

Facilitating Affordable Network Extensions

“National Grid is committed to leading the way in the fight against Fuel Poverty in the UK.”



National Grid Affordable Warmth Solutions recognised as ‘best’ industry practice.

Building on successes

In its decision on the 2009 Gas Distribution, Discretionary Reward Scheme, the Panel recognised National Grid’s initiative to establish a new independent Community

Interest Company as ‘best industry practice’. Building upon the initial success of this Affordable Warmth Solutions (AWS) initiative, National Grid and its approved partner has made significant progress during 2009/10 and continues to extend the boundaries of this exciting initiative. During this year we have delivered 11 community schemes and connected around 3,400 Fuel Poor / vulnerable homes to our gas distribution network.

Reaching Further

Although AWS is an independent non-profit distributing organisation, National Grid continues to provide key strategic support to the company and as part of this relationship and the focus that AWS is able to provide to the delivery of the National Grid contract, the AWS board has already ring-fenced around £75,000 of surplus income from its operations for reinvestment in providing efficient gas heating to Fuel Poor households that may not qualify for mainstream programmes, e.g. “Warm Front” or to supplement supplier CERT funding. This funding is in addition to the £4.8m already committed by our partners for central heating improvements as a result of National Grid’s investment in its network.

“By bringing together key strategic and funding partners, National Grid has established a strategic delivery model that provides efficient fuel poor connections and other essential energy efficiency measures to vulnerable homes...”

A Clear Objective

The National Grid developed model differentiates itself from its competitors by bringing together key strategic and funding partners and providing a replicable and adaptable business model that ensures the efficient delivery of connections and heating systems to the Fuel Poor.

National Grid also provides a mechanism that independent Gas Transporters and Infrastructure Connection Providers can access in order to benefit from the funding partnerships that AWS has brought together.

AWS continues to build relationships with key strategic partners and has developed a forward work programme that ensures the most vulnerable homes are given the greatest priority. The AWS board, chaired by former Energy Minister Malcolm Wicks MP seeks to ensure community engagement through the network created by leading UK Fuel Poverty Charity, National Energy Action, whose Chief Executive; Jenny Saunders represents consumer interests on the AWS board

Whole Community / Whole House

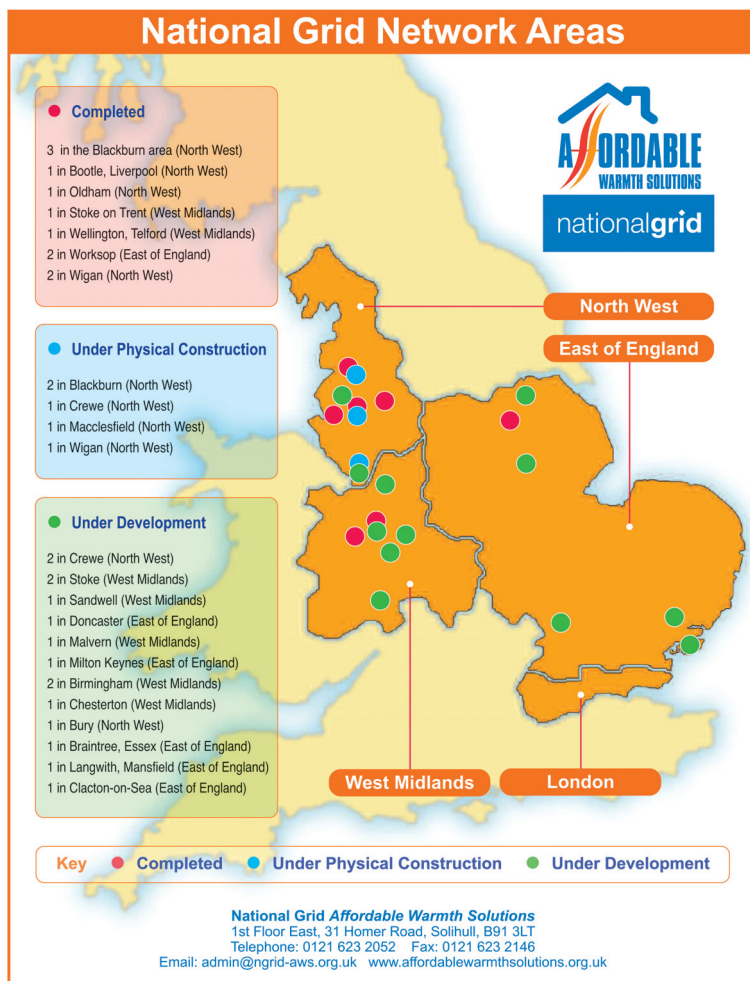
National Grid’s innovative approach to combating fuel poverty through community gas connection schemes is based on a “whole community, whole house” package of affordable warmth measures. To ensure we meet the requirements of individual households AWS has developed its unique **‘Home Energy Assessment Form’** that householders complete prior to works commencing. This form (also available on-line) is completed with the support of trained AWS staff and ensures appropriate energy efficient improvements are specified. This package includes the provision of gas connections to Fuel Poor homes together with high-efficiency gas fired heating systems and other energy efficiency measures.

