

Joint GDN Stakeholder Submission Appendix 2017

As Gas Distribution Networks we continue to actively collaborate to deliver valuable outcomes for our stakeholders. Our collaborative Discretionary Reward Scheme (DRS) submission to Ofgem will be published in May 2018 and highlights the benefits of working collaboratively as four GDNs, building on the work from the [2015 DRS submission](#) and the collaborative appendix issued with our Stakeholder Engagement Incentive (SEI) submissions last year. This document provides an annual update on the collaborative working undertaken during 2016/17.

We remain committed to working together to find solutions that benefit customers and stakeholders and ensure leading performance within the industry, where exceptional outcomes are achieved and can be regarded as best practice and replicated across the industry. Much of our work is co-ordinated and supported by the Energy Networks Association (ENA). ENA provides us with a conduit for effective collaboration, information sharing and political and technical policy development between all networks and industry stakeholders.

Our collaboration and joint commitment is focussed on:

- Supporting and protecting the communities we live and work in, and minimising our wider impact on the environment;
- Going beyond what is expected of us, exceeding both our social and moral responsibilities and collaborations that extend to expert organisations and other sectors.

Our ongoing collaborative work on various topics means we are able to achieve so much more than working independently. This has contributed to:

- **Effectiveness.** Effectively communicating consistent messages to national, regional and local audiences, whether that is lobbying for policy change or becoming more accessible to our stakeholders through our partnerships.
- **Efficiency.** Sharing the costs of activities and lobbying, developing joint communications and activities, ultimately delivering outcomes efficiently for customers.
- **Best practice.** Sharing experiences to understand the best approaches. This prevents us from repeating mistakes and enables far more efficient ways of working.

We've been working collaboratively since network sales in 2005, delivering great outcomes and benefits from our work for our stakeholders, across a range of issues. The tables in this document provide some key collaborative outcomes and benefits in the following three areas:

- **Social:** alleviating fuel poverty and supporting vulnerable customers.
- **Carbon Monoxide Safety:** Promoting awareness and prevention of Carbon Monoxide (CO) poisoning.
- **Ensuring a sustainable future:** Working together to tackle the energy trilemma; sharing environmental best practice; research and demonstration projects for the challenge of the decarbonisation of heat; delivering and sharing innovation, providing current and future benefits for customers. To comply with the requirements of the Climate Change Act, the UK must reduce its carbon emissions by 80% by 2050. In addition, the energy requirements of the country must be met at an affordable cost for energy consumers.

The requirements of ensuring security of energy supply at an affordable cost, while ensuring a low carbon energy future, the so-called energy trilemma, are being investigated on a collaborative basis by the gas networks, and also in collaboration with electricity networks, as the two energy networks continue to become ever more interdependent.

