



Homes are about to get smarter

Presentation for iHeat 2012 conference  
[www.cir-strategy.com/events/heat](http://www.cir-strategy.com/events/heat)  
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# British Gas is Centrica's UK retail brand

British Gas secures and supplies gas and electricity for millions of homes and businesses and offers a distinctive range of home energy solutions and low carbon products and services



- #1 UK electricity and gas supplier
- Biggest home services company in UK (central heating, gas and electrical appliances, EV)
- Britain's leading supplier of energy to businesses
- Britain's largest installer of energy efficiency solutions and low carbon technologies



- Sourcing gas and electricity from own production and third parties
- UK leader in offshore wind
- 3 year agreement with Qatargas for delivery of 2.4 million tonnes per annum of LNG
- 2nd largest gas producer in the UK Continental Shelf



- Approximately 70% of UK gas storage capacity



- Providing energy and services to 6 million residential and business customers in Texas, the north and east of the US and Canada



# British Gas's vision is to lead the smarter energy future

1. Offer visibility, insights and actionable advice for customers on their use of electricity and gas
2. Provide innovative solutions to help customers manage the home appliances and systems
3. Participate in cutting-edge trials to ensure a future energy market meets the needs of the customer

**Today, we will look at examples of each:  
Smart Metering,  
Remote Heating Control and  
the Customer-Led Network Revolution (CLNR)**



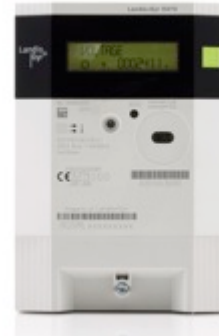
# Smart Meters

# Empower and engage our customers in understanding their energy consumption



## Standard Metering

- **Estimated billing**
- Low understanding of size of bill
- **Manual meter read submission**
- No real time consumption data
- High requests for re-bill
- Low customer trust in bill



## Smart Metering + In Home Display

- **Accurate Billing**
- No surprises on bill, easier to budget
- **Automatic meter reads**
- Dual fuel smart energy monitor
- **Real time usage** in pounds and pence
- A transformational customer experience

# Go-early Smart Metering roll-out and in-depth customer research

- Govt has mandated roll-out of smart meters; Suppliers need to begin by 2014
  - British Gas has decided to start bringing benefits to customers now
  - We installed 400k in 2011 and we will more than match that this year.
- 

**68%** of customers say  
they are still using their smart  
energy monitor after a year

**93%** of customers  
think it makes energy easier  
to understand and control

**90%** of pre pay  
customers rate their smart  
install & welcome booklet  
highly

**70%** of pre pay  
customers say that they  
thought smart meters help  
them reduce their energy  
consumption

**78%** would  
recommend having a  
smart meter installed to a  
friend or relative

**52%** of consumers  
say smart makes them  
feel more positive about BG

# Smart meters enable personalised insights via Smart Energy Reports for BG customers



# Remote Heating Control

# Smart heating systems are a strategic area of interest to us

## 1. Help customers save money on their bills

~2/3<sup>rd</sup>s of the bill is heating & hot water

Opportunity for customers to save money & energy

## 2. Help customers live more comfortably

Significant portion of people don't change their thermostat

Opportunity for customers to live more comfortably

## 3. Emerging technology is providing new, simpler solutions

Technology is getting simpler and cheaper

Opportunity for us to build new business(es)

## 4. Drive brand reappraisal

“Absolutely AMAZING technology here. Well done British Gas!”

# AlertMe offered a simple, intuitive system: Remote Heating Control

**Remote Heating Control** enables you to control your central heating from almost anywhere via a laptop, mobile, smartphone or iPad.

