

STRAT7



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GD3 Research Programme – Phase X Research Panel Survey Low Carbon Heating Solutions survey task report

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January 17th 2024



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MRS
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Background

Background



Objectives

We wanted to understand where participants were in their low carbon heating journey – how many already had low carbon solutions in place, and how were those who didn’t preparing for it.



Method

We invited participants to complete a 10 minute survey related to low carbon heating solutions, covering:

- Their current plans for low carbon heating solutions
- Their expectations and concerns for switching to low carbon solution
- Any help or bursaries they would anticipate

Fieldwork ran in w/c 18th Jan 2024



Sample

56 participants participated:

- **40 Domestic Gas Customers:**
- **9 Future Energy Customers**
- **7 SMEs**

A methodological note on the interpretation of Research Panel results

The Phase X Research Panel was set up in October 2023 with 100 informed customers who had participated in SGN's Phase A Deliberative Research. These customers were informed on SGN's business, its customer base and possible priorities and initiatives for the next GD3 business plan.

Over the last year, new panellists have been recruited to replace any dropouts from the original panel, to maintain the Research Panel sample at ~100 panellists. All new panellists are similarly informed about SGN.

This Research Panel is designed to provide a longitudinal understanding on any new issues arising from the GD3 business plan.

Whilst this panel can provide meaningful guidance for SGN on its GD3 business plan from customers (and future customers) who are informed about SGN, it is not intended to be representative of SGN's entire customer base.

And due to the small sample size (<100), the percentages shown in this report should be taken as indicative of customers views and are not sufficient to provide robust data.





Findings

Summary of findings

1

People want to see a switch, but they're not sure what this will look like.

There is ample support for a switch to low carbon heating solutions, with hydrogen boilers the stand-out choice. However, they remain unsure of what this would look like, both in terms of timelines and costs.

2

They need support and reassurance

Costs remain a major concern for many. There is hope for – but not confidence in – receiving financial support from the government. A lack of government support is a significant concern for many.

Reassurance from government and energy providers of the safety and effectiveness of the new equipment will be necessary to consumers during any transitions.

3

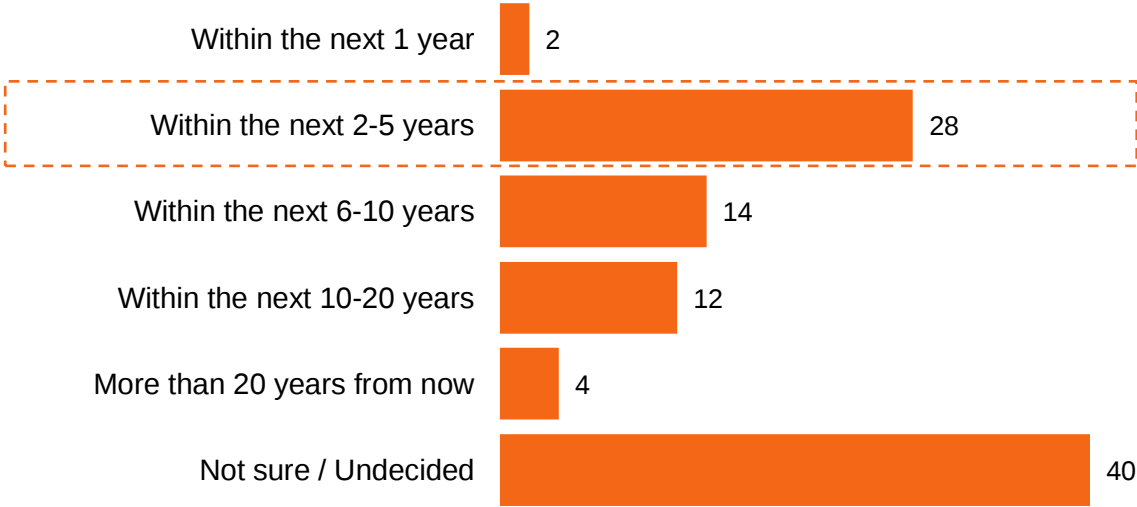
SGN has a role to play in both informing and aiding a low carbon heating transition

There is a lot of trust in the information SGN is providing to consumers to make decisions. SGN needs to focus on ensuring this information remains fully transparent, informative, and non-biased, to maintain this trust.

Converting to a low carbon heating solution feels like a much longer term priority, with those likely to switch saying they would do so in 2-5yrs

Estimated timeframe for converting to low carbon heating

% selected



No-one said they already have a low carbon solution in place

Q1. When (if at all), do you expect to convert to a low carbon heating solution? Base: Total sample n=56

Hydrogen ready boilers were the most preferred choice, with three quarters of the group favouring these

Preferred low-cost heating solution

% selected

Though estimates of the costs could fluctuate, most participants believed they would be subsidised approximately 30-50%.