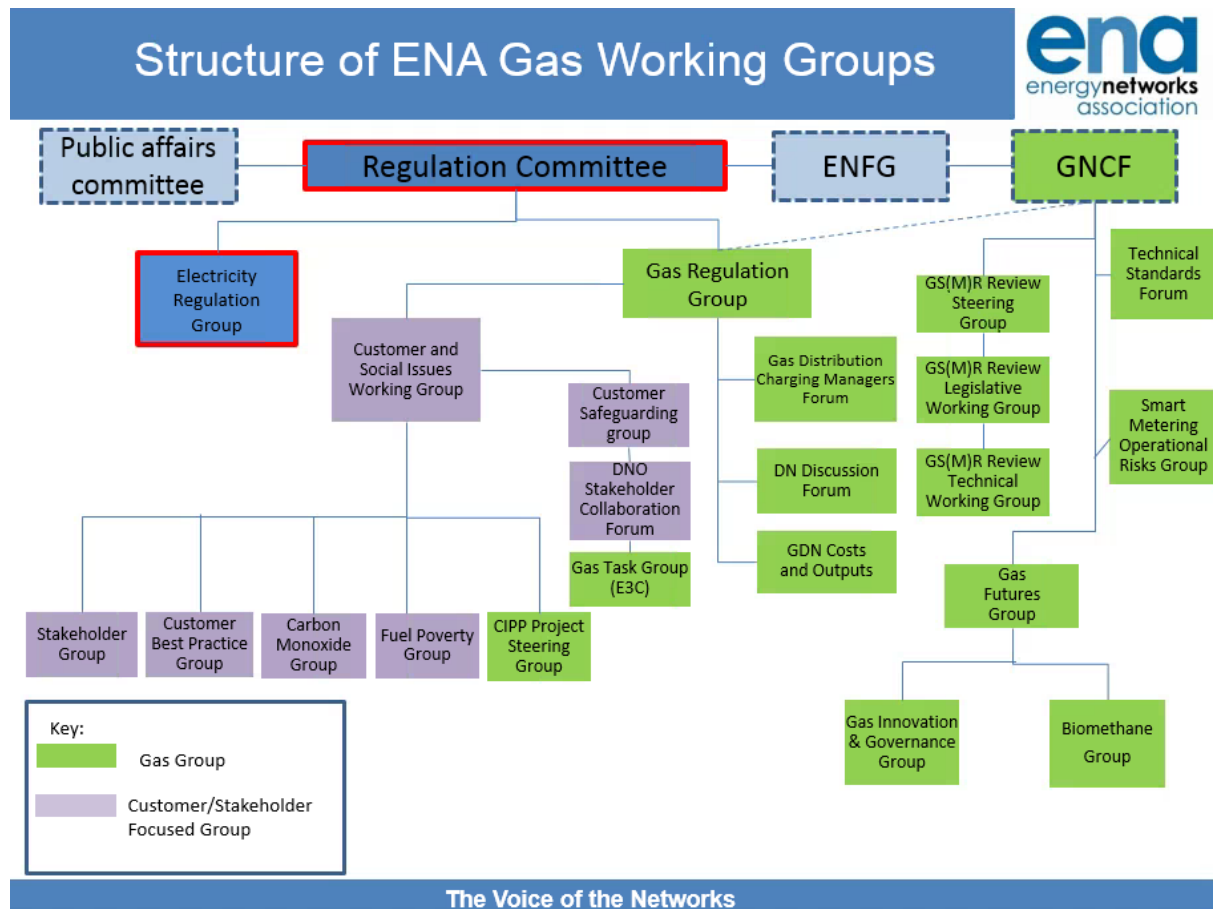


Figure 1: Diagram showing the structure of ENA gas working groups

Our collaboration highlights

Helped secure **£25m** for Local Authorities to support house measures, resulting in **4,000** new heating installations.

Joint winners of the **Heating & Ventilation News Safety Initiative of the Year Award** for 2016 with CO-Gas Safety.

Launched the **CO Charity Fund**, offering grants of up to **£2,000**.

535 additional customers referred to the **Fuel Poor Network Extension Scheme** since May 2015.

674 entries in 2015/16 to the CO schools poster competition.

Current connected capacity of **biomethane** has the ability to power **over 277,000** homes.

1. Social: Alleviating Fuel Poverty and Protecting Vulnerable Customers

GROUPS – ENA co-ordinated GDN Fuel Poverty Best Practice Working Group, Off Gas Grid Group and Fuel Poverty Action Sub-Group

The GDNs recognise that we have an important role to play in helping to alleviate fuel poverty in the UK. The Fuel Poverty Network Extension Scheme (FPNES) allows us to install first-time gas connections into the homes of those living in fuel poverty. However, our activities extend beyond this scheme to also help raise awareness and support those who are affected by this issue.

