoping document used to define the project approach, along with the associated costs and benefits.

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We can support projects through our innovation programme, and leverage wider innovation funding and delivery mechanisms including Free Electrons, Horizon Europe and successor programmes

Collaborators get the opportunity to:

Gain project support for novel technologies and propositions

Test and prove products and propositions on a ring-fenced section of our network, where appropriate

Work alongside our energy system experts and wider collaborators

Any ESB Networks' innovation funding is typically subject to some competition conditions:

Knowledge developed under funding needs to be shared transparently

Specific project stages may be subject to procurement

We may need to work with a wide range of collaborators

#### Stakeholder Collaboration

We value trusted partnerships and strive to create opportunities for collaboration by reducing barriers wherever possible, while maintaining compliance with governance and procurement requirements.

We leverage collaboration ecosystems, whether internal to the company or externally managed, to find and select companies to collaborate with, and can support potential collaborators to find the relevant channels through which to further their innovation.

Where we select ideas and technologies for early exploration, as is the case with proof-of-concept or pilot projects initiated through the Free Electrons programme, we follow a "fail fast" approach in understanding their value through early project stages to ensure we maintain focus on ideas and solutions with the best potential benefits to our customers.

A key feature of these collaborations is that we publish insights and learnings to enhance knowledge across the industry. We also incorporate, as and where appropriate, these insights and learnings into any subsequent competitive tendering processes for enduring solutions in line with governance and procurement requirements.

For all collaborations that require commitment by all parties involved – including from ESB Networks in terms of resources, data, or access to infrastructure – suitable collaboration agreements or contractual arrangements will be put in place to govern progress towards agreed project goals.

**Idea Generation** 

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#### What we do

There is a wide range of innovation project types, from feasibility studies to detailed design and trials, and from simpler network solutions to complex initiatives. As a result, the activities carried out during project delivery vary, but can include:

### Discovery



#### Design



#### **Trials**



# Insight



- Stakeholder engagement
- Challenge exploration
- Requirements development
- Options identification
- Solution appraisal
- Outline benefits assessment
- Change impact assessment

- Customer research
- Customer proposition development
- Review of commercial products
- Technical solution design
- Process and business model enablers

- Trials strategy and experimental design
- · Trials management
- Use case implementation
- Customer recruitment
- Data acquisition

- Data engineering
- Analytics
- Insight generation
- Cost/Benefit Assessment
- Policy recommendations
- · Report development

# Stakeholder Collaboration

We work with our stakeholders and collaborators to ensure projects are delivered efficiently, with the level of support allocated depending on project need.

We collaborate with a wide range of **external stakeholders**, including:

- Partnering with businesses offering novel solutions;
- Procuring specialist skills to support project execution;
- Engaging stakeholders to provide insights and feedback to inform the project's development; or
- Recruiting customers to participate in trials.

Throughout delivery we engage with the appropriate governance groups to report and address any emerging challenges.

# Example outputs from this step in the process include:

Detailed feasibility studies that define the problem, assess the value, and identify constraints. Prototypes and proof of concepts that validate the proposed solution.

New product and service designs that address identified needs.

Research and data that provide key learnings & recommendations.

Customer feedback that refines and validates the solution. Project management artefacts plans, risk register, etc.

**Idea Generation** 

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#### What we do

How we successfully close projects and share learnings:

Analyse the outputs from innovation projects to ensure all requirements have been successfully met.

**Store outputs in an accessible location** for future reference.

**Develop a dissemination plan and share learnings** via industry forums and other engagement channels.

Identify opportunities to explore new project ideas, extensions or evolutions to achieve additional benefits.

**Identify when projects should be paused or closed** to avoid unnecessary investment.

Report on a project and portfolio basis, and present project outputs to ensure transparency of our findings

# Industry Forums We Participate In

Our participation in forums helps us build partnerships with manufacturers, suppliers, and start-ups, for example through the Free Electrons Programme. We also collaborate with academic institutions, research bodies, and platforms like the Energy Networks Association (ENA) to drive sector-wide innovation.















# Example outputs from this step in the process include:

Project completion reports that summarise project outcomes, challenges, and successes. Dissemination plan that ensures all learnings are shared in a coordinated and effective manner.

'Lessons learned' documents aimed at informing future initiatives. Publications including consultations, papers and reports.

Engagement materials for webinars, workshops, presentations, videos, and bilateral meetings.

### Stakeholder Collaboration

We work with our internal and external stakeholders to ensure the project is closed at the right time. The project team will recommend the next steps for the project and seek approval from the ISG to close the project and, where appropriate, move it into business as usual (BaU).

All team members are encouraged to share project learnings with both internal and external stakeholders, allowing others to easily pick up and apply insights.

