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Rebecca Pickett  
RIIO Price Controls, Networks  
Ofgem

**2 November 2020**

Dear Rebecca,

We welcome the opportunity to provide feedback on the Governance for the Fuel Poor Network Extension Scheme. The following numbers in bold relate to the paragraph numbers in the governance document and comments relate specifically to that paragraph unless otherwise stated.

**1.2** - We note that the scheme allows for connections in properties with *“planned conversion from a commercial to a domestic property”*. We would query the extent to which this circumstance is likely to relate to households living in fuel poverty and would appreciate clarification from Ofgem. Similarly;

**2.2** - this paragraph makes no reference to *“planned conversion from a commercial to a domestic property”* as an applicable property. It's unclear whether this omission is intentional or a drafting error.

**2.4** - We understand that there are a range of circumstances and variables surrounding a fuel poor connection, however we would be keen to understand the rationale for allowing *“an intention to install gas fuelled appliances within 2 years of the gas connection being agreed, including first time gas central heating”*. In particular we would be interested in why Ofgem believes a 2 year time period still gives a good level of confidence that gas fuelled appliances would be installed.

**Patron HRH The Princess Royal      Acting Chief Executive Alistair Cromwell**

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**2.7** - We support the intention of the in-fill mechanism and the potential benefits this can provide to households and communities in, or at risk of being in, fuel poverty. We understand learning was taken from ECO in establishing the criteria, however we note that they do not align directly. In ECO3 in-fill properties must either be<sup>1</sup>:

- a) in the same terrace as,
- b) in an immediately adjacent building to, or
- c) in the same building as households eligible for HHCRO.

We welcome the inclusion of 'cul-de-sac' for FPNES eligibility, but the criteria appears to exclude 'immediately adjacent buildings' which is explicitly referenced in ECO3. The criteria as drafted would appear to exclude, for example, a row of semi detached/detached houses which would neither be a cul-de-sac, nor a terrace. This criteria for ECO3 should be included for FPNES.

**2.9** - As discussed in the GD2 Customer and Social Working Group, we welcome a process which ensures that a gas connection is the most appropriate or best solution for that household, taking into account all relevant factors. This is important to ensure that costly connections infrastructure does not become stranded in the near future by legislative changes or the reduction in gas use, and that the best solution makes a significant contribution towards the goal of removing households from fuel poverty.

However, the drafting for paragraph 2.9 does not appear to set out a particular process for how GDNs and their fuel poor partners would demonstrate to Ofgem that they have undertaken such an analysis. The drafting also states that GDNs and fuel poor partners "*must explain to the customer what types of connection are available to them, and the analysis undertaken by GDNs and their partner organisations to determine the best solution for the customer*". This drafting is not explicit enough in stating that 'alternative heating types' or 'fuel types' should be explored as part of this analysis. We would welcome a change to more specific language.

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<sup>1</sup>Ofgem, [Energy Company Obligation \(ECO3\) Guidance: Delivery Version 1.5](#), Paragraph 3.69, page 49



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### Other Comments

**Social Housing** - In the GD2 Customer and Social Working Group it was discussed that Ofgem and GDNs were keen not to exclude social housing from the scope of FPNES. We welcome this intention, though Ofgem should consider that social landlords are likely to be required by regulation to meet higher EPC ratings faster than other housing types. It is therefore possible that it is an unattractive option for many social landlords to fit a gas connection when they are considering approaches to retrofitting properties and decarbonising their housing stock. Nevertheless, it is important that the FPNES is available to social housing.

Social housing organisations are also already likely to be offering debt and energy advice directly to their tenants. The governance document should therefore consider how a mandated fuel poor partner organisation would fit into this relationship, unless it is expected that a social housing provider could also be a fuel poor partner organisation.

Yours sincerely

Sam Hughes

Policy Researcher

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