

Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA) *"UK Harvest: Food and Fuel"*

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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) | |
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| 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. | No |
| 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 | |
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| 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; | N/A |
| b) Have the potential to benefit consumers on the participating networks; and | N/A |
| c) Involve two, or more, gas distribution companies. | N/A |

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

| Information Required | Description |
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| Project Title | UK Harvest: Food and Fuel |
| Funding GDN(s) | Cadent only |
| Role of GDN(s) *For Collaborative VCMA Projects only | Not applicable |
| Date of PEA Submission | January 2023 |
| VCMA Project Contact Name, email and Number | Name: Gemma Norton Title: Social Programmes Portfolio Manager Email: Gemma.norton@cadent gas.com Mobile: 07867 691679 |
| Total Cost (£k) | UK Power Networks: £100,000.00 Cadent: £100,000.00 Total project cost: £200,000.00 |
| Total VCMA Funding Required (£k) | £100,000.00 |
| Problem(s) | <p>Fuel Poverty</p> <p>The Energy Saving Trust estimated 6.32 million households are now predicted to be in fuel poverty and this could rise to <u>8.5 million and above in the UK</u>. Coupled with this, <u>96%</u> of UK home owners are concerned about home energy efficiency. Almost a third (32%) of those who said their cost of living had risen are cutting back on their use of fuel such as gas or electricity. More than half (53%) said they were spending less on non-essentials, and around a quarter (26%) using their savings to bridge the gap.</p> <p>The End Fuel Poverty Coalition predicts that 55.7% of lone-parent households will be in fuel poverty from 1 April 2022 and 33.4% for couples with dependent children.</p> <p>Prolonged periods where households struggle to pay their bills can lead to debt and a cycle that is difficult to break. A <u>Public Health England report</u> found that cold homes and poor housing conditions have been linked with a range of health problems in children, and a <u>Childhood Trust report</u> found that fuel poverty can also have a number of indirect impacts, such as lower rates of educational attainment in school, and a strain upon young people’s mental health.</p> <p>Fuel poverty can cause worry, depression and leave families in financial hardship, resulting in many having to make the difficult decision of heating their homes or feeding their families. The Fuel Bank Foundations "Fuel Crisis Report 2022" reported that 96% of people they have supported were having to make the choice between heating their homes or putting food on the table, and 14% were sacrificing hot food daily. The same report confirms that 74% of people are struggling with other essential household bills. Even if a</p> |

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| | <p>food bank or pantry can provide free or low-cost food parcels, it still costs money for the energy to prepare the meals.</p> <p>Carbon Monoxide</p> <p>The increasing rise in fuel poverty can also increase CO poisoning with families struggling to afford the costs of an annual appliance check. According to the HSE statistics every year around 7 people die from CO poisoning caused by gas appliances and flues that have not been properly installed, maintained or that are poorly ventilated. Approximately 2,000 people across England are hospitalised due to suspected CO poisoning each year, with a further 40 deaths reported.</p> <p>Young people are one of the most at-risk groups from CO poisoning and one of the least aware groups about the dangers of CO. The NHS Carbon Monoxide guidance page listing young children as being a particularly at-risk group, and gas and CO safety research carried out collaboratively by all GDNs in 2020 showing that the awareness of CO poisoning fatality was significantly lower amongst younger people (82% for 16-24 years olds compared to 92% overall). It also showed that nearly half (49%) of 16-24yr olds thought that CO had a smell.</p> |
| <p>Scope and Objectives</p> | <p>UKHarvest is a not-for-profit perishable food rescue operation and education charity and works towards eliminating hunger and food waste in the UK.</p> <p>Scope</p> <p>This partnership between UK Power Networks, Cadent, and UKHarvest aims to reach up to 20,000 pupils and their families in schools across our East of England network. This project will help families to eat well for less and cut the cost of cooking by exploring fuel efficient methods, introducing new cooking technologies, and revisiting some traditional kitchen essential hints and tips.</p> <p>Objectives</p> <p>UKHarvest will develop the ‘food and fuel’ educational materials in the format of videos and documents that can be shared online, to educate households about cooking healthy, low budget and energy efficient meals. This material will be supplemented with key gas safety messaging including awareness of the PSR and CO information to raise awareness of the signs and symptoms of CO poisoning.</p> <p>Over a 12-week programme, UK Harvest will deliver educational workshops both in person and via Zoom to a number of schools, which will wrap up with an online live cook’a’thon for schools and their communities to join.</p> <p>The cook’a’thon will create the opportunity to share energy efficiency behaviour advice for the kitchen and meal preparation as well as demonstrate useful tools such as slow cookers, microwaves, and air fryers. All families and communities who take part will receive recipes and a shopping list in advance so they can get ready to cook-along with us.</p> |
| <p>Why the Project is Being Funded Through the VCMA</p> | <p>We believe that this campaign meets all the necessary VCMA project eligibility criteria as evidenced below. As such, Cadent considers this project to be a very effective spend of its regulatory allowances.</p> |