Key areas of focus	2016/17 Outcomes and Benefits
<p>To engage with BEIS to raise concerns over the lack of financial assistance to pay for central heating systems available to those living in fuel poverty; and effectively communicate that this is having a detrimental effect on meeting GDN fuel poverty targets.</p> <p>Having previously helped ensure the successful roll-out of the DECC Central Heating Fund by requesting alignment of qualification for this scheme with the Fuel Poverty Network Extension Scheme (FPNES), the GDNs continue to campaign on the issue of lack of funding for in-house heating measures available to low income households.</p>	<p>A fund of £25m made available to local authorities in England and Wales was used to fund whole-house solutions for fuel poor customers, which resulted in 4,000 new heating installations.</p> <p>In December 2016 the GDN's invested over £12,500 to commission the NEA to provide a research report into the success of the FPNES under different funding conditions for central heating systems.</p> <p>The NEA report 'In from the cold' was submitted to BEIS in February 2017, along with supporting letter from the GDNs requesting £37.5m in funding to be allocated in March 2017 spring budget. This proposal was for the GDNs to utilise this funding over the 18 month ECO transition period for central heating systems in homes qualifying under the FPNES. The application was unsuccessful, however BEIS have intimated that re-application should be submitted in advance of the autumn budget.</p>
<p>To engage with BEIS and the Energy Saving Trust to provide a referral scheme for customers who do not automatically qualify for the Warm Homes Scheme but where they may benefit from the Fuel Poor Network Extension Scheme (FPNES), assisted by regular dialogue and monthly meetings.</p>	<p>535 additional customers referred to FPNES since the launch of the scheme in May 2015, resulting in 161 extra fuel poor gas connections, 51 of which were installed in 2016/17.</p> <p>More joined up services for fuel poor customers, coordinated by partner organisation YES Energy Solutions on behalf of all GDNs.</p>
<p>GDN main sponsor of NEA's quarterly Focus magazine, a publication aimed directly at those communities who can benefit most from schemes including the FPNES.</p>	<p>Sponsorship has given stability to the magazine and allowed for its development and expansion. The GDNs have used this publication to publish a prominent full page advert for the fuel poverty connections scheme. In addition, a full page editorial on each GDN's fuel poverty activities has featured in the magazine. Further development will entail rotating responsibility</p>

	<p>among the GDNs to create individual full page stories on this topic.</p> <p>NEA's Focus magazine has also been used by the GDNs to periodically advertise additional initiatives available to customers in vulnerable situations, such as the Locking Cooker Value.</p>
To engage with landlords to highlight the opportunities for assisted connections to reduce the energy bills of their tenants by converting to gas.	Advertising in the National Landlords Association magazine where key messages reach a circulation of more than 20,000 private landlords in the UK.
To collaboratively sponsor, support and attend events on alleviating fuel poverty and protecting vulnerable customers.	<p>Sponsoring and exhibiting at the Fuel Poverty and Energy Efficiency Group (FPEEG) dinner, which was attended by 81 delegates, including 11 MPs and 2 Peers. A representative from the GDNs provided the key note speech at the FPEEG dinner calling, for government to provide funding for central heating systems in fuel poor households and set timescales for eradication of fuel poverty. This event further raised awareness of our collaboration and the potential to deliver benefits to customers locally and support the national target to eradicate fuel poverty.</p> <p>Joint exhibition stand at the national NEA conference.</p>
To work with the NEA to conduct controlled trial of two energy savings devices: Tadpole and Chop Cloc. Funding costs of these trials met collaboratively by the GDNs, who are reviewing the next stage of support for energy saving devices in anticipation of a positive outcome from these trials.	<p>Trials of both devices underway. Completion and results will be available summer 2017.</p> <ul style="list-style-type: none"> - Tadpole device is designed to make central heating more efficient by removing air from the pressurised system. - Chop Cloc reduces energy usage by allowing the user to have better control of the heating thermostat. <p>The next phase of this project will involve GDNs identifying potential projects for installing low cost devices in fuel poor and off gas grid households, working collaboratively with local authorities and/or housing associations directly where fuel poor customers will benefit from lower energy bills.</p>
To continue to support District Heating Schemes (DHS), where appropriate, to help lift customers out of fuel poverty.	<p>District Heating Scheme currently being installed in two tower blocks in Scotland containing a total of 172 flats. The project is due to be completed by August 2017.</p> <p>A further tower block containing 50 flats has undergone the planning stage in 2016/17, and is due to commence in May 2017. Experience of District Heating Systems has subsequently been shared between all GDNs.</p>

To engage with stakeholders in the healthcare sector to raise awareness of the opportunity to use the FPNES to assist in lifting individuals and families out of fuel poverty, which potentially brings multiple health benefits.

Attended Faculty of Medical Health annual conference in Brighton to engage with stakeholders from the healthcare sector.

Engagement with prominent members of NHS Scotland and England.

Full page advert promoting FPNES in annual awards dinner schedule (the only featured advert), and provided sponsorship for listing of awards ceremony.

b. Social: Safeguarding customers in vulnerable situations
GROUPS – Safeguarding Customers Working Group via the ENA

As an industry, we can work together to plan and respond to the needs of our customers to keep them safe and warm, no matter what their circumstances. Throughout the past twelve months, there have been numerous outputs progressed through GDN collaboration supporting wider industry work.

