# Inside Octopus ep11 Fan clubs

**Russ:** [00:00:05] Thanks for listening to Inside Octopus. My name is Russell Goldsmith, and in this episode, we're going to be discussing Octopus Energy's fan club model. And so, to tell us more, I'm thrilled to welcome back to the podcast Octopus Energy Generation CEO, Zoisa North Bond. Thanks for coming back on the show Zoisa, we touched on Fan Club's very briefly when we spoke a few months ago. For those listeners who may not have heard that episode very quickly, remind us of the model.

**Zoisa:** [00:00:31] So, the Fan Club represents the first time in the world that customers can sign up to a tarrif, where, when the wind is blowing, they get cheaper energy as a result. At the moment, we have started with two projects. One in Market Weighton in Yorkshire and one in Caerphilly in South Wales. And people living locally get 20% of their energy bill when the wind turbines are spinning and as much as 50% when the wind speeds really pick up. It’s so important actually because while it represents two projects initially, we see this that has the ability to revolutionise the way we can build wind projects in the future, putting people right at the centre of the development.

**Russ:** [00:01:01] So what kind of savings is that going to amount to, you know, for those customers that are on that tariff?

**Zoisa:** [00:01:06] So, on the average sized bill, we're looking forwards into this next year, it could be as much as £350, which is obviously, given the way that energy prices are increasing because of the energy crisis around Europe, could be quite significant and could be really helpful in that climate.

**Russ:** [00:01:25] And so just explain how this works exactly because obviously I can't just go and apply to have my own wind turbine built in my back garden. So yeah, just talk us through the process.

**Zoisa:** [00:01:34] Well, for these two specific turbines, our customers essentially will sign up to a tariff with us. They'll go online, they can find information about that and whether or not their postcode area is eligible. They sign up and we do everything else. We make sure that they've got the right smart meter so that we can be kind of tracking the data, and when they're using energy and at what times of the day and we will overlay that with pricing. So, at times when the wind is blowing and it really picks up and it typically must go above around 15 miles an hour at both locations, that will be the point at which customers will get the biggest discount on their bills. They have a portal as well so that they can actually follow that and that they can see when those windy times are coming or when those windy times are actually happening. So they can plan in and they can do their energy intensive chores around that time. So, whether or not that's charging an electric vehicle or is putting on the washing machine, they have the ability to do that in their own homes.

**Russ:** [00:02:35] So that's obviously your customers benefiting from the energy savings. But how about the actual wind turbines themselves, how are they actually implemented?

**Zoisa:** [00:02:46] Yes. So, at the moment, we want to be able to build as many of these as we can across the UK because of the savings that they can create for customers. So, in order to do that, there are a few ways, one of them is that we start to build more turbines. So, we are also working with landowners through a campaign called Plots for Kilowatts, where quite simply they can go online, they can register their interest in hosting a turbine like this, and it goes into our land database where we are identifying zones across the UK where we hopefully will be able to develop these and very quickly. And we've been working with government to be able to show that actually onshore wind is something that landowners want to host, but actually also communities want close by to them. And we've had over 8000 communities registering their interest. On top of that, we’ve had 250 landowners register their land, which totals about 40,000 acres. This means that we have enough land now to build 4000 wind turbines here in the UK, which is really great.

**Russ:** [00:03:51] How many are you hoping to get built over the next 12 to 18 months?

**Zoisa:** [00:03:57] Over the next 12 to 18 months, we would like to build as many as possible. At the moment we have funding for around 100, but that is changing daily. So, we will be looking to not only create new wind turbines, but also looking to repower some of the wind turbines that are already around and close by to towns and communities. So, we may purchase those on behalf of investors and then be able to say, for instance, double the size of the wind turbines. So, in doing that, we can bring more electricity for those households as well. So not only building new but repowering old. And it might also be that we acquire some existing turbines that we can liberate actually for these purposes. So being able to return them to towns and communities.

**Russ:** [00:04:45] And it's not just UK, this is Europe wide as well, isn't it?

**Zoisa:** [00:04:49] It is indeed. So, we started very much in the UK, but there are lots of other markets which are now expressing interest in this model. So, combining plots for kilowatts and then a Fan Club model at the end of it. So, we are seeing interest from countries like France in particular, Germany and also Italy. So, this is something that we very much feel that can be international and we obviously have a footprint as Octopus Energy in around 13 countries now. So, this is something that we hope to be able to bring across the world very, very quickly.

