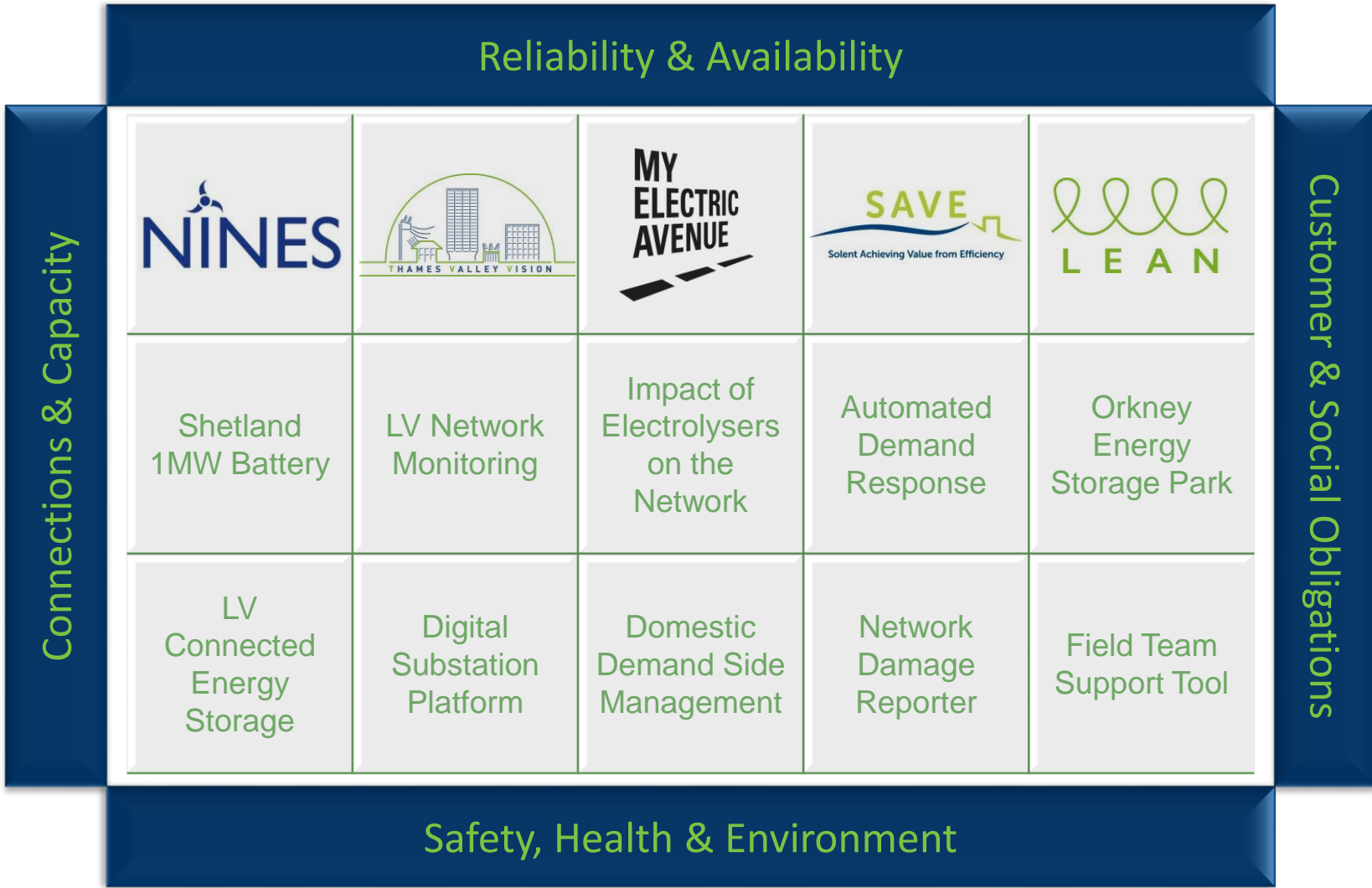


# Turning the Innovation Corner

My Electric Avenue  
Final Dissemination Event

Stewart Reid, Head of Asset  
Management & Innovation





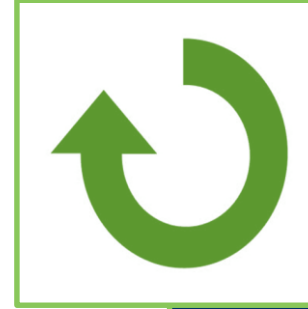
## Distribution Project Portfolio

## 3<sup>rd</sup> Party Lead: The pros and the cons



What has Worked

- Partner mix
- Approach
- Communications
- Customer Engagement



What should we do differently next time

- Funding
- Contracts
- Technology readiness
- Timing
- Processes

# Benefits (to the DNO) of having a Third Party Lead

## Skills and resources

- Increased resources to deliver innovation projects
- Scaled to meet specific needs
- New domain specific expertise

## Agility of third parties

- Size
- Culture
- Motivation for projects to succeed

## Clarity of role

- Maintains clear responsibilities to DNO to protect customers

# Potential Pitfalls

## Interactions

- This is not a 'hands off' relationship!
- In house and third party processes need facilitation
- Cross organisation process can take time

## Management Tools

- Activity coordination (responsibility of third party)
- Cost coordination (network operator bank account)

## Risk

- DNO obligations (licence, direction, statutory...)
- Controls can 'share' but do not transfer network risk
- Risk tolerance varies with party and nature of risk

## Implementation knowledge

- Awareness of and access to latent DNO knowledge
- Know-how associated with a customer focused, regulated environment rarely familiar to a third party
- Contacts and diaries
- Systems (for example: asset registers, GIS etc)

# Conclusions & recommendations

The new expertise and resources that third party leadership brings, make innovation in unfamiliar topics very possible

Third parties have access to practical 'live' field trials

Customer interests are well managed

But, this is not a hands off method

- DNOs must maintain responsibility for customer interests
- DNOs need to support third parties with unfamiliar responsibilities/ knowledge gaps