Our central innovation team ensures knowledge is shared in a coordinated and effective manner and takes a lead role in sharing learnings from our innovation programme. The team regularly hosts webinars, engages with international industry groups, and attends major conferences, exhibitions, and events, ensuring that wider industry benefits from our insights.

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#### What we do

How we successfully embed innovation into the business

Ensure the innovation portfolio is focused on key business challenges with a clear internal sponsor.

Ensure **cost/benefit assessments** are developed to assure onward benefits and identify benefit tracking KPIs.

**Develop implementation plans** to enable the transfer of ownership from the innovation team to delivery.

**Knowledge sharing** to support adoption of new innovations

Use project learnings to inform the competitive procurement process for new technologies and services.

Use project learnings to update business policies and procedures.

# Ensuing successful delivery into the business

Our primary goal is to deliver innovative solutions that can be effectively integrated across our business. Achieving this requires strong business support and a clear pathway for scaling solutions.

The benefits of implementing solutions into the business will be evaluated to inform decisions regarding onward delivery. For candidate solutions, business owners are designated to ensure a smooth handover.

For innovative digital and data projects implemented by the wider business, a structured implementation plan is developed.

Innovation projects that introduce new materials or equipment onto the network must comply with the requirements outlined in our New Materials Introduction Process. Additionally, we evaluate the broader impacts and consequences whilst developing or modifying policies and procedures which are subsequently approved by the Safety Programme Implementation Group (SPIG).

#### Stakeholder Collaboration

We work closely with the wider business to successfully embed innovation into BaU. For projects led by the central innovation team:

- A business sponsor will be assigned from the outset to ensure the project's objectives align with business goals and support the transition into BaU.
- An implementation plan will be shaped and finalised through collaborative workshops, ensuring business owner alignment.
- The central innovation team reports on innovation annually and coordinates tracking and managing ongoing benefit realization.

For innovation projects that introduce new materials or equipment, the business owner provides resources to support procurement activities, and meet the requirements of the SPIG and the New Materials Introduction processes.

# Example outputs from this step in the process include:

An implementation plan which outlines the key actions, roles, responsibilities, systems and timelines required to embed the project into BaU.

Knowledge transfer materials to support capability building within the BaU teams, ensuring sustainable adoption of the solution.

Cost/benefit assessments that outlines the expected benefits and highlight the impact of the innovation in BaU.

**Idea Generation** 

Evaluation and Selection

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Measuring Innovation

#### What we do

Use Cost/Benefit
Assessments as a tool
to manage the value of
our portfolio and inform
decisions

Set clear objectives for innovation at ESB Networks for internal and external transparency

Ensure our approach focusses on both the outputs of innovation and the enablers and culture we are seeking to create

Track key measures against these objectives periodically to help us manage innovation internally

Report on key measures annually to provide transparency for stakeholders

# Monitoring and reporting on progress

We have set ourselves objectives across the process to guide our focus, and identified relevant measures that help us to stay on track. We review our performance regularly and report externally annually.

	ldea generation	Evaluation and selection	Project delivery	Close and dissemination	Transition into delivery
Objectives	Implement a 'Challenge-Led' approach that engages internal and external stakeholders to maximise our exposure to a wide range of ideas and solutions.	Achieve a balanced innovation portfolio across low-risk and / or near-term transformation, and high-risk and / or long-term transformation.	Maintain a broad portfolio of projects in line with strategy and ambitions.  Work with a wide range of stakeholders and collaborators.	Rescope or stop projects shown to have limited benefits potential through early testing.  Enhance the visibility of innovation efforts and promote knowledge sharing across internal teams and external stakeholders.	Maximise the impact of innovation projects through successful delivery of benefits.
Measures	% of new solutions developed from internally vs. externally sourced ideas.	Portfolio balanced across innovation horizons and themes on the following basis: Incremental: 70% Adjacent: 25% Breakthrough: 5%	Overall portfolio scale (number of projects, total ESB Networks resource commitment) % of projects with external collaborators	# of projects rescoped / removed from the portfolio annually when appropriate. % of projects with knowledge dissemination	# of completed successful projects moved forward into delivery annually. Total benefits potential of projects taken forward into delivery.

# Strategy evolution and how to contact us

Together we can build a resilient, sustainable, and inclusive energy system and deliver a clean electric future.

ESB Network's innovation strategy will be refined over time to maintain alignment with business strategy, government and regulatory policy evolution.

We believe that collaboration with our stakeholders is crucial in achieving our goals and driving sustainable growth.

Our annual consultation is the primary channel for engagement with us on our innovation strategy and projects, providing an opportunity for stakeholders to help reshape them into the future.



For further information on innovation at ESB Networks, please visit our website: www.esbnetworks.ie





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