

## Part 1 - About you

Question

Your response

**What is your name?**

Joyce Whytock

**What is your position?**

Senior Policy Officer

**What are your contact details?**

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## Part 2 - About your business

Question

Your response

**What is your company's name?**

Scottish Government

**What is the nature of your company's business?** Sets Government policy on heat and fuel poverty, including the SG Fuel Poverty Forum.

Please state if this involves Fuel Poor Network Extensions Scheme, or Fuel Poverty related work.  
What areas of the country does your business operate in?

## Part 3 – FPNES review questions

**Q1 – How do you think the voucher calculation should be amended for funding DH schemes? From which party would the future gas transportation revenue be recovered?**

A. Presumably Ofgem are seeking views on whether the costs should be recovered from the household (as per the current vouchers) or the gas CHP operator. Either way it would ultimately be passed on to the household, over the lifetime of the assets (45 years for gas), therefore we would suggest the practical option would be to charge the CHP DH operator over an equivalent period.

**Q2 – What calculations and assumptions should be made for:**

**1. the gas consumption of the CHP unit and for the individual DH connected households.**

A. This is a technical question we would suggest that Ofgem seek specific advice on this from industry in particular district heating operators to consider the running costs and gas use of CHP engines and any back up plant.

**2. asset life over which the connection costs are recovered.**

A. The lifetime for the gas network is assumed to be 45 years so as a default, a similar lifespan for DH pipework could be expected.

**Q3 – Do you think the partnership eligibility criteria for the Scheme should be amended to support the inclusion of DH and if so, how? Please provide detailed suggestions in your response.**

A. Yes, we agree the partnership eligibility criteria should include DH. The Scottish Government are happy to continue engagement with Ofgem on extending the Fuel Poor Network Extension Scheme to include DH and can provide further information to support development of detailed proposals, on the basis of the information we have on district heating.

We would suggest that in the interest of customer protection eligible district heating schemes should conform with the requirements promoted by the Heat Trust.

<http://www.heatcustomerprotection.co.uk/> and the minimum standards due to be set in the industry Code of Practice ([http://www.theade.co.uk/code-of-practice\\_2468.html](http://www.theade.co.uk/code-of-practice_2468.html)), or other equivalents should these develop that offer the same standard of quality and transparency to the consumer for the supply of heat.

**Q4 – In addition to the current arrangement, how can the Scheme be modified to better enable gas connections for eligible households that are located adjacent to an iGT network?**

We have no comment on this.

**Q5 What is your view on our proposal to introduce changes to the partnership approval process and the obligations of the partner organisations?**

A. We support Ofgem's aim to ensure that a gas connection under this scheme is the best solution for the consumer. The Scottish Government funds Home Energy Scotland to provide free and impartial advice to all householders in Scotland and ensure they can be referred through the most appropriate scheme tailored to their personal circumstances. We would strongly encourage forging links with this service so that householders in Scotland can benefit from advice on the full range of support available to them.

**Q6 What is your view on our proposal to use the medium gas Typical Domestic Consumption Value, published and updated periodically by Ofgem, as the average gas consumption number in calculation of the fuel poor voucher?**

A. The Scottish Government believes that this value should not be an average across the UK but regional averages – taking into account the heat needs.

DECC publish sub-national gas consumption data here:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/303106/Sub-national\\_gas\\_consumption\\_statistics\\_at\\_local\\_authority\\_level\\_2005\\_-\\_2012\\_.xlsx](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/303106/Sub-national_gas_consumption_statistics_at_local_authority_level_2005_-_2012_.xlsx)

This is data DECC publish for the regions and countries of GB (and it includes an overall GB figure as well). For 2012, it shows that average domestic gas consumption (per meter) was **5.3% higher in Scotland** than GB as a whole.

**Q7 We welcome your views on the fuel poor output incentive mechanism.**

A. The Scottish Government is supportive of a mechanism that will increase the number of fuel poor consumers assisted provided that the measures they receive are the most appropriate solution that best suits their needs and considers the long term solutions for largely decarbonising the heat system across the nearby area. As at *Question 5*, we would strongly encourage links with Home Energy Scotland to ensure the customer is aware of all the support available to them.