

Sent by email to gas.systems@ofgem.gov.uk

5 March 2025

Dear Ofgem,

Call for input on gas disconnections - Thermal Storage UK response

Thermal Storage UK is concerned that the current framework for gas disconnections is outdated and is no longer fit for purpose. The number of disconnections from the gas grid is expected to rapidly increase as people and businesses switch to electric heating and cooking. The Climate Change Committee's Seventh Carbon Budget sets out that electricity - whether from heat pumps, heat networks or alternative electric heating solutions - will be the primary heating solution in the UK. The CCC sees heat pump installations alone increasing to 1.5 million per annum in the mid-2030s. If this level of heat electrification occurs, it will mean millions of people choose to disconnect from the gas network during the 2030s.

The current framework for gas disconnections is unclear, with people either paying their energy supplier hundreds of pounds for the removal of the gas meter or paying their Gas Distribution Network thousands of pounds. We recommend that there is a single streamlined approach to disconnecting residential homes that have switched their space heating, hot water and cooking to electricity.

We recommend that Ofgem makes an early decision on whether the cost of gas disconnections should be socialised across all gas customers or sit with each individual homeowner that requests a disconnection. To encourage people to decarbonise their heating and cooking, we strongly

recommend that the cost to homeowners of disconnecting from the gas grid is either covered by general taxation or socialised across those remaining connected to the gas grid. If the latter option is adopted, Ofgem and the government will need to consider how to minimise the impact on fuel poverty.

If you have any questions about this input, please contact me by emailing tomlowe@thermalstorage.org.uk. This response is not confidential and can be published.

Best wishes

Tom Lowe

Founding Director
Thermal Storage UK

More about Thermal Storage UK

Thermal Storage UK represents companies who have developed modern thermal storage products. We promote the use of smart thermal storage, particularly heat batteries, in buildings in the United Kingdom and other countries to achieve net zero. Our mission is to take the carbon out of heating buildings.

You can find out more about Thermal Storage UK at www.thermalstorage.org.uk

Questions

1. How effective is the current gas disconnections framework in protecting the consumer interest, assisting net zero goals and promoting economic growth?

Thermal Storage UK is concerned that the current framework for gas disconnections is outdated and is no longer fit for purpose. The number of disconnections from the gas grid is expected to rapidly increase as people and businesses switch to electric heating and cooking. The Climate Change Committee's (CCC) Seventh Carbon Budget sets out that electricity - whether from heat pumps, heat networks or alternative electric heating solutions - will be the primary heating solution in the UK. The CCC sees heat pump installations alone increasing to 1.5 million per annum in the mid-2030s. If this level of heat electrification occurs, it will mean millions of people choose to disconnect from the gas network during the 2030s.

The current framework for gas disconnections is unclear, with people either paying their energy supplier hundreds of pounds for the removal of the gas meter or paying their Gas Distribution Network (GDN) thousands of pounds. We recommend that there is a single streamlined approach to disconnecting residential homes that have switched their space heating, hot water and cooking to electricity.

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2. What factors impact the effectiveness of the framework in achieving its objectives?

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We recommend that Ofgem's review includes the 3 million or so people connected to Independent Gas Transporters (IGTs). We expect newer properties to disconnect from the gas network more quickly as the cost of installing electric heating technologies such as heat pumps is lower. The same approach adopted for disconnecting from GDNs should apply to disconnecting from IGTs.

We recommend that Ofgem increases its monitoring of both the number and cost of gas disconnections and incorporates this into future price controls.

3. What factors impact the efficiency of the framework in achieving its objectives?

No response

4. What other factors beyond those impacting the effectiveness and efficiency of the framework (dealt with in questions 2 and 3), for example, safety, financial, commercial factors, ought Ofgem consider as part of its review?

No response

5. What factors do you believe will impact demand for gas disconnections?

No response.

6. What are the potential future regulatory frameworks, regimes or mechanisms that should be considered for gas disconnections that would operate effectively, assist in achieving net zero and protect consumers? We are open to hearing any potential options you have identified for regulatory reform whether they be commercial, technological, regulatory, policy-based or legislative in nature. While Ofgem is not responsible for changing legislation, we can make recommendations to government.

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7. Of these potential future frameworks, regimes or mechanisms which is preferable and why?

No response

8. Are there any impediments inherent in the potential future regulatory frameworks, regimes or mechanisms identified in response to question 6 above that would affect their effective operation, the achievement of net zero and/or the protection of consumers?

No response

9. For the purposes of this Call for Input, we have defined ‘small businesses’ as those with an annual gas consumption of not more than 500,000 kWh. What are the implications, if any, of using this definition?

No response

10. Is there anything else we ought to consider that has not been covered in your responses to questions 1-9?

No response