CONGRESS EUROHEAT VIENNA 2013 & POWER

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Energy Services with a Customer Perspective

Creating Sustainable Relationships

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ENER-G Switch2

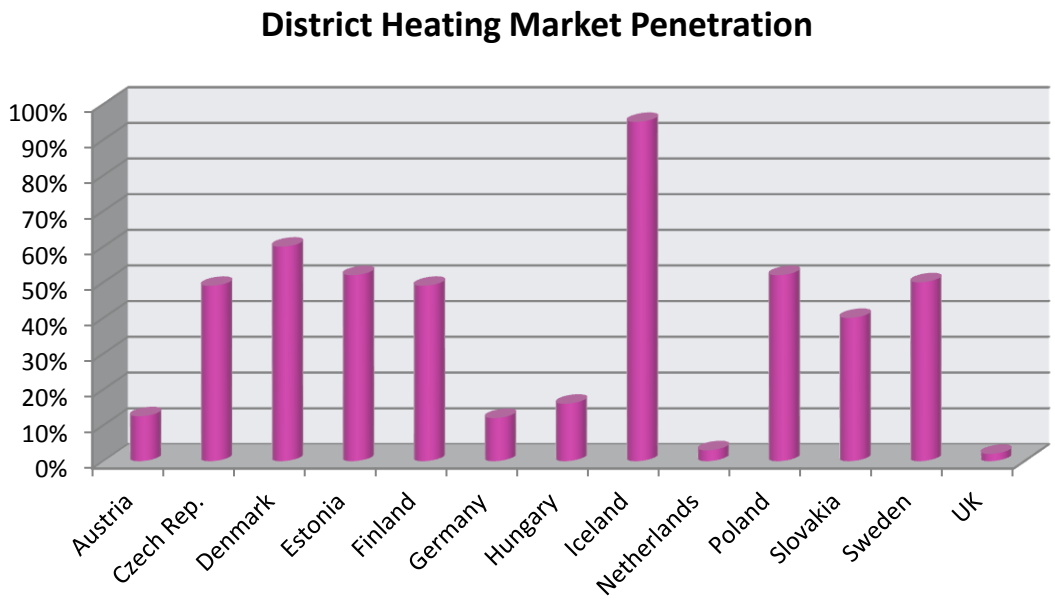
Organised by EUROHEAT & POWER

Energy Services with a Customer Perspective

A 5% improvement in customer retention could lead to an increase of between 25% and 125% in bottom line profit!

Comparing the UK and Europe

- District heating is not as well represented in the UK as other European country's with only 2% or 500,000 of the properties using District Heating



ENER-G Switch2 have 2 distinctive customers

B2B – The Client

The Client is often the ESCO and responsible for the scheme performance and full P&L delivery. Delivery of a Communal Heated Scheme that is

self funded, **hassle free**, delivering heat at a reasonable cost dealing with fuel poverty and the protection of vulnerable residents.

B2C – The Consumer

Delivery of heat and hot water which is easy to use,

available as required and at an affordable rate.

Case Studies- Delivering solutions to Clients

Kirklees Neighbourhood Housing

An energy and cost saving project helping residents to reduce fuel bills and carbon dioxide emissions. The project was the first in the UK to utilise the G6 EcoServe data collection and energy management technology, designed and developed by ES2.

FCHO

The installation of metering control units in the various schemes in Oldham produced a measurable decrease in energy consumption.

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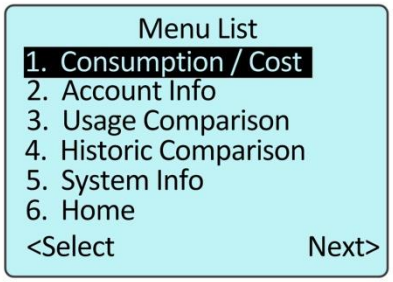
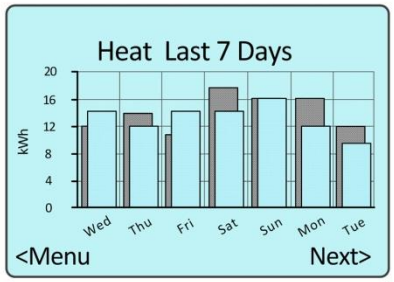
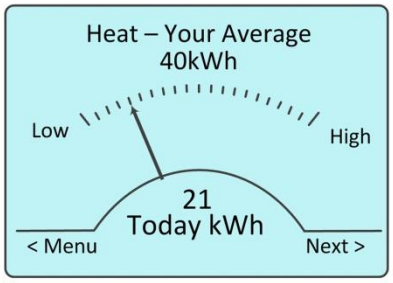
G6 has revolutionised debt risk

