

H100 Fife

Building consumer acceptance of hydrogen for heat

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Classification: Confidential



SGN
Your gas. Our network.

H100 Fife - Customer Overview

Following a nationwide search, Buckhaven and Denbeath were chosen for the world's first green hydrogen zero-carbon heating network - H100 Fife.

We're using the offshore wind turbine in Fife Energy Park to make the hydrogen we need. We'll transport the green hydrogen gas through a newly built gas network to 300 opted-in homes in Buckhaven and Denbeath.

Homes which decide not to opt in will remain on the existing natural gas network.

Customers who opt in will receive a free new hydrogen boiler and free appliances to replace their natural gas appliances. These will be installed, maintained and serviced free of charge until 2027.

They will also get £1,000 for playing an important role in our journey to net zero.



Customer Sentiment



Customer Sentiment

It is important to remember that customer sentiment is key to H100 Fife and delivering the evidence of customer acceptance which will inform the UK Governments Heat Policy decision in 2026. So, what is customer sentiment?

Customer Sentiment is the measure which indicates customers feelings, opinions and attitudes towards a product, service or brand. It can be measured on a sliding scale, positive, neutral or negative; or as an emotion: happy, disappointed, angry.



Customer sentiment differs from customer satisfaction. Customer Satisfaction is quantitative, while sentiment is qualitative:

Quantitative =
Values or counts,
expressed as numbers

56% of customers
said...
25% of customers are
more likely to..

Qualitative =
Descriptive, narrative
form or symbols



The Research

Why do customers want to take part?



Customer Engagement Research

Greener Kirkcaldy - Customer future of heat surveys

Householder Survey Report December 2019 to March 2020; Base size = 108

- **81%** ranking gas as their top heating preference.
- **93%** of households were interested in heating that would reduce their own household's carbon emissions
- Households within the 1km of the proposed H100 Fife site were slightly more likely to have heard of decarbonised heat alternatives and to report an interest in reducing their household emissions through low carbon technologies.

Householder Survey 2 Report December 2020 to March 2021, Base size = 70

- **Almost 25% of households is selectively self-disconnecting from gas on occasions**, using electric room heaters in order to afford heating costs and under-heating their homes in the process.
- Although, the installation cost of a new heating systems and appliances was reported as another barrier to households wishing to reduce their household emissions, **there is an appetite for low carbon heating if funding was available to cover the initial installation costs.**

In Levenmouth a lack of prior knowledge about green gas was not a barrier to interest in uptake, however affordability remains the dominant factor

Cost remains the determining factor in how Levenmouth residents use their current heating systems and in their willingness to replace their system with a low carbon alternative