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| | <ul style="list-style-type: none"> • Have a positive, or a forecasted positive, Social Return on Investment (SROI) including for the gas consumers funding the VCMA Project; <p>We have forecasted a positive social return on investment for this project based on the project deliverables outlined in our outcomes.</p> <ul style="list-style-type: none"> • Either: <ol style="list-style-type: none"> Provide support to customers in vulnerable situations and relate to energy safeguarding, or; Provide awareness on the dangers of CO, or; Reduce the risk of harm caused by CO. <p>This project meets all three criteria on this point, as customers will receive energy efficiency and carbon monoxide safety advice.</p> <ul style="list-style-type: none"> • Have defined outcomes and the associated actions to achieve these; <p>This project has clearly defined actions and associated outcomes, the meeting of which will quantify success. Further information on the project's outcomes and associated actions can be found in the relevant section below.</p> <ul style="list-style-type: none"> • Go beyond activities that are funded through other price control mechanisms or required through other licence obligations; <p>This project innovatively delivers support to customers in a method that goes beyond other price control activities and licence obligations.</p> <ul style="list-style-type: none"> • Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding; <p>This project is delivered solely with VCMA funding and a clear structure will be in place to ensure that all aspects of the project are allocated against the VCMA funding.</p> |
| <p>Evidence of Stakeholder/Customer Support</p> | <p>Many stakeholders including Citizens Advice, National Energy Action and Trussell Trust support our "whole home" approach to tackling fuel poverty. Previously, GDNs have relied on the FPNES as a provision for alleviating fuel poverty in the homes. However, stakeholders have provided feedback that customers need further support and advice beyond the installation of a gas connection and central heating system and require more advice as to where savings can be made such as cooking efficiently and effectively.</p> <p>Representatives from all four GDNs are supportive of delivering tailored support services to young people as it aligns to our overall strategic ambition to provide support to customers most likely to be unable to maintain a safe and warm home.</p> <p>Temperature Checks – we complete periodic 'temperature checks' with a cross section of our customer base, including our Customer Forum. These demonstrate that customers continue to support the key measures that we identified when developing our RIIO-2 plan, with a heightened requirement to support people with the cost-of-living crisis – hence this</p> <p>The Energy Diaries research – through extensive research with customers living in fuel poverty over a period of several months, we</p> |

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| | <p>then engaged with experts such as Citizen’s Advice, NEA and a suite of other charities operating in this space to co-create several additional initiatives that Cadent could offer to its customers. This was one of these initiatives.</p> <p>Charity Partnerships – we have strategic level partnerships in place with around 40 consumer advice organisations and charities. We engage regularly to assess the benefits of existing projects and consider options elsewhere, taking the opportunity to benchmark against others and seek to learn.</p> <p>Centres for Warmth – the teams running the centres also fed into the development of this initiative, when considering the successes of the existing centre projects and opportunities for enhancements, based on the specific needs of the customers / households already being supported.</p> <p>Stakeholder feedback – Working with various Stakeholders we can understand the needs of customers living in vulnerable situations across our networks. Regular conversations and check ins with organisations such as Citizens Advice, National Energy Action and Groundwork. These regular check ins allow us to gain feedback on the projects we are or should be supporting and ensuring that the projects are in the best interests of our customers. The guidance we are being given is consistently around supporting customers living in fuel poverty and especially in light of the current energy crisis.</p> <p>Stakeholder feedback – We have sent out questionnaires to organisations we deal with and some that have an interest in the customers we are looking to support, and we have received overwhelming support and confirmation that the projects we are supporting are appropriate and are helping those most at risk.</p> |
| <p>Information Required</p> | |
| <p>Outcomes, Associated Actions and Success Criteria</p> | <p>Outcomes</p> <p>UKHarvest will deliver up to 20 in person lessons (one at each Tier 1 school) with approximately 30 pupils in each class/ lesson. This approach will allow for a reach of at least 600 pupils who will be taught face to face in a classroom environment and provided with ingredients to fully participate.</p> <p>Slow cookers and air fryers to be supplied to engaged tier 1 schools (max 30 per school) for pupils use in class as well as being able to support families with a “borrow and return” scheme if the school select this option.</p> <p>For the purpose of this project, the working definition of a Tier 1 is schools with over 40% of pupils receiving free school meals and, in an area, where more than 13% of households are experiencing fuel poverty.</p> <p>UKHarvest will also work with each Tier 1 school to identify a small number of pupils (approximately 5 per school) to become ‘Food & Fuel Champions’. These pupils will receive additional information and training to empower them to educate others about healthy and energy efficient meal preparation. This will result in approximately 100 ‘Food & Fuel’ champions as an outcome the project.</p> |