**Russ:** [00:05:20] Great. Now, you've recently carried out some independent research to better understand consumer attitudes towards onshore wind turbines before we go into some of those findings. Earlier I spoke to Julia Hailes. Julia is co-founder of the environmental think tank and consultancy SustainAbility. She is also a sustainability pioneer, having worked in the sector for over 35 years, and I started by asking for her thoughts on the need for local turbines where there is demand from the community.

**Julia:** [00:05:49] Well, I think there can be no doubt about the logic of building wind turbines close to where people are going to use it because one of the biggest issues with energy is that if you centralise all energy, you have to just transport it, and a lot of energy is actually wasted in the distribution system. So, in fact, I'm particularly keen on the idea of micropower, and if you imagine energy being distributed in a way that is much more like the Internet, where you have lots and lots of small nodes of production and it's sent out close to where it's produced, you're going to massively reduce the impact and the amount of energy you have to produce.

**Russ:** [00:06:26] So what do you think then, to Octopus Energy's fan club model?

**Julia:** [00:06:30] Well, I'm really excited by actually a lot of Octopus initiatives because they've been incredibly innovative and quite imaginative about the way that they're engaging with customers. I've been an Octopus customer for a couple of years and it's really exciting the number of things that you can sign up to. However, I don't have a Fan Club near me and I would really like one, and I think it's a great way because it encourages people to engage much more with the energy that they're using, and one of the benefits, for example, of signing up to solar or renewable power is that you start being much more aware about what you're using and also, just as importantly, when you're using it. So, part of the whole sort of concept of engaging with your energy more is that you will be looking at using it off peak or in the case of a wind turbine, when the wind is blowing, then you sort of put on all the things that you really need to put on. In our case, I have an electric car, so I think quite carefully about when I'm going to charge the electric car.

**Russ:** [00:07:32] This is obviously clearly an area that you're passionate about. In terms of the wind turbines and the model that Octopus are putting together with Fan Club. What would you say are the key benefits for it?

**Julia:** [00:07:46] I would say that a sort of four main benefits from it. The first is that it encourages people to use energy when it has the least impact, which is generally off peak or indeed when the wind is blowing strongest because that's when the local turbine will be spinning. It engages people much more with the energy that they're using so that by being aware and having a little meter and telling you about what's happening and how much energy you're using, it's quite interesting and I haven't got statistics to hand, but it actually does reduce the amount of energy that people use because instead of just thinking that it's sort of on tap unlimited, you start sort of thinking about its impact. And of course, because the wind turbine is local and producing energy at a local level, it means that it doesn't have to travel as far to get to people's houses, and therefore you're not wasting so much energy in distribution. And finally, and one that I think people don't necessarily think about, is that it supports the sort of adoption of smart meters, which means that people, again, are more engaged with their energy. And I think people have a sort of natural suspicion about smart meters, but I really can't understand why. Because they're brilliant because they do make you think much more about when you're using it. You can actually have a look if you've had a high day or a low day and when you're generally using more and modify your behaviour. But also, it means that you need less meter readers coming to your house because you've got a continual feed going back to the stations. And if you imagine all the millions of customers around the country having meter readers, I mean, we used to have them several times a year coming to the house, look at all the fuel and the vans and all those things that you're able to knock out. And I think that's just another benefit.

**Russ:** [00:09:30] Zoisa listening to Julia there, how important is it to hear that kind of endorsement from someone so influential in the area of sustainability?

**Zoisa:** [00:09:39] Look, it's really great. It's amazing to hear, And actually, if a product like Fan Club is really bringing home to people, that there are cheaper times to use energy in the day than not, and it's also allowing that ability to for people to make that independent choice, it makes it feel like we're delivering on one of the reasons why we created Octopus in the first place, which was all around democratising energy, so making it cheaper and easier to use for everybody. So, it's really great to hear that.

**Russ:** [00:10:14] OK. I want to come back to that independent research that I mentioned just before. You know, we heard that clip from Julia. Now, you carried this out among 2000 UK energy bill payers. What was the key finding from that study?

**Zoisa:** [00:10:25] Yeh, so it was super interesting because I think there is this feeling here in the UK that people don't like onshore wind turbines because of the fact that they may spoil the view. And actually, what we've been finding through the fan club and specifically through that research as well, is that it's quite the opposite. If people get a real benefit from it, like half price electricity, then we were finding that nine out of ten households would support a wind turbine like this, not just anywhere, but actually, in their own postcode area, which is quite extraordinary and very, very different, I think, to what we might be led to believe. I think on top of that, we've seen many independent surveys and certainly in the lead up to the government's independence strategy. So, this was something that was put together a couple of months ago in response to rising energy prices and specifically how we import gas from places across the continent. This was also supported by other research that was being conducted at the time as well. So, people like Moneysavingexpert, which was reporting that around 90% of people were supportive of onshore wind turbines, which is absolutely amazing. So, this is something that really does have to play part of that generation mix, particularly if we're looking to become more independent in the way that we generate energy. By becoming more independent, we become more energy secure, which means that we can also drive down the costs for customers to use electricity as well, which is really important.

