

GDN Collaborative Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)

Citizens Advice National - Energy Safeguarding and CO Safety partnership

Kerry Potter – Kerry.Potter@sgn.co.uk

15/12/21

Gas Network Vulnerability & Carbon Monoxide Allowance (VCMA) Governance Document - Project Eligibility Criteria

| Section 1 - Eligibility criteria for company specific projects (other than condemned essential gas appliance repair and replacement) | |
|--|------------------------------------|
| In order to qualify as a VCMA project, a project must: | |
| VCMA Eligibility Criteria | Criteria Satisfied (Yes/No) |
| a) Have a positive, or forecasted positive Social Return on Investment (SROI), including for the gas consumers funding the VCMA project; | Yes |
| b) Either: <ul style="list-style-type: none"> i. Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or ii. Provide awareness on the dangers of CO, or iii. Reduce the risk of harm caused by CO; | Yes |
| c) Have defined outcomes and the associated actions to achieve these; | Yes |
| d) Go beyond activities that are funded through other price control mechanism(s) or required through licence obligations; and | Yes |
| e) Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding. | Yes |
| Section 2 - Eligibility criteria for company specific essential gas appliance servicing, repair and replacement projects | |
| In order to qualify as a VCMA project, unsafe pipework and essential gas appliance servicing, repair or replacement must meet the following criteria: | |
| a) A GDN has to isolate and condemn unsafe pipework or an essential gas appliance following a supply interruption or as part of its emergency service role; | N/A |
| b) The household cannot afford to service, repair or replace the unsafe pipework or essential gas appliance; and; | N/A |
| c) Sufficient funding is not available from other sources (including national, devolved or local government funding) to fund the unsafe pipework or essential gas appliance servicing, repair or replacement. | N/A |
| Section 3 - Eligibility criteria for collaborative VCMA projects | |
| In order to qualify as a collaborative VCMA project, a project must: | |
| a) Meet the above company specific and boiler repair and replace (if applicable) project eligibility criteria; | Yes |
| b) Have the potential to benefit consumers on the participating networks; and | Yes |
| c) Involve two, or more, gas distribution companies. | Yes |

Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - Project Registration Table 2

| Information Required | Description |
|---|--|
| Project Title | Citizens Advice National - Energy Safeguarding and CO Safety partnership |
| Funding GDN(s) | SGN, Cadent, Northern Gas Networks, Wales & West Utilities |
| Role of GDN(s) *For Collaborative VCMA Projects only | SGN – Project lead Cadent / NGN / WWU – Project participants |
| Date of PEA Submission | 15/12/21 |
| VCMA Project Contact Name, email and Number | Kerry Potter - Group Social Impact and Vulnerability Manager Kerry.Potter@sgn.co.uk |
| Problem(s) | <p>During 2021, it is estimated that three million English households are living in fuel poverty (Dept for Business, Energy and Business Strategy). Nearly half of low-income households are still living in hard to heat homes, the rate of improvements is well below what is needed to lift people out of fuel poverty by a target date of 2030. A further estimated 144,504 households are at risk of being in fuel poverty in Wales (Welsh Government), spending between 8% and 10% of their household income on fuel costs. This is equivalent to 11% of households in Wales.</p> <p>It can be very difficult for consumers to stay up to date on energy and how to manage their fuel bills, with a wide range of issues to consider and often a large number of different agencies or information services to contact. As we go into winter 2021 with the current market conditions and increasing energy prices the need for up-to-date information and support to manage energy costs is greater than ever. We're already seeing an increased demand for support in this area which is only going to increase throughout winter. These issues can be particularly overwhelming for customers who are living in vulnerable circumstances and/or fuel poverty.</p> <p>Carbon Monoxide (CO) can pose a serious threat to human health and even fatality, with around 40 deaths caused by CO poisoning each year in the UK and 4,000 people treated in hospital as a result of CO poisoning. Many people in the UK who use carbon fuelled appliances are not aware of the dangers of CO and do not have a working audible CO alarm. Of 8,000 people surveyed in 2020 45% didn't know that CO doesn't have a smell, and only 42% had a working audible CO alarm. Lack of awareness about the dangers of and ways in which to prevent harm from CO are a major contributing factor to why we're still seeing CO related deaths and harm in a time when safety devices such as CO alarms are cheaper and more accessible than ever.</p> <p>There is a direct correlation between fuel poverty and carbon monoxide poisoning. Lower income householders are often reliant on older boilers, older heaters or even gas stoves or cookers to heat their homes. National Energy Action and Gas Safety Trust research found 35% of low income and vulnerable households surveyed exceeded the 10ppm threshold for carbon monoxide levels.^[1] People living in deprived areas are also less likely to own an audible CO alarm than homes in non-deprived areas, further increasing the risk of CO poisoning.^[2] Older people, pregnant women, and young children have also been found to be particularly vulnerable to CO poisoning, spending more time at home and with a need to stay warm, resulting using the heating more regularly.^[3] Social tenants are less at risk due to RSL requirements for annual gas safety checks and higher energy efficiency standards.</p> |