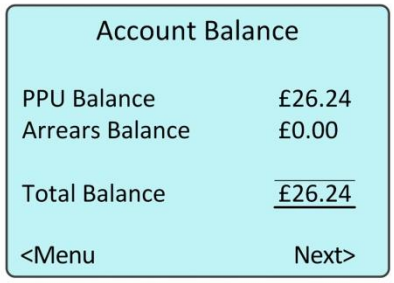
Truly understanding your customer to build retention

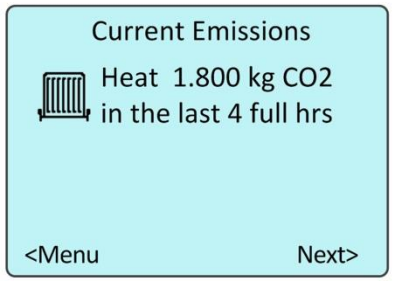
Winner of the Housing Innovation Awards 2013 "Most Innovative New Product"

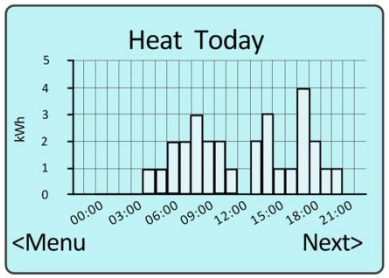












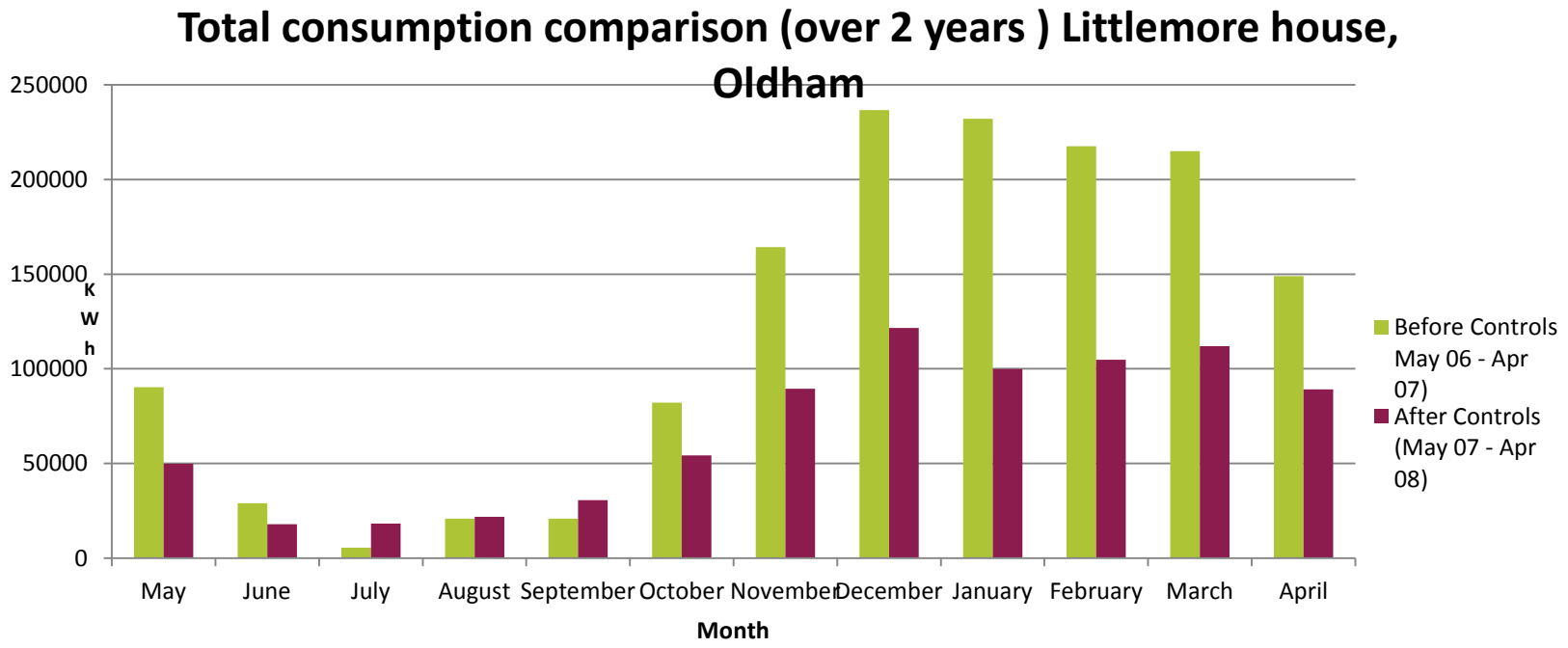
KNH Project – the Clients View

- KNH predicts that the annual average consumption will reduce by 30 to 50%, already it is at 15%.

- "With the economy of scale of supplying heat via a district heat network, we already provide lower cost heat, but now that residents can track how much energy they are using and are taking action to reduce consumption, annual