**Russ:** [00:11:54] Well, it's probably a good time to hear from someone who is actually a fan club member. Last week I spoke to James Laing, who was actually the very first customer on the fan club tariff. James is based in Market Weighton in Yorkshire. We chatted online and I started by asking him why he signed up to the tariff in the first place.

**James:** [00:12:10] I was lucky enough to see something on the Octopus website about Fan Club in its very early days, and I could immediately spot the postcode where they were going to run. I assume there was a trial, so I thought that looks interesting, quite like the idea of it and pursued it.

**Russ:** [00:12:33] And what do you like about having a wind turbine close to your house?

**James:** [00:12:37] Interestingly enough, we have two wind turbines about a mile away that we can see from our kitchen window. So, it's fine. It's far enough away not to be a nuisance, but also very interesting, I think, to look at it and see it in different lights, different atmospheric conditions, and I find them quite interesting objects, really. I don't object to them at all.

**Russ:** [00:13:01] And what about in terms of benefits from being on the tariff now? What have you seen since you joined?

**James:** [00:13:08] Well, I think two things drew me to the idea of signing up, one was obviously potential discount on the electricity bill and the other was the fact that it was also 100% green electricity, which we like the sound of. We've been on Octopus Energy in our previous house for that very reason. So, the benefits were twofold, and once we’d signed up, we became more aware of the locality of it, local nature if you like. I don't think we realised that at the outset.

**Russ:** [00:13:49] And you mentioned that you could see a wind turbine out there on the horizon previously, I mean, did you know much about them in terms of how it works and how it could impact on your own energy and how everything was produced? And I was just wondering whether or not you had views about wind turbines before joining Fan Club and whether or not that has now changed since you've become a member?

**James:** [00:14:14] Yeah, I think I did have views like a lot of people when they first appeared on the horizons, literally. I didn't like them. I didn't think they enhanced the countryside but very quickly got used to that. But it was always a question of driving by or walking past or whatever. Not thinking they'd ever be close to my house. But as the years literally went by, I grew to accept them as part of a vital aspect of our energy generation and couldn't see anything that I really disliked about them. As I said just now, I find them quite interesting and mesmeric in some ways to just look at them. I think I will just say that there's a lot of talk about NIMBYism isn't there, and I'm a JIMBY now because I don't mind them just in my back yard as long as my backyard is about two square miles, you know, that's fine now. And I wouldn't have said that five years ago. I would have said I don't want to live where I can see a wind turbine. But certainly, my attitude and I'm sure other people's attitudes have changed to that.

**Russ:** [00:15:32] Do you think there's a balance between how we have to get our priorities right at the moment? Is that what you're suggesting?

**James:** [00:15:40] Yeah, there's something important about priorities, I think. Clearly we've got to look at energy generation in terms of our own land, our own country as much as we possibly can. And we know that onshore wind turbines are one of the cheapest forms of energy generation. So, we're crazy not to be looking at that as attitudes are changing, which I believe they are now, it's essential we've got to generate our own green electricity.

**Russ:** [00:16:12] Jim, what would you say to anyone who objects to a wind turbine in their community?

**James:** [00:16:17] Well, they might not like the look of it, and I understand that, and I appreciate that. But you very quickly get used to it, and I think there is some beauty in them anyway.

**Russ:** [00:16:27] Now, you were the first member of the Fan Club. How did that feel?

**James:** [00:16:33] I'm quite honoured really, I think I'm privileged to be the first member of the Fan Club.

**Russ:** [00:16:38] And so would you recommend family and friends to join the tariff?

**James:** [00:16:44] Without doubt, I wouldn't need to convince my family, but I certainly feel that other people should be considering this now.

**Russ:** [00:16:51] Zosia great hearing from Jim there. Any thoughts on what he had to say?

**Zoisa:** [00:16:55] Yeah, really interesting listening to that. And I think we would actually support that, we are turning NIMBYs into IMBY in my back gardens or JIMBY's, as I think he was calling them, just in my back gardens, but it's actually something that we recognise. And actually, one of the next things that we're doing as Octopus is creating a technology platform that we affectionately call Winder, and the reason why we call it Winder is because it's a bit like Tinder in that where we're matching up communities that want wind turbines. So, the ones that have registered with us, those 8000 data points that we have, along with where we have land to build more wind turbines. So, the Plots For kilowatts, and then we're adding things in like grid data. So, where we might have the ability to connect those projects with other project planning information like environmental surveys and local planning authority information, for instance. And actually, what this will help us identify is zones where people want them. We're not interested in building these where people don't want them. So, where it's led by people wanting clean, cheap electricity that we can produce quickly, we will certainly be highlighting those to governments and moving on with our next stage of getting more turbines in the ground.