Our approach enables AWS to engage approved local contractors who have relatively low operating costs and also larger commercial organisations that can bulk-buy products, ensuring the most cost effective and efficient solution. Contractors are identified through competitive tendering and awarded on the basis of best value to the ‘client’.

Pre-contract meetings are held with key stakeholders where work programmes are agreed and subsequently monitored at weekly operational meetings. Work schedules are agreed for each project to establish targets and milestones. These are reviewed and monitored regularly, and Standard Management Information is produced that ensures National Grid and other key partners are kept fully informed on the progress of the scheme.

Overall, this systematic approach enables National Grid and AWS to focus resources in a specific geographical area and is therefore highly effective in identifying, surveying and delivering essential warmth to qualifying households.

National Grid Affordable Warmth Solutions



areas and in simple terms helps explain the alternatives and options that may be available to them.

On larger schemes AWS holds 'open days' where householders are encouraged to 'meet the team' to help resolve issues of a more individual nature. Our community engagement approach has resulted in an increased understanding by Fuel Poor communities of the help available. Our engagement has helped to increase the uptake of gas connections within proposed community schemes, thus making investment economically viable.

In an effort to better target "Hard-to-Reach" households, AWS is working with Consumer Focus and sharing research and information that will help the whole energy industry better target potential vulnerable households.

Thinking "Outside the Box"

In addition to its AWS initiative, National Grid has sought feedback from Independent Connection Providers (ICPs) on its connection processes. In an effort to further facilitate competition in this market and increase the number of connections made to qualifying households, National Grid has implemented changes to its 'adoption processes' that better meet the needs of ICPs who may wish to provide connections within this sector.

In addition, acting as an independent CIC, AWS has, in partnership with a leading ICP, initiated discussions with other GDNs that aim to deliver community Fuel Poor schemes within their geographies. The successful delivery by AWS of schemes on behalf of a leading Housing Association has resulted in the identification of additional schemes that otherwise are likely to have remained unidentified. This partnership approach has resulted in Northern Gas Networks reviewing its Adoption Processes that will result in many more connections being made by AWS and its ICP partners. As a result of this initiative Ofgem has recently approved AWS as an 'in-house' partner to three leading ICPs and an independent Gas Transporter.

Outputs in 2009-10...

National Grid's investment will reduce the lifetime environmental impact from old inefficient heating systems by some 292,000 tonnes carbon dioxide.

National Grid has invested in 11 community projects during 2009-10, involving the construction of some 2,800m of new gas mains and 3,400 gas services under its Fuel Poor scheme. As a result of this investment lifetime tCO₂ savings are anticipated to be around 300,000 tonnes, bringing some £1.5 million lifetime energy savings to community connections customers alone...!