heating bills, including winter consumption, could average £5 per week. Heating bills for a similar sized property would cost approximately 60% more if residents were purchasing gas or electricity from one of the big suppliers".

Barry Goodwin, KNH Project Manager

Oldham Project – meeting customer demands



Delivering Customer Retention by solving complex issues

- Energy Efficiency
- Tariff Modelling
- Exposure to Debt
- High Quality Metering
- Landlord Tenancy Agreement

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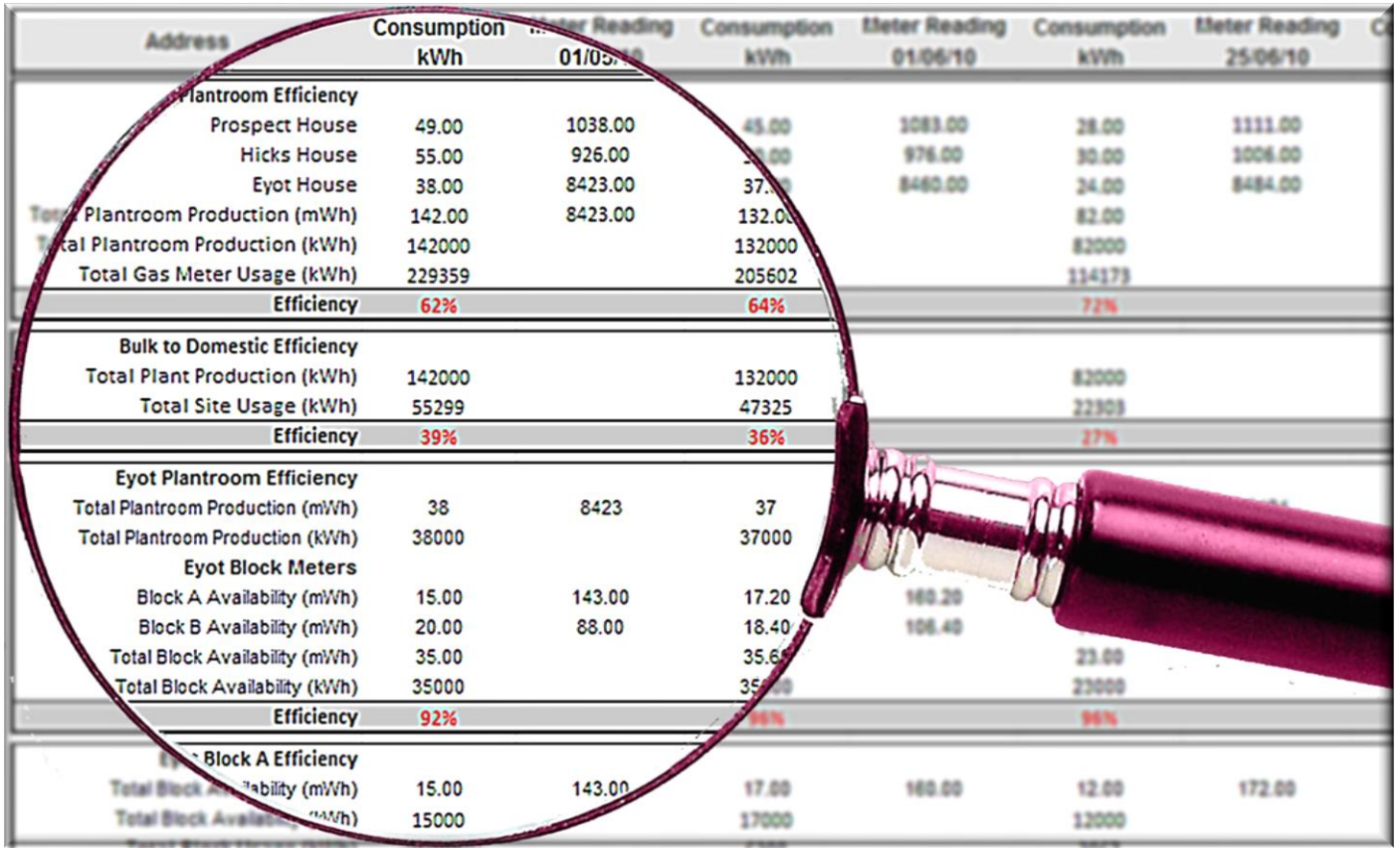
How understanding Energy Efficiency can led to improved Scheme Management