Key areas of focus	Outcomes and Benefits for 2016/17
To create a standard set of verbal principles to ensure all GDNs and the industry is consistent in how explicit informed consent is gained from customers at the point of their registration.	<p>Connecting customers to our services in a fair and equal way is something we are all passionate about. The creation and implementation of these easy to use principles provides best practice and consistency. It was through the pulling together of the discussions and outputs of the Safeguarding Customers WG that GDN members were able to group the building blocks that have since become the verbal principles.</p> <p>The use of principles rather than scripts allows for cultural and regional differences in terminology to be incorporated, allowing for a more meaningful use across our businesses. We are working together to share examples of good practice to support individual training programmes.</p>
To create a Priority Services Register (PSR) that supports the Information Commissioner Officer's eight principles of privacy law and is based upon the idea of the direct debit guarantee which is recognised worldwide.	We have created a plain English PSR promise which allows customers to understand easily how their information will be used when they sign up to the PSR and gives them confidence and reassurance from the beginning of the process. Having a single version of the promise also allows the energy industry to have a consistent approach, so customers receive the same experience regardless of the company.
A commitment to implement the Locking Cooker Valve programme across all GDN's.	<p>All of our networks now offer this service and are working hard to promote it. The feedback from this simple device has been very positive and is without question making our customer's homes safer.</p> <p>This initiative will continue over the next year, with a view to ensuring that all appropriate organisations and charities are aware of this crucial service.</p>
To do more to support customers in vulnerable situations with a focus on ensuring our services are accessible for our deaf customers.	Working with the Royal Association for Deaf People (RAD), we have jointly commissioned the creation of three films which helps those who are deaf understand what to do if they smell gas, are without power or want to register upon the PSR. These films are now readily accessible through our individual websites, and we are in the process of tracking the number of views/hits so we can

	assess their effectiveness before discussing our next steps.
Continue to support the SMART metering roll-out across the UK.	We have worked together and shared our approaches to managing our business as usual processes during Smart Metering roll out, ensuring that there is no impact to safety or the customer experience

2. Carbon Monoxide (CO) Awareness

GROUPS – GDN CO Awareness Best Practice Working Group via the ENA

Carbon Monoxide (CO) is an odourless, colourless and tasteless gas, which on average results in 200 people being hospitalised and 40 fatalities in the UK each year. The GDNs continue to raise awareness on the dangers of CO and do this through employing a range of initiatives.

Key areas of focus	Outcomes and Benefits 2016/17
To raise awareness on the dangers of CO to primary school children. We have launched an education campaign with our super hero, Safety Seymour. Targeted at key stage 1 school children, the daylong session takes place in schools and aims to educate on the dangers of CO whilst having fun.	<p>We have delivered the session in over 48 schools which fall into CO hot spot areas, where there is a high number of reported carbon monoxide incidents, and in 56 individual classes which has reached in the region of 1700 children. We are supporting each other with training and the implementation and will continue the roll out of Safety Seymour into 17/18.</p> <p>Carbon monoxide (CO) poisoning awareness charity CO-Gas Safety together with the GDNs across the UK, have won the Heating & Ventilation (H&V) News Safety Initiative of the Year Award for 2016.</p>
To inspire change in CO safety behaviour. As a result we have launched our CO schools poster competition. It remains targeted at key stage 1 and 2 school children and complements our Safety Seymour campaign. Children can submit their pictures, poems, and videos to regional judging panels which then go to a national final to decide on the overall winner.	Through collaboration with ENA and ourselves we have used social and traditional media to raise awareness of the national competition and reach a higher number of entries than ever before. Last year we saw a total of 674 entries, with an award ceremony at the Palace of Westminster in June 2016, which will take place again in June 2017.
To find innovative ways in which we can raise awareness and promote further key messaging around the detection of CO across our networks. This year we have launched a Carbon Monoxide (CO) Charity Fund to further support this.	<p>The Carbon Monoxide (CO) Charity Fund invites UK charities and organisations to apply for funding to support their CO related initiatives. We are currently considering the applications received for this year and will potentially award one-off grants up to the value of £2,000 from the fund of £10,000.</p> <p>We have had 4 responses from RoSPA, Angus Care and Repair, CO Gas safety and Dominic trust which are currently being considered.</p>
To create and share consistent messages. Working together helps us reach more people, trial more innovative ideas, measure them in a consistent and meaningful way to enable best practice and, through doing this, change behaviour.	<p>In 2016/17 our schemes delivered:</p> <ul style="list-style-type: none"> • 113, 256 survey responses • 26,346 CO alarms given to vulnerable customers; • 8.99 average rating of CO awareness following our Interaction (on a scale of 1-10) • 24.6% increase in CO awareness as a result of our interaction
To continue to promote the importance of awareness of CO with political decision	We have liaised with Members of Parliament (MPs), Members of Scottish Parliament