| | |
|------------------------------------|---|
| | <p>Citizens Advice teams are seeing more and more clients and through this partnership we would like to ensure that this trusted service helps people in crisis with access to support to have a safe and warm home. There is currently a knowledge and skills gap within Citizens Advice and their Energy Advisors around CO safety, meaning they are not able to raise awareness of the dangers of CO or identify potential CO risks when supporting customers living in vulnerable circumstances.</p> <p>^[1] Cited on Safelincs blog (2020) Carbon monoxide poisoning: who is most at risk? ^[2] Kokkarinen et al (2014) Investigation of audible carbon monoxide alarm ownership ^[3] Ibid. Safelincs, Carbon monoxide poisoning</p> |
| <p>Scope and Objectives</p> | <p>Delivered in partnership with Citizens Advice, and co-funded by the four UK Gas Distribution Networks, this project aims to support vulnerable households with a single point of contact for independent and bespoke support to keep a safe and warm home for less. Working through Citizens Advice's network of local Energy Advice Partnership Hubs, with the potential to access the full Citizens Advice network where required, the partnership will deliver:</p> <ul style="list-style-type: none"> • A pilot for the first three months to assess the benefit of the provision of an Energy and CO Safety pack for customers who are at risk of CO exposure that includes; a CO alarm, a CO safety leaflet, a thermometer card, information on how to access the Fuel Poor Network Extension Scheme (FPNES), and an energy saving advice leaflet. If successful we will look to amend the PEA to continue the provision of these for the full duration of the project. • Dedicated frontline worker CO safety training provided for Citizens Advice energy advisors across 79 Local Citizens Advice hubs across England and Wales to educate them on the sources, signs, and symptoms of CO poisoning (including the risks around low-level poisoning), what actions to take if CO poisoning is suspected, and what they can do to prevent CO. Enabling them to identify CO signs/risks and provide CO awareness sessions for the customers they support. • CO awareness sessions provided to customers including key CO messaging; annual appliance testing, CO alarm maintenance, identifying signs/symptoms, and actions if CO exposure/presence is suspected. • An extension of the existing Citizens Advice Energy Advice Programme (EAP) enabling more customers to be supported with energy advice – behavioural, providing information on how to save energy by personal action • Energy Tariff support / advocacy – supporting people with energy bills, debt, switching, fuel bill renegotiation – support to be an active energy consumer • Benefit entitlement checks to ensure customers are receiving the appropriate benefits and grants based on their individual circumstances, including but not limited to Warm Home Discount. • PSR registrations to the energy PSR (ensuring where possible the 'tick' to share information beyond the DNO / Supplier) • Locking Cooker Valve referrals into regional GDN where a need is identified to add a safety device to the gas cooker • Onward referral support to address other barriers to living in a safe and warm home, this could include but is not limited to; emergency funds, housing support, food vouchers etc. |

| | |
|--|---|
| <p>Why the Project is Being Funded Through the VCMA</p> | <p>This project operates within all GDN networks and has been co-designed with Citizens Advice to find solutions that work for all our customers. It qualifies under the VCMA funding criteria as it will provide energy efficiency advice and CO safety advice/interventions, empowering each householder to use energy safely, efficiently, and affordably.</p> <p>Eligibility Criteria</p> <ul style="list-style-type: none"> a) We have calculated from a subset of outcomes that this project will have a positive net SROI for customers. b) This project will provide support to consumers in vulnerable situations and relate to energy safeguarding, provide awareness of the dangers of CO and an Energy and CO safety pack that will reduce the risk of harm caused by CO c) We have defined outcomes for this project and the associated actions to achieve these as detailed below; d) This project and its outcomes go beyond activities that are funded through other price control mechanisms or required through licence obligations; and e) Is not being delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding. |
| <p>Evidence of Stakeholder/Customer Support</p> | <p>SGN Customer Engagement Group and Vulnerable Steering Group Engagement</p> <p>During the shaping of the SGN business plan we committed to, over the 5-year price control, to support over 250,000 vulnerable customers to use gas safely, affordably and efficiently. To ensure that we adapt to market conditions we continue to engage our SGN Vulnerable Steering Group, they help us shape our vulnerability and CO strategies and our priorities for GD2 based on current need. Our expert stakeholders representing a range of vulnerable customer segments guided us to work with existing organisations that already support those in crisis and where we are able to broaden the reach or increase the capacity of those established charities that support people most in need. It is with guidance and support from our dedicated Vulnerable Steering Group that SGN prioritise support for those most likely to need help from their utility company due to low incomes, in extreme financial vulnerability and fuel crisis.</p> <p>GDN CO Collaboration Group</p> <p>When discussing this as a potential collaborative VCMA project with the members of the GDN CO Collaboration Group, strategic stakeholders including all four GDNs, Gas Safe Register and Project Shout supported this partnership and the progression of this project.</p> <p>GDN GD2 Consumer Vulnerability and Carbon Monoxide Steering Group</p> <p>The GDN GD2 VCMA steering group work membership includes senior leaders from each representative gas network and representation from key consumer advocacy groups including Citizens Advice, National Energy Action and Energy UK. The steering group ensures that the VCMA is managed in accordance with Ofgem guidelines and the strategic ambitions of the group. This initiative was reviewed and recognised as meeting an urgent and current need in the community.</p> <p>Feedback from Matt Copeland member of our strategic steering group and Head of Policy and Public Affairs at NEA said “I support the Citizens Advice National partnership going through the VCMA. This winter, and throughout next year, it will be increasingly important to provide additional practical support to struggling energy consumers. These projects will look to give additional advice, but also, crucially,</p> |