Hydrogen ready boiler **73%**

People who favoured hydrogen boilers believe they will cost <£5,000

Air source heat pump **20%**

People who favoured air source heat believe it will cost around £10,000

Ground source heat pump **8%**

People who favoured ground source heat were unsure of the cost, with estimates evenly ranging from £2,000-£20,000

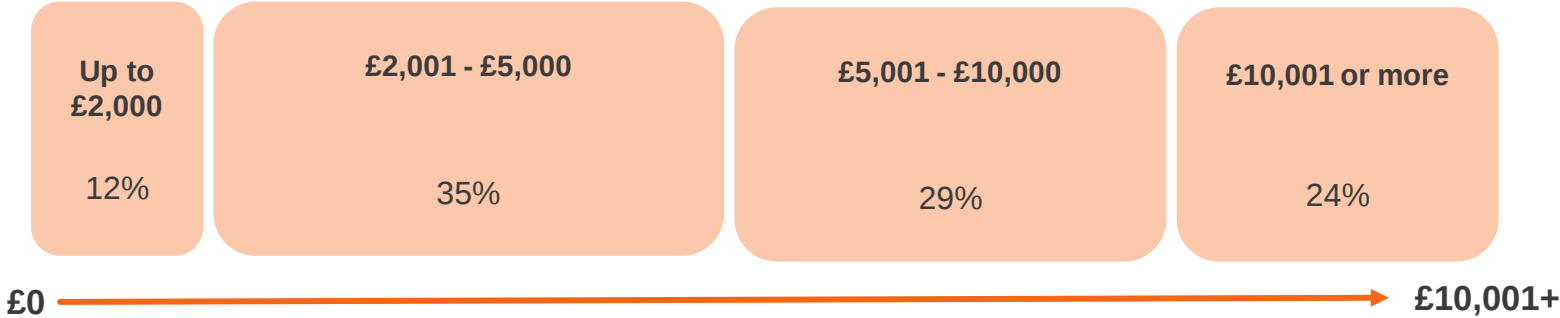
This is likely due to boilers feeling more accessible, compared to heat pumps that feel like a bigger financial outlay

Q2. Which solution would be your first choice? Base: Total sample n=40 Note Don't know responses have been removed

People were unsure of likely cost they would face, but assumed in the region of £2,000 - £10,000...