makers. We have continued our membership of the All Party Parliamentary Carbon Monoxide Group to support this.

(MSPs) and Assembly Members of the Welsh Government (AMs) to raise awareness and we also look to develop measures to reduce the risks of accidental harm caused by exposure to CO, totalling 13 events, meetings and panel discussions held in Westminster under the banner of either the CO All Fuels Action Forum and the All-Party Parliamentary Carbon Monoxide Group. 13 mentions in House of Lords and House of Commons debates & written questions submitted to relevant departments on the subject of CO following our interactions with them. Two new MPs recruited as APPCOG Co-chairs – Margaret Ferrier and Margaret Ritchie

3. Ensuring a sustainable future

GROUPS – ENA co-ordinated Gas Futures Group (GFG); Gas Innovation and Governance Group (GIGG) and Environmental Working Group

Sustaining our future is a strong theme for all of the networks. We focus on sharing environment best practice, decarbonisation of heat gas and meeting the challenge of the energy trilemma in line with the needs of our customers. Collaborative emphasis for sustaining our future has also focused on environmental best practice, and reducing the environmental footprint of the networks.

Key areas of focus	Outcomes and Benefits 2016/17
To commission an independent study on the role of the gas networks in Britain's energy future, alongside an analysis of potential alternative scenarios and potential energy solutions which could offer a solution to the energy trilemma.	<p>We, along with National Grid Gas Transmission (NGGT), Brookfield Utilities and Gas Networks Ireland, commissioned KPMG to carry out the study (a joint investment of almost £147,000). In July 2016, KPMG published: 2050 Energy Scenarios: <i>The UK Gas Networks role in a 2050 whole energy system</i></p> <p>The report evaluated a full range of scenarios to represent how the energy system may develop to 2050, and identified policy initiatives to realise the benefits emerging from this analysis. The report finds that evolution of the gas networks, injecting green gas such as hydrogen into the grid, offers significant cost savings against alternative low carbon heating sources. Gas is least expensive option for customers to achieve 2050 CO₂ carbon reduction targets.</p> <p>It also says that transport decarbonisation policy needs to be integrated with power and heat decarbonisation policy.</p>
To engage with stakeholders to share information regarding our energy futures messages.	<p>We have carried out several events this year to engage with key stakeholders to share information regarding our energy futures messages, these have included:</p> <ul style="list-style-type: none"> • A joint event with the All Party Parliamentary Renewable and Sustainable Energy Group (PRASEG), focussing on gas delivering for customers and supporting the low carbon economy. • Future of Gas Awareness showcase in July. The purpose of this event was to raise awareness amongst Ofgem staff of the gas networks and their future important contribution to the UK economy. • In April 2016, ENA and Geode (a European Trade association that represents distribution system operators from most member states) held an event in the European Parliament to launch a report on green gas that all members of the GFG contributed to. The event