| | |
|--|---|
| | financial support to those households that need it most, so that they can stay warm and well at home through this period of extended high energy prices”. |
| Outcomes, Associated Actions and Success Criteria | <p>Through this partnership the Citizens Advice local Energy Advice Programme teams will work to directly support 17,500 vulnerable people with access to practical advice on the dangers of CO and how to mitigate these, as well as energy advice that improves their financial independence, their health and wellbeing, and increases their confidence to manage their household utility costs.</p> <p>The partnership will be embedded in the Citizen Advice Energy Advice Programme and provide the following outcomes:</p> <ul style="list-style-type: none"> • CA Energy Advisors educated on CO safety and confident to provide CO awareness to customers they work with • All customers supported will have a greater understanding of the importance of gas safety and the dangers associated with CO, with their CO awareness measured via the CO awareness survey • All additional EAP customers will have a greater understanding of how to save energy and will be supported to become an active energy consumer • Through the pilot, customers identified in greatest need will be provided with a CO alarm and instructions on how to use it – potential to request more funding and increase numbers if deemed successful • Through the pilot, customers identified in greatest need will be provided energy and CO safety literature to help them better understand how to use energy safely, efficiently, and affordably – potential to request more funding and increase numbers if deemed successful <p>Success Criteria</p> <ul style="list-style-type: none"> • 120 CA Energy Advisors provided CO safety training • 5,000 customers supported to use energy safely, efficiently, and affordably via one-to-one energy and CO awareness discussions • 12,500 customers will be more aware of the risks of CO and how to mitigate these following one-to-one CO awareness discussions • 2,500 energy and CO safety packs issued (following a one-to-one energy and/or CO safety discussion) – Pilot, so potential to increase if successful • Up to 2,000 customers supported to switch tariff or supplier, ensuring they are getting the best price for their energy usage – <i>Due to the current fuel crisis and market conditions it may not be possible to achieve this outcome initially, however under normal circumstances this would be an outcome of the EAP and we’ve included this as a potential outcome in the expectation the market will return to ‘normal’ during the life of this partnership.</i> • 1,000 customers supported with fuel bill renegotiation and payment options for fuel debt • 3,500 eligible customers supported to access and receive Warm Home Discount • 2,950 PSR Registrations • TBD LCV Referrals to regional GDN • TBD FPNES Referrals to regional GDN <p>To monitor our impact in line with the above, we will:</p> <ul style="list-style-type: none"> • Monitor outcomes against services provided • Monitor who is making use of the service - customer demographics, vulnerabilities, and needs • Survey service users for satisfaction and impact |