## Features and Benefits

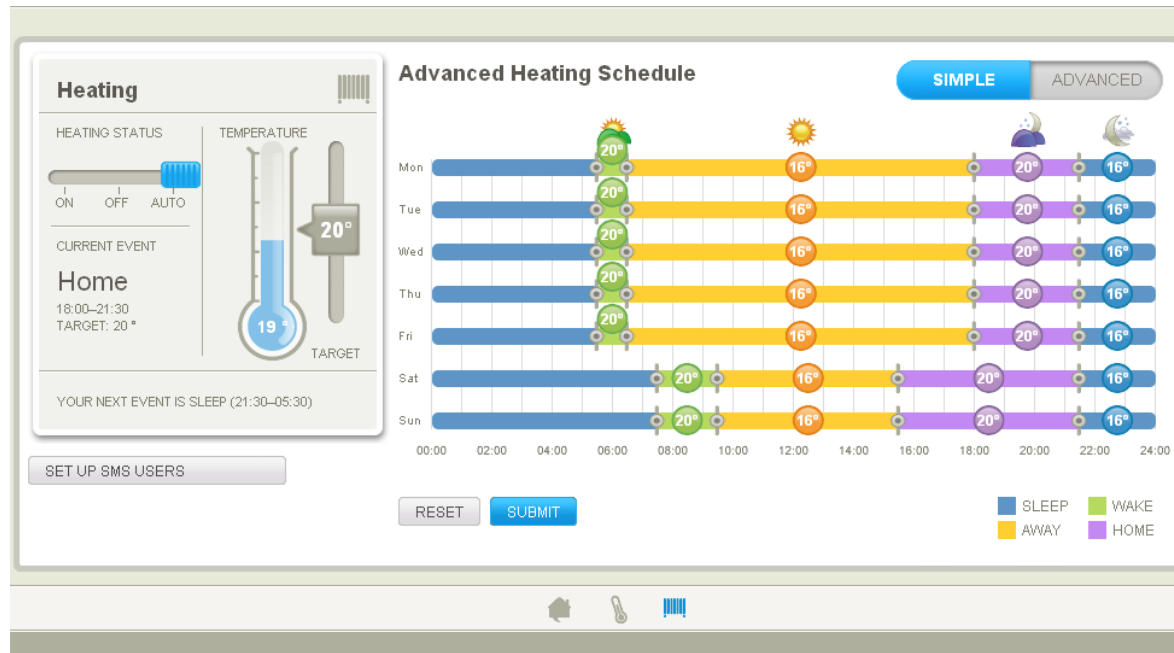
- Simple to understand and use with an intuitive user interface
- Online 7 day basic and advanced programming
- Control your heating system on the go
- More convenient and flexible than standard heating controls
- Setup temperature alerts, if below / above a specified temperature
- Opportunity to reduce energy usage and save money