Expected cost

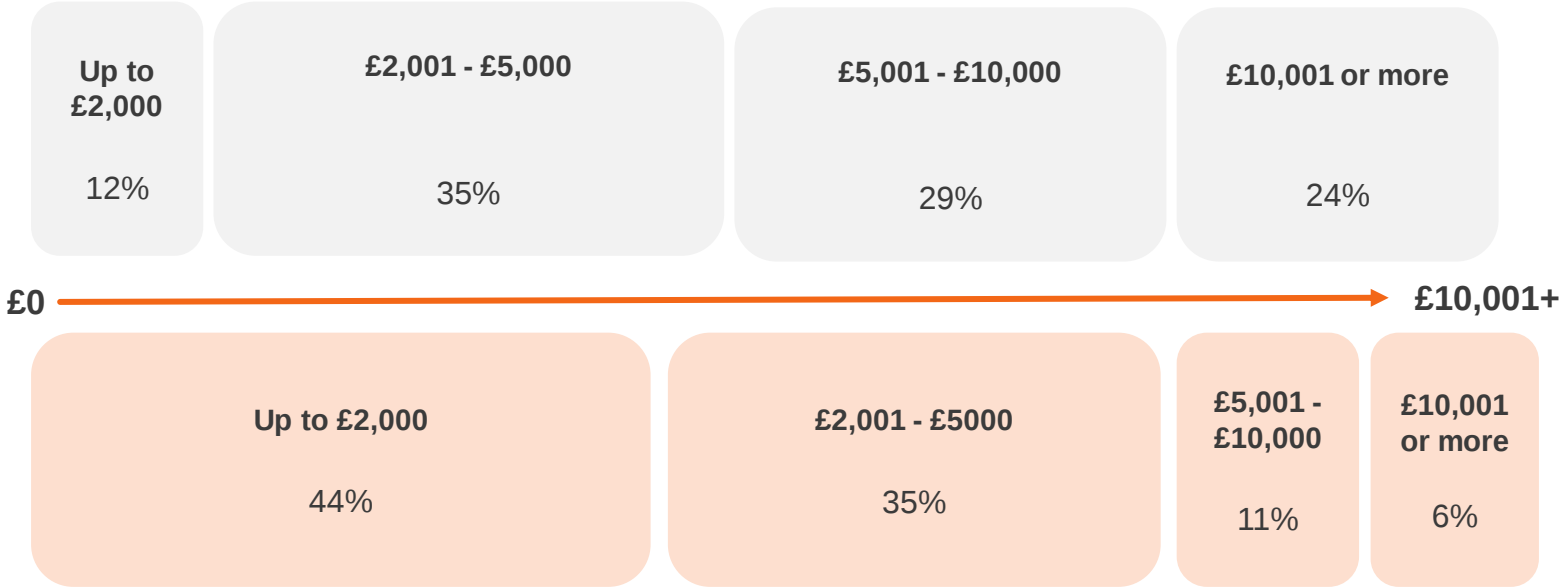
% selected



Q3. How much do you expect this solution will cost (before any subsidies)? Base: Total sample n=51 Note Don't know responses have been removed

...although they expected sizeable subsidies from the government to support the switch

Expected sum of government support
% selected

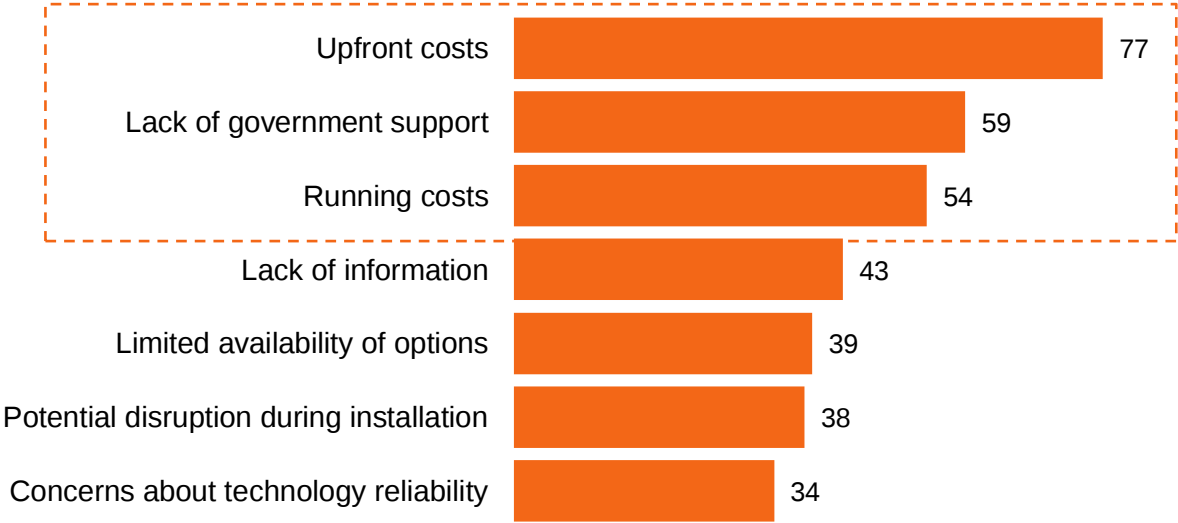


Q4. How much of this cost would you expect UK Government to support/fund? Base: Total sample n=51 Note Don't know responses have been removed

Cost is the biggest barrier in both setup and as an ongoing cost, with lack of government support also a concern

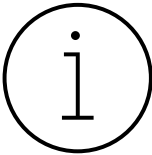
Concerns about switching

% selected



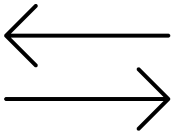
Q5. Does anything worry or concern you about changing your heating system? Base: Total sample n=56

People want transparent and accurate information around costs and practicalities of converting, as well as reassurances about the impact



Cost information

Details of upfront installation costs, ongoing running costs, and how these compare to current systems. Accurate cost projections are essential.



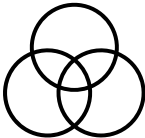
Logistics

Visibility of the installation process, including time required, potential disruptions, and reassurances about the process.



Government support

Financial support for installation as well as other schemes. Knowing what help can be accessed is a major factor.



Impartial comparisons

An unbiased breakdown of the different low-carbon alternatives from trusted sources, clearly explaining the pros and cons of each type of system in terms of effectiveness, maintenance etc.



Peace of mind

Reassurances around safety, reliability and performance of the new systems compared to current gas systems. Ensuring the new systems would be as effective.