Ensuring Customer Safety and Satisfaction

On completion of community schemes, post contract evaluations are undertaken between National Grid, AWS, its contractors and, most importantly, its customers. The reviews include Health & Safety compliance, customer satisfaction and include the identification and resolution of any on-site findings. The primary objective of this exercise is to ensure National Grid and its service provider, AWS continue to review and develop its approach to delivering community schemes that best meet the requirements of all partners and individual householders.

"...We work to identify and engage key stakeholder groups who can assist us in overcoming potential barriers..."

Overcoming Barriers

National Grid encourages AWS, to identify and engage key stakeholder groups who can assist us in overcoming traditional barriers to qualifying householders realising the benefits of a "Fuel Poverty" focussed programme.

One example of this is AWS' engagement with the National Concessionary Fuel Office to produce a guide clarifying the entitlement to an annual cash settlement in lieu of the coal allowance for ex-mining households. This leaflet is provided to householders living in coal mining

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APPENDIX 1

The Customer experience

National Grid and AWS place an extremely high value on customer and stakeholder feedback. Customer engagement is initiated at a very early stage of project development and lessons learned from this relationship are implemented quickly and efficiently.

"We can't begin to tell you how delighted we are with the new heating system. Before we had gas installed the flat was damp and cold and certainly was not a nice place to spend cold winter evenings. Since we have had gas installed, we can now enjoy our home and sit in comfort, nice and warm. It has changed our lives. Thank you so, so much" (Mr P, Wulvern Homes Tenant)

AWS works with Social Housing providers and community groups in pre-identifying potential 'hotspots' and work with community liaison officers in overcoming potential barriers commonly associated with Social Exclusion. AWS also encourages its contractors to appoint Community Liaison Officers who are familiar and competent working with 'isolated' communities or individuals, for example, Sustainable Energy Connections (an AWS contractor) has recently appointed a Community Officer who is an experienced Charity Worker and who has successfully run projects and initiatives that meet the needs of visually impaired children and families.

Delivering Exceptional Service...

AWS carries out and reports to National Grid on the results of Post-project completion Customer Surveys; the categories assessed include questions on professionalism, communication, construction and installation. The results of these surveys are extremely valuable and reflect a very high degree of customer satisfaction with 67% of respondents rating the service they have received from AWS as 'exceptional'.

National Grid Business Customers

National Grid is committed to ensuring the needs of vulnerable customers are met and are available to as many groups and organisations as practicable. During 2009/10 National Grid made changes to its 'e-commerce' systems to allow business customers direct access to its connections quotation system that 'automatically' applies a Fuel Poor Voucher to qualifying households.

"...Improvements made to the B2B customer portal has made the process for obtaining Fuel Poor quotations quicker...the new system change speeds up the process for both us and our customers..."

(Lee Bowen, British Gas)

"...Since we started applying direct to National Grid in November 2009 we have learnt so much about gas supplies and our knowledge continues to grow day by day. We have built good relationships with your staff and we find them very informative and helpful which has enabled us to complete the processes with ease."
(Lesley Thompson, Eaga)

Working in collaboration with AWS, further system enhancements were introduced that 'maps' areas of deprivation with post codes. These changes enable a customer to identify whether they live in the top MDI 20%; upon confirmation of the post code a 'Fuel Poor Voucher' is automatically applied to the connection quotation. This unique development helps ensure qualifying customers are not faced with the lengthy process of applying for a Fuel Poor rebate.

Other Customer Endorsements

"I would like to take this opportunity to express our satisfaction with the service provided by AWS. Without AWS involvement and financial support from National Grid these schemes would undoubtedly not have happened." (A1 Housing, Worksop)

"...I cannot express enough how pleased we've been with the professionalism, support and work from AWS and its contract partners"

... "As a consequence of this highly successful partnership we've already agreed on a programme to connect and provide heating to a further 100 homes"
(First Choice Homes, Oldham)

**NGAWS Customer Satisfaction Survey
Results 2009-10**