# Remote Heating Control: Video

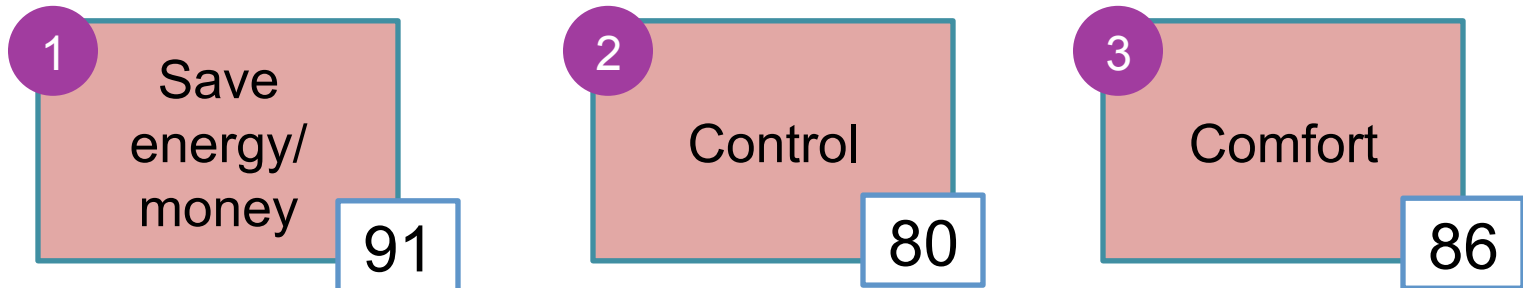


# Remote Heating Control: Proposition resonates well with customers...



*The online interface*

... and provides the opportunity to meet 3 key unmet needs



Importance to customer score out of 100 in research

# Remote Heating Control: .. and is helping us gain brand re-appraisal



**Home Gadget  
of the Year  
Winner**

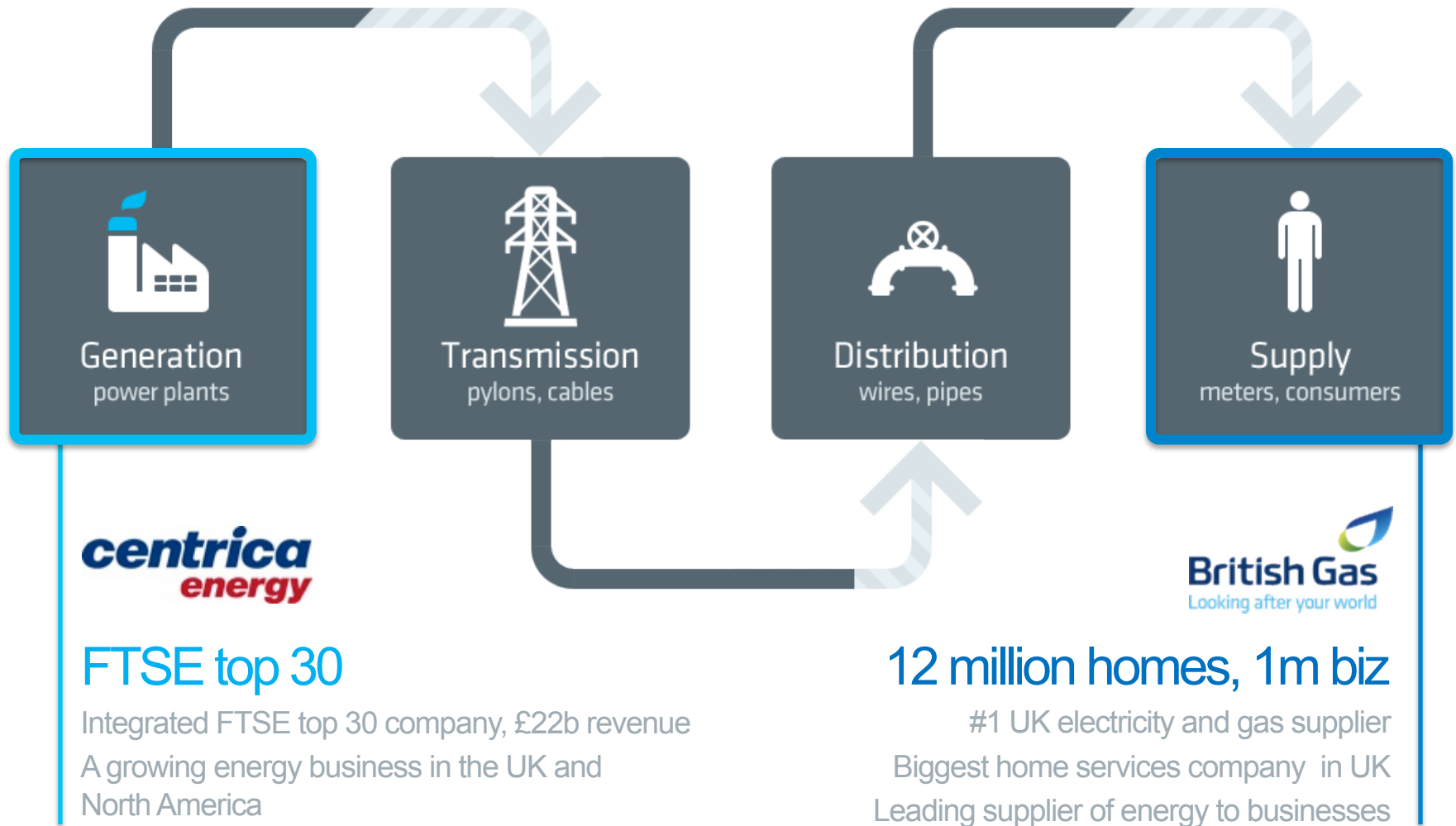
at

**Stuff Gadget of the  
Year Awards 2012**



# Smart Grids

# Centrica and British Gas operate in the competitive ends of the UK value chain



# Why are interested in Smart Grids?

## Making it work for our customers

1) *Allow greater uptake of renewable and low carbon technologies...*



2) *Provide cost-effective balancing systems to meet our changing energy needs...*



3) *Provide monitoring and control to the low voltage system beyond the substation, to help “keep the lights on”*

# Customer-Led Network Revolution

## The UK's largest 'Smart Grid' Project

- £54m programme of technology and customer engagement focussing mainly in the North East & Yorkshire regions
  - Led by Northern Power Grid in collaboration with British Gas, Durham University and EA Technologies
- Aiming to find solutions to some of the 21<sup>st</sup> century's key energy challenges in order to:
  1. Mitigate or defer the need for reinforcing the local electricity distribution network
  2. Accelerate the uptake of low carbon technologies
- Along with the project's partners, make joint proposals for changes to the industry's commercial frameworks



# Customer-Led Network Revolution

## British Gas's role and responsibilities

- Recruit ~12k residential and business customers into ~20 Test Cells with unique propositions
- Provide essential data and insight for 2 of the project's key learnings
- Opportunities for British Gas:
  - Build and test infrastructure for complex Time Of Use (TOU) tariffs
  - Test domestic Heat Pump proposition and operations
  - Test enhanced monitoring and demand response propositions
  - Ascertain customers' appetite for "intervention tariffs"
  - Learn how customers with Low Carbon Technologies react to TOU tariffs
  - Affirm commitment to + leadership in the Smart and Low-Carbon markets

# Future markets increasingly require coordination across multiple partners



# Progress within CLNR on the customer side

- ✓ Designed and launched 19 Test Cell propositions and recruited ~12k triallists

## Example propositions:

- ~700 customers now live on the Off-Peak Saver 3-Rate Time of Use (Smart) Tariff
- Installed restricted hours/direct control-ready smart heat pumps with 300l thermal stores
- 2 props around electricity from PV cells
  - Instead of exporting, route to hot water
  - When exporting, alert customer via IHD



Thank you

[www.britishgas.co.uk/smarterhomes](http://www.britishgas.co.uk/smarterhomes)