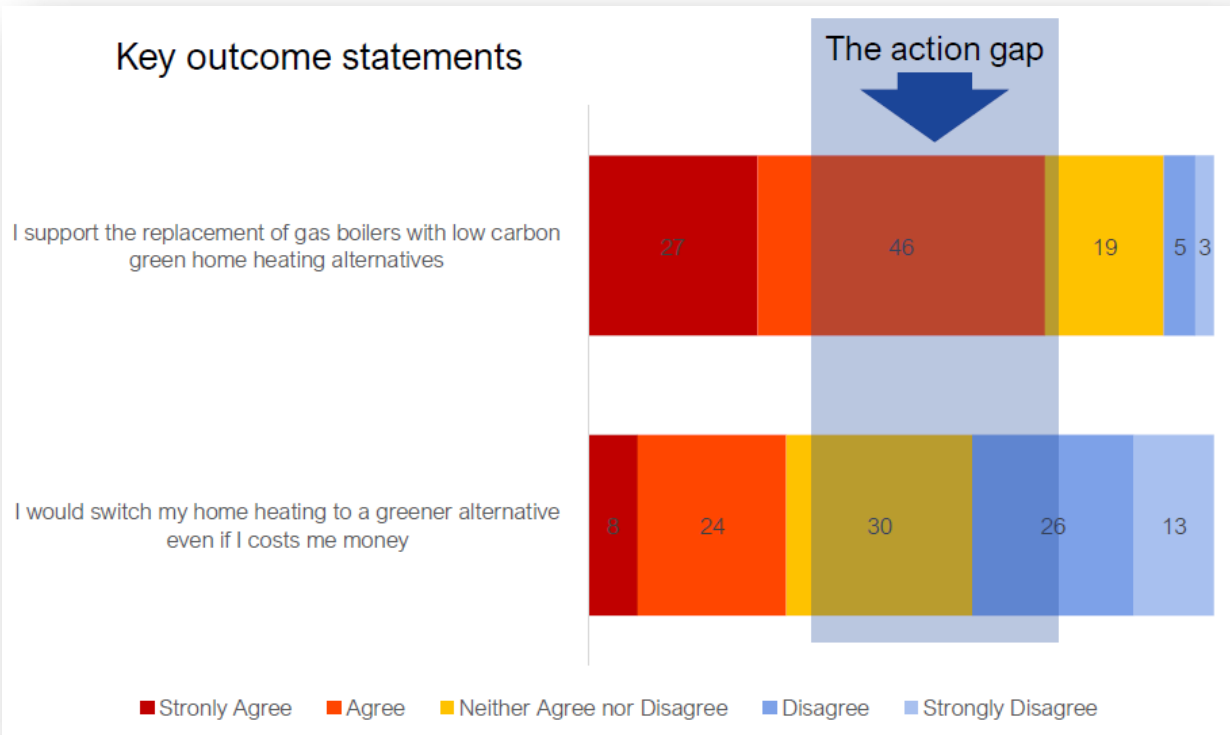
Customer Engagement Research

SGN project with Stonehaven - Consumer values towards decarbonised domestic heat

- Scottish focus groups
- **Familiarity, stability** and **security** of continuing to use gas
- Keeping connection and changing gas as a comfortable energy transition
- **73%** say they support replacing their boilers with a greener alternative
- But when asked if they would do and pay for this switch, support drops to **32%**

This is called 'The action gap'

- The action gap is mitigated under the cost neutral participation model for the project



Key customer engagement principles

- **Certainty:** provide certainty, predictability and familiarity for a public who feel unstable
- **Stable progress:** a natural pragmatic step from current customer offering
- **Control:** providing control for homes and families

The Customer Journey



Customer Proposition

“Great products and services are made when the people who make them care about the people who use them. That means during every meeting, when making any decision, in every design and with every interaction, **we will first think about our customers**”

We used the data gathered during our extensive customer research and created the below customer proposition:

It doesn't cost to participate in H100 Fife

Have your natural gas boiler and meter, and natural gas appliances, replaced with brand new alternatives

Free installation and free servicing and maintenance until 2027

Receive £1,000 for taking part and playing an important role in our journey to net zero.

Hydrogen will be billed at the energy unit price of natural gas with the option of changing your gas supplier at any time.

Help us gain valuable insight, which will in turn help Scotland get to net zero

Continue to enjoy a gas supply that gives you instant warmth and full control of your heating.

Help the environment and protect future generations by moving to a clean energy source



The Customer Journey

Before engaging with the potential customers, it was important to engage with the representatives and stakeholders in the local area.

- Community Liaison Group
 - Comprised of key stakeholders, charities, community groups, schools and businesses
 - Sounding board and advice on community and customer engagement
 - Insight into local events, activities and challenges
- Working closely with Local Authority and Housing Associations
 - Working alongside these groups across customer engagement and insight
- Working with local schools
 - In partnership with Bright Green Hydrogen we have delivered a hydrogen education program to 10 schools in the local area, with plans to expand further
 - Working with Levenmouth Academy on H100 Fife



Customer Registrations

By aligning our research and advice from our panel of local experts, we have designed an engagement plan that appeals to our customer and ensures they feel supported and informed throughout the entire journey



A Brand for Good

It is important we acknowledge that H100 Fife is an exciting opportunity for the whole local area, both inside and outside of the coverage area. To continue to improve community sentiment, we will:

- **Sustain and improve early relationships built within the local community**
 - We continue to engage in Local Events and maintain a local presence throughout the entire project
- **Culture of openness and transparency**
 - Customers are kept up to date and are made aware of any changes
- **Keep things simple**
 - Communicate the right information, the right way and at the right times
- **Listen to Understand**
 - Continue to listen to our customers and the wider community to ensure we constantly improve

