

Ofgem consultation on potential change to the Fuel Poor Network Extension Scheme

Question 1 - Do you agree with our proposed approach for the FPNES? Please state why or why not

We agree with the aim of the proposed approach to better focus the scheme on those in fuel poverty. However, removing the WIMD criterion without providing an alternative to this element, could potentially limit the number of homes currently benefiting from the scheme and create uncertainty over the viability of schemes. This is a particular concern in Wales as we have a large number of off-gas properties.

Question 2 - Are there any consequences that we have not appropriately considered in our proposal?

Removal of the WIMD criterion could impact on how the FPNES is able to work effectively alongside our *Welsh Government Warm Homes Arbed* schemes by creating uncertainty regarding funding contributions and scheme viability. In order to address this, we would like to see the remaining FPNES qualifying criteria updated from just eligibility for *Warm Homes Nest* to eligibility for the *Welsh Government Warm Homes Programme*, which includes both the *Warm Homes Nest* and *Arbed* schemes. This will ensure energy efficiency and fuel poverty schemes in Wales can continue to work effectively alongside the Fuel Poor Network Extension Scheme for the benefit of the people of Wales.

Question 3 - Is there any other evidence we should consider in making our decision? If so, please provide it.

We are not aware of any additional evidence at present. However, a Welsh Housing Conditions Survey is currently underway, which will provide updated data for Wales from 2018 onwards. This will include updated fuel poverty estimates for Wales.

Question 4 - Do you consider 1 April 2018 to be an achievable timescale for the eligibility criteria to change?

We consider 1 April 2018 to be a relatively short timeframe to enable the development and implementation of effective alternatives, which may affect the planned pipeline of projects, thereby limiting the number of homes that benefit from the scheme. As set out in our response to question 2, we would like to see the remaining criteria updated to ensure the scheme continues to work effectively with our schemes in Wales.

Question 5 - Do you consider a transition period to be appropriate? If so, do you agree with our proposed timescale

Yes, we agree a transition period is necessary and appropriate. However, the timescale seems relatively short as explained in our response to question 4.

Question 6 - Are there any other transition elements we should consider?

We are not aware of any additional transition elements requiring consideration.