

Fuel Poor Network Extension Scheme (FPNES) October Consultation¹ Response Summary

Eligibility Criteria

The requirement to assess whether gas is the best solution for the customer attracted a lot of feedback. Stakeholders who commented on this generally felt that this should not be the responsibility of the GDNs due to conflict of interest and should be assessed by an impartial third-party. We recognise this and have included reference to the Simple Energy Advice (SEA) website² in the FPNES Governance Document, to which GDNs and Partner Organisations can direct customers. Moreover we have specified that GDNs and their Partner Organisations must explain to the customer how to use the website, the customer's results from the home improvements checker tool and what types of connection are available. Many consumers in vulnerable situations may be digitally excluded, or lack the basic knowledge necessary to understand the requirements of the home improvements checker tool or the results provided, and we think the GDNs and their fuel poor Partner Organisations are well placed to support them.

Minimum Standards

A consumer representative group suggested that minimum standards should be implemented to require SSC D21 to apply to any contractors used in the FPNES process and to guarantee a good service level for fuel poor households receiving connections, eg provision of energy efficiency advice, similar to the requirements in the Smart Meter Installation Code of Practice (SMICOP). We do not licence third party organisations and therefore cannot require them to act in accordance with SSC D21. It is for the GDNs to ensure that their contractors abide by SSC D21. We expect GDNs to ensure that prospective Partner Organisations meet the requirements set out in the Partnership Approval Process in the FPNES Governance Document (paragraph 4.2). In addition, we also expect GDNs and their fuel poor Partner Organisations to provide information, including energy efficiency advice, to consumers in vulnerable situations,

¹ Consultation on the VCMA and FPNES Governance Documents <https://www.ofgem.gov.uk/publications-and-updates/consultation-gas-network-vulnerability-and-carbon-monoxide-allowance-vcma-and-fuel-poor-network-extension-scheme-fpnes-governance-documents>

² <https://www.simpleenergyadvice.org.uk/>

and have included a section which outlines this in the FPNES Governance Document (paragraph 2.16).

Funding Provision

Three GDNs commented on the medium Typical Domestic Consumption Values (TDCV) that we require GDNs to use as the average source of gas consumption in the fuel poor voucher calculation, stating that it should be higher as fuel poor households are generally less energy efficient. We acknowledge this concern. However, no evidence has been put forward which clearly demonstrates that this is consistently the case. We received similar feedback to our 2015 consultation on FPNES connection targets. In our final decision document (2015)³, we outlined that the medium TDCV is the best source of data available to us, which most accurately reflects typical household gas consumption. We retain this position, and stress the importance of TDCV reflecting average household gas consumption, particularly as gas usage continues to decline due to decarbonisation and the drive towards Net Zero.

A consumer representative group argued that the value of the fuel poor voucher must have some flexibility to accommodate changes to the cost of connections during the price control. The fuel poor voucher calculator, which we introduced in 2015 in response to our review of FPNES⁴, is to ensure that the FPNES voucher is calculated consistently and appropriately. We have published the standardised voucher calculator as Appendix A, which we expect the GDNs to use.⁵

³ FPNES final decision document, September 2015 <https://www.ofgem.gov.uk/publications-and-updates/fuel-poor-network-extension-scheme-final-decision-document>

⁴ The findings of our review of FPNES, March 2015 https://www.ofgem.gov.uk/sites/default/files/docs/2015/03/the_findings_of_our_review_of_fuel_poor_network_extension_scheme_26_march_2015_0.pdf

⁵ Appendix A: Fuel Poor Voucher Calculator