“More transparent information- I would like to look at heat pumps and hydrogen boilers but would like more in-depth, transparent information on both. From costs, running costs, infrastructure, installation etc etc”

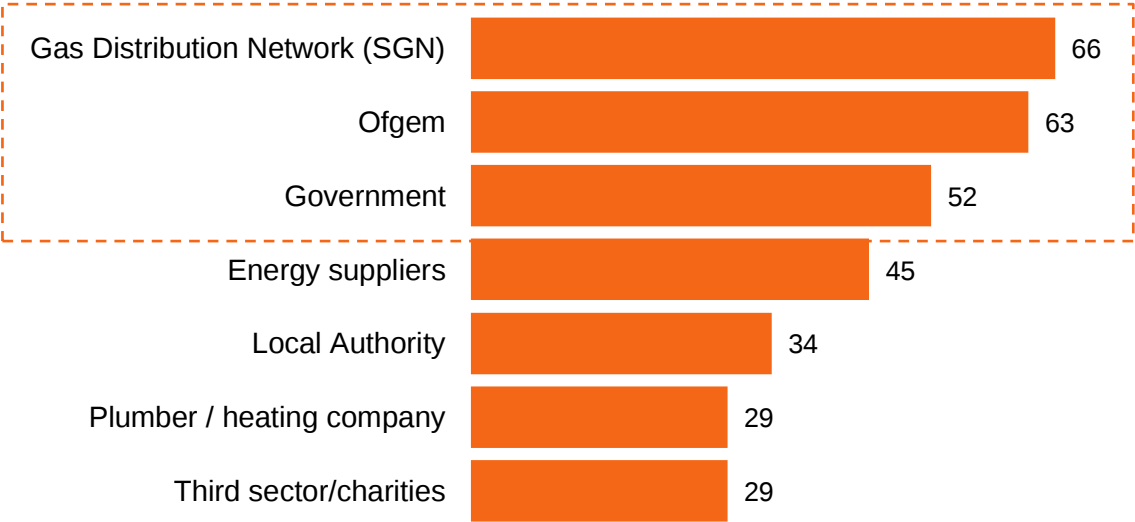
“Complete overview of the benefits, options available of suppliers, reliability assurance and support from the government to help with any additional installation needs”

Q6 What information or support would be most helpful to you in making a decision about transitioning to a low carbon heating solution? Base: Total sample n=56

There is a lot of trust in SGN and Ofgem when it comes to providing useful information

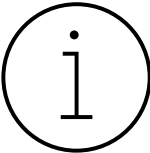
Trusted sources of information

% selected



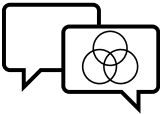
Q7. Which type of organisation would you trust to provide more information to help you make a decision about moving to a low carbon heating solution? Base: Total sample n=56

To maintain this trust, the information SGN provides needs to be both transparent and unbiased



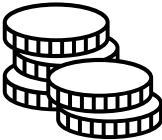
Providing information

Many responses call for SGN to provide information to customers on various aspects of transitioning to low carbon heating. Customers want transparent, upfront information from a trusted source.



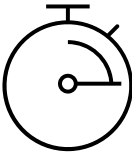
Impartial advice

Several responses state that SGN's role should be impartial and provide a balanced view of the pros and cons without bias. Their advice should help customers understand options in an easy, unbiased manner.



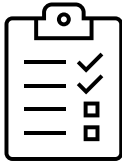
Costs

Many mention the need for information on costs - both upfront costs of installation and ongoing costs of different options. Some call for SGN to provide financial contribution or assistance to make the transition affordable.



Timelines

A few responses want clarity on timelines, i.e. when low carbon options will be available in their area and projections of time needed to transition half the population.



Options available

Customers want information on which options are possible and best suited for their location/home and comparisons of different technologies and suppliers.