	<p>brought together industry representatives and key policy makers from across Europe to discuss the 'energy renaissance' which gas is undergoing, and the long term role that green gas can play in meeting demand in an affordable, secure and sustainable energy future.</p> <ul style="list-style-type: none"> • An ENA and Utility Week roundtable on the future of heat in the House of Commons on 2nd March. • Energy Utility Alliance National Conference – brought the gas industry and other influential stakeholders together with supply chain representatives. Issues discussed included key themes of the energy trilemma and how it is being tackled, together with expert opinion from leading think tank academics. <p>Reached and influenced more than 60 MPs, advisors and other key stakeholders.</p> <p>Asked to help the Shadow Energy Team in developing a "Green Gas Book". This is a publication dealing with policy and practical aspects of the development of green gas, particularly Biomethane and Hydrogen, as a key element of the energy mix over the coming years.</p> <p>Participating in these events allow us to present our key innovation projects and the case for the gas networks to play a central role in our energy future to a select group of policy makers and influencers.</p>
<p>To engage and build relationships with key policy makers and raise awareness of the innovation and research being carried out by GDNs.</p>	<p>The GFG uses its monthly meetings to host key guest speakers, raising awareness of the innovative projects and research being carried out by the GDNs, building relationships with key policy makers to influence the UK's energy strategy. Greater understanding of other organisations' priorities, innovation and work to help us to make the links and share best practice. These have included: Hydrogen Fuel Cells Association; BEIS; Carbon Connect; Buro Happold; Leeds University.</p>
<p>Carbon Connect, sponsored by IGEM, is working on a research project to investigate the opportunities offered by low carbon gas to reduce the UK's greenhouse gas emissions and the policy developments which are required to enable its deployment as a source of energy. The gas networks are all on the steering group.</p>	<p>This important project is examining the three areas of:</p> <ul style="list-style-type: none"> - Issues related to the gas distribution network and local storage - Issues related to the production and bulk storage of low carbon gas - Issues related to consumers and the development of compatible appliances

	<p>The project sponsors are James Heappey MP, Callum McCaig MP and Alan Whitehead MP and the project is being formally launched in June, as part of Carbon Connect's Heat Series.</p>
<p>The GIGG group publish a quarterly newsletter which details all the activities in relation to new innovation projects, the annual LCNI Conference, ENA news and forthcoming events</p>	<p>This is an extremely beneficial forum where each GDN has a platform to share information and learning from innovation projects that are currently underway or that are in the pipeline.</p> <p>This is shared with a wide list of more than 60 stakeholders, including SMEs, DNOs and Ofgem and has been very well received.</p>
<p>To share learning from innovation project findings which look at the future use of our network. As GDNs, we have taken the lead in different areas of innovation, to build evidence on how the energy trilemma can best be resolved, sharing learning from project findings.</p> <p>Key projects include:</p> <ul style="list-style-type: none"> hydrogen – WWU & NGN bioSNG – Cadent Oban – SGN CNG (transport) – Cadent Freedom project – WWU & WPD Biomethane – all 	<p>CEO meetings and various other forums have taken place to share learning over future options for our gas networks.</p> <p>NGN and WWU are investigating how we might best face the challenges of using zero-carbon hydrogen in the gas network; Cadent is focusing attention on the use of bioSNG and also on how low-carbon gas could be used to decarbonise transport.</p> <p>SGN's Oban project is using this standalone gas network to investigate the possibilities of adding different, non-traditional composition gasses to this gas network. All the networks are investigating adding biomethane to the gas networks with current connected capacity standing at the ability to power 277,957 homes and business from this low-carbon gas across the networks.</p> <p>WWU has commissioned a model that can predict how different mixes of renewables will perform in different geographical regions, across the seasons and across demand, helping match the demand and supply possibilities. A second WWU study has researched the ability and aptitude of different energy consumers and investors to pay for changes to their energy systems. Collaboration between gas and electricity networks is also being pursued; project Freedom is a collaboration between WWU and Western Power Distribution, investigating the best way to power and heat homes using the most cost effective and low-carbon fuel available at any given time of the day or night, be that electricity or gas, at different times of day, using smart technology.</p>
<p>To facilitate green gas entry. Through the Distributed Gas Entry Group, we have looked</p>	<p>In order to support the use of biogas generally and the entry of biomethane into</p>

at the impact of renewable gas on our networks and explore how we can harmonise our connection and commissioning arrangements, and to identify learning from the development of distributed renewables on the electricity network.

the network, we worked with IGEM to develop standards for biomethane network entry and biogas entry.

We've introduced consistent Voluntary Standards of Service (VSOS) for Biomethane connections. This means wherever the connection is happening in the country, there is a consistent service and sharing of connection performance and that we, in turn, are making sure the standards are working for our customers.