Address	Consumption kWh	Meter Reading 01/05/10	Consumption kWh	Meter Reading 01/06/10	Consumption kWh	Meter Reading 25/06/10
Plantroom Efficiency						
Prospect House	49.00	1038.00	45.00	1083.00	28.00	1111.00
Hicks House	55.00	926.00	50.00	976.00	30.00	1006.00
Eyot House	38.00	8423.00	37.00	8460.00	24.00	8484.00
Total Plantroom Production (mWh)	142.00	8423.00	132.00		82.00	
Total Plantroom Production (kWh)	142000		132000		82000	
Total Gas Meter Usage (kWh)	229359		205602		114173	
Efficiency	62%		64%		72%	
Bulk to Domestic Efficiency						
Total Plant Production (kWh)	142000		132000		82000	
Total Site Usage (kWh)	55299		47325		22303	
Efficiency	39%		36%		27%	
Eyot Plantroom Efficiency						
Total Plantroom Production (mWh)	38	8423	37			
Total Plantroom Production (kWh)	38000		37000			
Eyot Block Meters						
Block A Availability (mWh)	15.00	143.00	17.20	160.20		
Block B Availability (mWh)	20.00	88.00	18.40	108.40		
Total Block Availability (mWh)	35.00		35.60		23.00	
Total Block Availability (kWh)	35000		35000		23000	
Efficiency	92%		96%		96%	
Eyot Block A Efficiency						
Total Block Availability (mWh)	15.00	143.00	17.00	160.00	12.00	172.00
Total Block Availability (kWh)	15000		17000		12000	

Communicating Tariff Effectively is Crucial

Comparing ‘like with like’ is essential

- Variable and fixed elements of the heat tariff
- Fixed element ensures contribution
- Variable element manages demand and introduces fairness
- **Complex issue** comparing a kw of natural gas on an individual domestic gas boilers with a kw of heat
- – must compare like for like

Understanding how to create Sustainable Relationships

- First, delighting customers doesn't build loyalty; reducing their effort—the work they must do to get their problem solved—does.

- Second, acting deliberately on this insight can help improve customer service, reduce customer service costs, and decrease customer churn.

Dixon, Freeman and Truman