| | |
|--|---|
| | <ul style="list-style-type: none"> • Work closely with our partners to ensure that we all understand the issues faced to continue to develop our services by need • Provide case studies of the impact of the programme on frontline support and impact of individuals supported by the initiative (partner and individual) • Work with Citizens Advice to solve the problem around measuring the outcomes from a partner that is embedded within other referral pathways. For example, if someone is supported through the EAP team they may get referred out to receive other services, so what does that mean in terms of overall impact and value for the customer. |
| Project Partners and Third Parties Involved | <ul style="list-style-type: none"> • Citizens Advice Central – Lead delivery partner, managing relationship with all local Citizens Advice Hubs involved in their Energy Advice Programme. • SGN – Lead gas network, providing funding and support to the delivery team, including training and access to broader referral partners and direct services for customers including but not limited to Locking Cooker Valves, CO alarms and access to the Fuel Poor Network Extension Scheme. • Cadent / Northern Gas Networks / Wales & West Utilities – Partner gas networks providing funding and access to broader referral partners and direct services for customers including but not limited to Locking Cooker Valves, CO alarms and access to the Fuel Poor Network Extension Scheme. • Charis Grants – Delivery partner, assembling and sending out the energy and CO safety packs. • Fireblitz Extinguishers Ltd – Supplier of the CO alarms for inclusion in the energy and CO safety packs. |
| Potential for New Learning | <p>Through customer feedback, surveys, and case studies we expect to understand how effective one-to-one energy advice and CO safety discussions are for people in crisis.</p> <p>Working with Citizens Advice and their broader network we are hoping to enhance our understanding of the additional benefits for customers that come from a partner embedded within other referral pathways and able to refer out customers in need to other services.</p> <p>We are looking to trial the provision of an energy and CO safety pack sent out to customers following their discussion to ensure that all households who would benefit from a new CO Alarm and advice pack have one issued. We will look to assess how effective this is as a method of delivering additional information on managing a safe and warm home.</p> |
| Scale of VCMA Project and SROI Calculations | <p>This project is working with Citizens Advice Central and 79 local Citizens Advice Hubs across England and Wales in all four GDN footprints.</p> <p>SGN worked with leading social impact research consultancy SIA Partners to carry out an assessment of the financial and wellbeing outcomes applicable to our services for vulnerable customers incorporated in this partnership.</p> <p>Carrying out a high-level assessment against a subset of the predicted outcomes and recognising that the project has some outcomes we can't currently forecast delivery for, we still forecast a positive net social return.</p> <p>*detailed SROI assessment provided separately</p> |
| VCMA Project Start and End Date | 1 st January 2022 – 31 st March 2023 |
| Geographical Area | The project will take place across 79 local Citizens Advice hubs in England and Wales within the following regions: |

| | |
|--|---|
| | <ul style="list-style-type: none">• East Midlands• Eastern• London• North East• North West• South East• South West• Wales• West Midlands• Yorkshire & the Humber |
|--|---|

Gas Network Vulnerability and Carbon Monoxide Allowance (VCMA) Governance Document - PEA Control Table

In order to ensure that a VCMA project is registered in accordance with the Ofgem VCMA governance document (incl. project eligibility assessment), the below table should be completed as part of the project registration process.

Stage 1: GDN Collaboration Group PEA Review

Meeting date review completed: Reviewed via e-mail between 19 – 26 November

Review completed by:

| GDN: | Name: | Job Title: |
|--------|-------------------|---|
| Cadent | Phil Burrows | Head of Customer Vulnerability Social Programmes Delivery |
| NGN | Steve Dacre | Vulnerability Innovations Lead |
| SGN | Kerry Potter | Group Social Impact and Vulnerability Manager |
| WWU | Elizabeth Warwick | Stakeholder Engagement Manager |

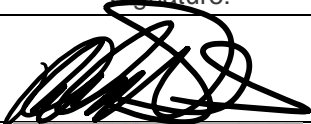
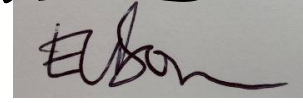
Stage 2: GD2CVG Panel Review

Meeting date sign off agreed: 26/11/21

Review completed by:

| GDN: | Name: | Job Title: |
|--------|------------------|---|
| Cadent | Phil Burrows | Head of Customer Vulnerability Social Programmes Delivery |
| NGN | Eileen Brown | Customer Experience Director |
| SGN | Maureen McIntosh | Head of Customer Experience |
| WWU | Nigel Winnan | Head of Customer and Social Obligations |

Step 3: Participating GDN individual signatory sign-off

| GDN | Name: | Job Title: | Signature: | Date: |
|---------|----------------|---|--|------------|
| Cadent: | Philip Burrows | Head of Customer Vulnerability Social Programmes Delivery |  | 09/12/21 |
| NGN: | Eileen Brown | Customer Experience Director |  | 15.12.2021 |
| SGN: | Rob Gray | Director of Stakeholder & Communications | Rob Gray | 15/12/21 |
| WWU: | Nigel Winnan | Head of Customer and Social Obligations | Nigel Winnan | 9/12/2021 |

Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem (vcma@ofgem.gov.uk)

Date that PEA Document Uploaded to the Website: Dates may vary as each GDN will individually upload on their websites.

Date that Notification Email Sent to Ofgem: 21/12/21