**Russ:** [00:18:06] Well, we've heard from an independent expert and a Fan Club member. Let's now hear from someone who installed Octopus Energy's first Fan Club turbine. It's actually the one that Jim, who we just heard from, is a member of.

**Dan:** [00:18:18] My name is Dan Gowthorpe and I farm at Market Weighton, which is in East Yorkshire, right in between York and Hull, and I'm just sat outside my house now on a bench looking at some nice cows with their little calves in the grass paddock, it looks quite peaceful. I applied to the turbine more because of diversification, I suppose, as agriculture was always hard work as farming, so we were looking to other options that we could do. So yeah, obviously the money looks kind. Natural energy is obviously a plus from the environment. Hopefully it'll help out local communities getting their power from the grid, from what is generating from the turbine. So probably would recommend to the landowners to host the turbine because there is a lot of benefits with it. It is very nice to look at, actually, I find them therapeutic, I'm actually looking at one right now, which isn't my turbine. They're quite good landmarks as well. If you drive in anywhere, going back on top of the hills and you can see it and like oh that's home I quite like looking at it like that.

**Russ:** [00:19:36] Zoisa What other findings came out of your recent research?

**Zoisa:** [00:19:40] We were also finding that this ability for customers to look at the way they're consuming energy, so be able to tap into prices at times of the day where prices may be cheaper, is something that may be way more adoptable than we'd maybe first thought. So as many as 80% of people were saying that they would change the way that they used energy throughout times of the day if it meant that they could get a cheaper energy price as a result. Obviously, that's important for customers because it's lowering the cost of energy bills, but it's also showing us as an energy company that customers can respond to price signals which lay the foundation for us operating in a world that's 100% renewable. So of course, the wind doesn't always blow, and the sun doesn't always shine, but customers can respond to price signals when those things happen. And then actually, when we look further forwards into the future, we look at electrifying society as much as possible. And I think Julia earlier on in the podcast referred to electric vehicles, for instance. Now by 2030, we could have 12 million of these on the road, and they have this ability to store energy and energy at times where the wind may be blowing and there's an abundance of renewables on the grid. So, if households have that knowledge where they can respond to those price signals, they can be storing energy for times where there isn't much coming on to the grid. Then actually we could be electrifying our society much more quickly, which means that we can be lowering costs and delivering better things for households.

**Russ:** [00:21:08] And now while we've got you on the podcast, I just want to ask you about the fact that you were invited to speak and give evidence at the House of Lords Economics Affairs Committee about energy supply and investment in the UK. How did that go?

**Zoisa:** [00:21:20] It went really well, and I think they were very receptive, particularly to a Fan Club model where it was being entirely led by people in terms of what happened in our next phase of the way that we create the energy system across the UK. So, all of the things that we've seen, those 8000 expressions of interest which increase every day, landowners jumping on board, the plots for kilowatts, all of those things hugely helpful in the way that we shape an energy system for the future, which we deliver quickly and of course, at the lowest cost possible for consumers.

**Russ:** [00:21:55] So let's finish off the podcast. What's next for fan club?

**Zoisa:** [00:22:00] Next for Fan Club, we hope to be able to deliver many more of these over the next couple of years. And at the moment, as I said, we've got enough land to build 4000 of them. And I would love to say that we will get each and every one of those built and that any community out there that wants one of these, it's something that we can deliver for them.

**Russ:** [00:22:20] Zoisa, thanks so much again for coming back on the podcast. Really enjoy catching up and this is clearly an exciting time for your part of the group. If any listeners want to find out more information about the Plots for Kilowatts campaign where do they need to go?

**Zoisa:** [00:22:32] So they can go to octopus energy generation dot com which will take them into a sign-up journey for four kilowatts.

**Russ:** [00:22:40] Good stuff. Zoisa North Bond, thank you again for being on the podcast. That's actually it for this episode. As always, if you've got any comments on anything we've discussed today or if you want to contact Octopus Energy about the actual fan club program, then you can do that. You can get in touch via the website at Octopus.Energy. There's a contact form on there. Or you can obviously contact Octopus Energy via the usual social channels. But for now, from me, Russell Goldsmith. Thanks for listening and goodbye.