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| | <p>To target Tier 2 schools, UK Harvest will undertake remote assemblies and/ or lessons via Zoom with a minimum of 50 schools. The online lessons or assemblies will engage with pupils during school hours which will be supported by onsite school staff/teachers/teaching assistants. Lesson briefs and plans will be supplied via the website prior to the online session.</p> <p>For the purpose of this project, the working definition of a Tier 2 is schools with over 30% of pupils receiving free school meals and, in an area, where more than 12% of households are experiencing fuel poverty.</p> <p>Associated Actions</p> <p>Cadent will perform the following associated actions in order to achieve the project outcomes and success criteria:</p> <ul style="list-style-type: none"> • Provide the relevant support information relating to CO and gas safety and other useful resources to UKHarvest for addition to the existing 'Get Support' web pages and 'Food and fuel' materials. • Provide final sign off of wording and graphics of respective materials. • Provide support by sharing agreed social media posts throughout the project. Shared posts to be signed off by all parties prior to being posted. <p>Success Criteria</p> <p>Success will be measured through a variety of metrics including but not limited to:</p> <ul style="list-style-type: none"> • Number of schools visits • Number of online school engagements (assemblies/classes) • Number of pupils engaged • Number of households engaged in out of school activities • Views of videos hosted on UKHarvest website • Downloads of online resources • Feedback from schools, pupils, parents, and the wider community • Number of slow cookers claimed and used through the "borrow and return" scheme. • Number of PSR and CO awareness conversations. |
| <p>Project Partners and Third Parties Involved</p> | <p>UK Power Networks and UK Harvest.</p> |
| <p>Potential for New Learning</p> | <p>We are keen to learn from this project and for successes to be incorporated into future project which target children in secondary schools as well as shared with other sector participants. We will achieve this by sharing our annual report across electricity, gas, and water networks and with local authorities in addition to sharing project impacts and case studies in the annual showcase event.</p> <p>The online live cook'a'thon will also create the unique opportunity to invite all charities and organisations including our Centre for warmth community to participate and gain their feedback as to whether they feel more events like this would be beneficial.</p> |
| <p>Scale of VCMA Project and SROI Calculations</p> | <p>Scale of VCMA Project</p> |

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| | <p>Cadent, UKPN and UKHarvest will deliver a 3-month project between January 2023 and March 2023. The project aims to reach 20,000 individuals across the project area with energy efficiency, carbon monoxide safety and PSR advice..</p> <p>For the purposes of the SROI calculation, we have used the face to face and remote lessons figures only and applied metric of efficient use of appliances & behaviours as well as the CO reach.</p> <p>A PSR registration of 10% has also been applied and include in the values presented.</p> <p>SROI Summary*</p> <p>Investment = £100,000.00</p> <p>5-year social return on investment = £3,930,997.75 1-year social return on investment = £786,199.55 5-year gross present value = £4,030,997.75 1-year gross present value = £806,199.55</p> <p>* detailed SROI calculations and assumptions can be provided on request.</p> |
| <p>VCMA Project Start and End Date</p> | <p>1st January 2023 until 31st March 2023</p> |
| <p>Geographical Area</p> |  <p>Cadent's East of England and North London Networks. The project is to target schools in the areas of mutual operation of both Cadent and UKPN as shown below.</p> |
| <p>Remaining Amount in the Allowance at Time of Registration</p> | <p>To be confirmed at the point of sign off.</p> |



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

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| 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: Sustainability and Social Purpose Team PEA Peer Review | |
| Date Immediate Team Peer Review Completed: N/A | Review Completed By: N/A |
| Stage 2: Sustainability and Social Purpose Team Management Review | |
| Date Management Review Completed: 20/03/23 | Review Completed By: Phil Burrows |
| Step 3: Director of Sustainability & Social Purpose Sign-Off: Mark Belmega | |
| Director of Sustainability and Social Purpose Sign-Off Date: 20/03/2023 | |
| 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: March 23 | |
| Date that Notification Email Sent to Ofgem: March 23 | |