

Access and Connections
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Ofgem Call for Input - Exercising Consumer Choice: A review of the gas disconnections framework

EDF is the UK's largest producer of low carbon electricity. EDF operates low carbon nuclear power stations and is building the first of a new generation of nuclear plants. EDF also has a large and growing portfolio of renewables, including onshore and offshore wind and solar generation, as well as energy storage. With over five and a half million electricity and gas customer accounts, including residential and business users, EDF aims to help Britain achieve net zero by building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

We welcome Ofgem's Call for Input: Exercising Consumer Choice – A Review of the gas disconnection framework as an opportunity to examine how a future disconnection framework can help advance the electrification of heat, a key facilitator for the UK's drive towards Net Zero.

Socialise disconnection costs to facilitate the Electrification of Heat

In our view, households should not be charged individually for disconnecting from the gas network, given this disincentivises a switch to a form of low carbon heating, such as heat pumps, and reinforces the use of gas heating within homes, which is counterintuitive to the UK's collective aim to reach Net Zero.

In the short term we would suggest the introduction of an additional network levy or allowance to socialise the costs of gas network disconnections, helping to alleviate the impact on gas consumers by smoothing costs over a longer period of time. A ringfenced fund could be held by GDNs, or Ofgem or another public body.

It is unlikely that the impact of such socialisation on gas bills will be significant in the immediate future given decarbonised heating technologies are still in their relative infancy in the UK. However, their adoption is increasing and will need to escalate rapidly as we head towards 2030 and beyond. With this in mind, the potential for future rises in gas prices as more and more households switch away from fossil fuel heating could, in the medium-to-long term, have a detrimental impact on vulnerable customers, particularly those unable to move

away from a reliance on gas. We believe this could be best mitigated by targeted affordability support to qualifying consumers, such as through a social tariff/discount.

Incentivising Gas Distribution Networks (GDNs) to reduce costs

GDNs must also be properly prepared to manage the increased demand for gas disconnections as more homes electrify their heating systems.

Ofgem is currently deliberating over RIIO-3, its next set of network price controls. RIIO-3 must be designed to ensure network costs charged are efficiently incurred, incentivising the reduction of costs through efficiency gains and ensuring GDNs are acting as enablers of electrification and not a barrier. EDF proposes that networks should examine the use of area-based co-ordinated disconnection activities at a regional level, completed at any time prior to the 12-month health and safety deadline, with the purpose to increase efficiency of disconnections and drive down cost, with the Regional Energy Strategic Plan (RESP) providing an opportunity to incorporate this through regional strategic governance and planning.

In addition, GDNs must invest in and improve their customer facing processes to make gas disconnections as simple and accessible as possible for consumers. This should include a consistent experience for consumers across different GDNs.

A stopgap while awaiting longer-term decisions over the gas networks

Questions remain over the outlook of the gas network and the use of gas for home heating, particularly given uncertainties over the role of hydrogen, regional planning, and the acceleration of electric heating demand. For example, the Government has committed to a decision on the role of hydrogen in home heating in 2026, with the outcome of this decision likely to impact the extent and speed of gas disconnections. Therefore, any decision made by Ofgem on gas disconnections in the interim is likely to change to accommodate longer-term strategic planning decisions, and Ofgem must maintain a focus on the electrification of heat throughout these decisions.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact George Coombes or myself.

I confirm that this letter and its attachment may be published on Ofgem's website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Keith Watson', with a stylized flourish at the end.

Keith Watson
Senior Manager Customers Policy and Regulation