Process and support

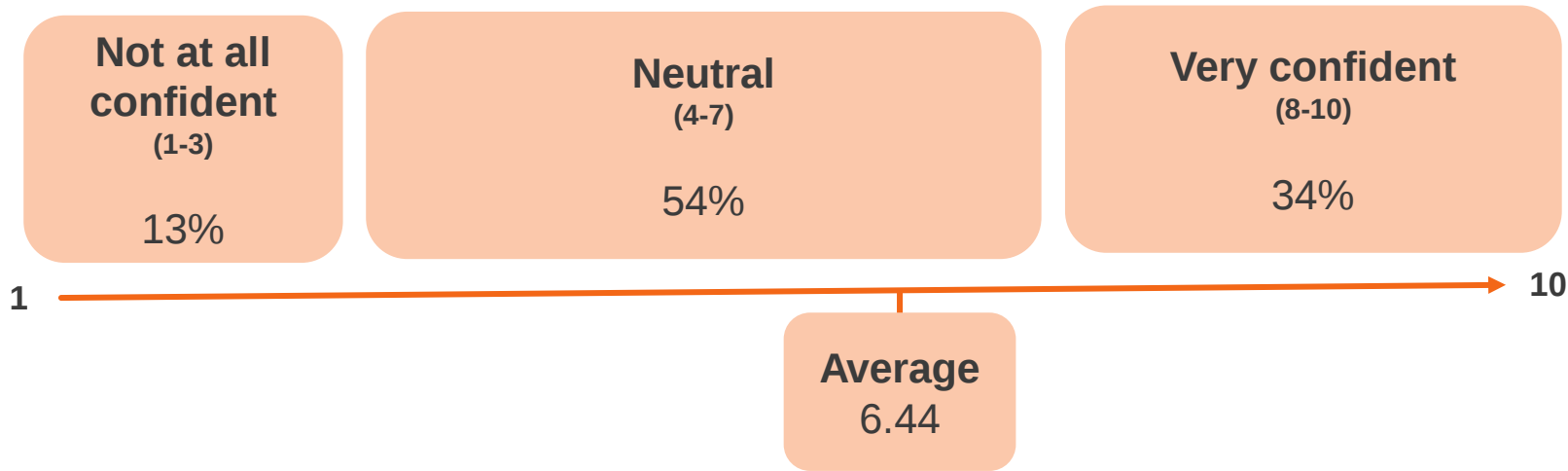
Some call for details on the transition process, disruption expected and any support SGN can offer during installation and aftercare.

Q8 What do you think SGNs role should be in supporting you to make an informed decision about a low carbon heating solution for your home/business? Base: Total sample n56

There is some confidence with switching to low carbon heating, but many remain neutral or unsure...

Confidence of switching

% selected

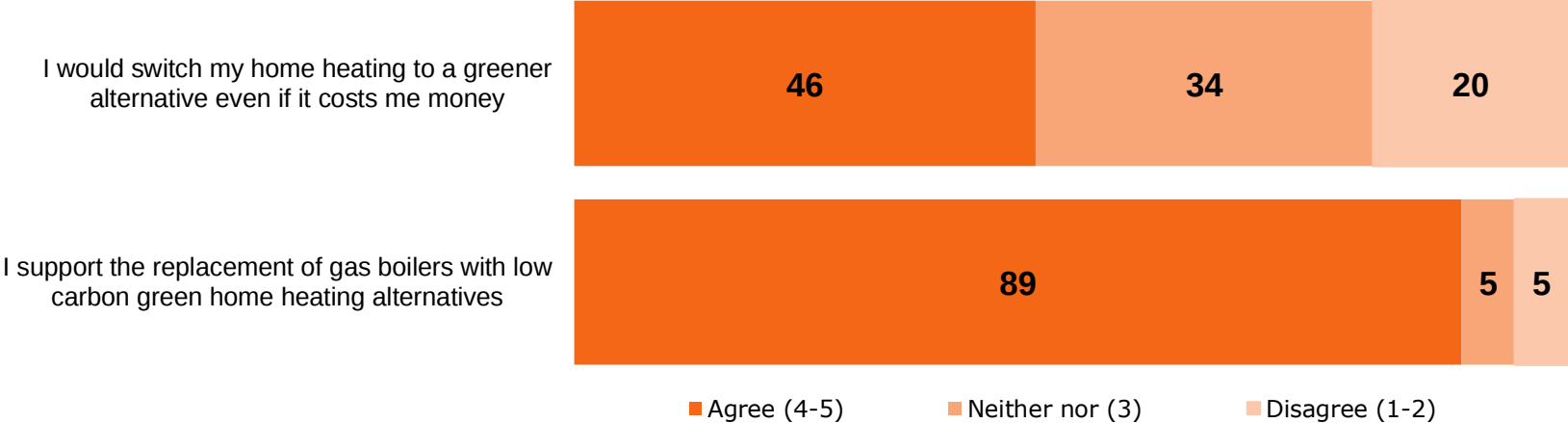


Q9 On a scale of 1 to 10, how confident le do you feel about moving to a low carbon heating solution? Base: Total sample n=56

...though there is ample support for making the switch, with a moderate willingness to pay out of pocket to do so.

Agreement with statement

% selected



Q10 Finally, how much do you agree or disagree with the following statements? Base: Total sample n=56

