

## Vulnerability & Carbon Monoxide Allowance (VCMA)

Project Eligibility Assessment (PEA)  
*Cadent's Customer Vulnerability Conference*

Mark Belmega – Director of Sustainability and Social Purpose

March 2025



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

| <b>Section 1 - Eligibility criteria for company-specific projects (other than condemned essential gas appliance repair and replacement)</b>   |                                    |
|---|------------------------------------|
| In order to qualify as a VCMA project, a project must:  |                                    |
| <b>VCMA Eligibility Criteria</b>  | <b>Criteria Satisfied (Yes/No)</b> |
| <b>a)</b> Have a positive, or a forecasted positive, Social Return on Investment (SROI) and Net Present Value (NPV) including for the gas consumers funding the VCMA Project (GDNs should use a common SROI model.  | Y                                  |
| <b>b)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> Provide support to consumers in vulnerable situations, and relate to energy safeguarding, or</li> <li><b>ii.</b> Provide awareness on the dangers of CO, or</li> <li><b>iii.</b> Reduce the risk of harm caused by CO;</li> </ul>  | Y                                  |
| <b>c)</b> Have defined outcomes and the associated actions to achieve these;  | Y                                  |
| <b>d)</b> Go beyond activities that are funded through other price control mechanism(s) or required through license obligations; and  | Y                                  |
| <b>e)</b> Not be delivered through other external funding sources directly accessed by a GDN, including through other government (national, devolved or local) funding.   | Y                                  |
| <b>Section 2 - Eligibility criteria for company-specific essential gas appliance servicing</b>  |                                    |
| To qualify as a VCMA Project, essential gas appliance servicing must meet the following criteria:   |                                    |
| <b>a)</b> Either: <ul style="list-style-type: none"> <li><b>i.</b> A GDN has had to isolate and condemn an essential gas appliance following a supply interruption or as part of its emergency service role; or</li> <li><b>ii.</b> A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in the owner-occupied home of a customer in a Vulnerable Situation where an occupier of the property suffers from a permanent or temporary health condition that makes them more vulnerable to health risks associated with cold homes; or</li> <li><b>iii.</b> A GDN or its Project Partner has identified an essential gas appliance which has not been serviced in the last 12 months in a tenant-occupied home of a customer in a Vulnerable Situation where it is the tenant's responsibility to maintain the essential gas appliance, where an occupier of the property suffers from a permanent or temporary health condition that</li> </ul> | N/A                                |

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| makes them more vulnerable to health risks associated with cold homes.   |     |
| b) The household cannot afford to service the essential gas appliance, which is assessed against criteria consistent with the Energy Company Obligation (ECO4) Guidance: Delivery document 1 (see Appendix 1). | N/A |
| c) Sufficient funding is not available from other sources (including a social or private landlord, national, devolved, local government funding) to fund the essential gas appliance service.                  | N/A |

| <b>Section 3 - Eligibility criteria for Collaborative VCMA Projects</b>  |     |
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| 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  |
|---|--|
| <b>Project Title</b>  | Cadent's Customer Vulnerability Conference   |
| <b>Funding GDN(s)</b>   | Cadnet   |
| <b>New / Updated (indicate as appropriate)</b>                  | New  |
| <b>Role of GDN(s)<br/>*For Collaborative VCMA Projects only</b> | N/A  |
| <b>Date of PEA Submission</b>                                   | October 2024   |
| <b>VCMA Project Contact Name, email and Number</b>              | Mark Belmega<br><a href="mailto:Mark.belmega@cadentgas.com">Mark.belmega@cadentgas.com</a><br>07500816666  |
| <b>Total Cost (£k)</b>  | Partner costs: £104,000.00<br>Project management costs (4%): £4160.00  |
| <b>Total VCMA Funding Required (£k)</b>                         | £108,160.00  |
| <b>Problem(s)</b>   | GDNs play a pivotal role in connecting customers in vulnerable situations with a wide range of support products and services; much of which is funded through the VCMA or Cadent |

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|   | <p>Foundation, but also a range of government and private led schemes.</p> <p>Stakeholders at the last Annual VCMA Showcase Event challenged the GDNs to think of ways to enhance collaboration across sectors (public, private and charity) to create a greater level of connection, enabling a more collective and strategic UK-wide approach to supporting customers in vulnerable situations.</p>  |
| <b>Scope and Objectives</b>                                       | <p>Cadent's customer vulnerability conference was set up as a direct response to this challenge. It brought together over 200 delegates, including senior (decision making) representatives from the UK Government, Ofgem, energy companies, other private businesses, delivery partners and charities.</p> <p>The conference was held in London and focussed on understanding the evolving nature of vulnerability in the UK, especially in relation to energy and energy prices, extensive networking (to create connections and facilitate collaboration), leading onto an outcome-based action planning session.</p> |
| <b>Why the Project is Being Funded Through the VCMA</b>           | <p>This project helped to create 100s of new connections across multiple sectors and has directly led to the establishment of new initiatives to support customers in vulnerable situations, along with enhancing many existing projects.</p>  |
| <b>Evidence of Stakeholder/Customer Support</b>                   | <p>The project was designed and developed directly off the back of feedback from multiple stakeholders at Ofgem's annual VCMA showcase event in 2024.</p>  |
| <b>Information Required</b>                                       | <b>Description</b>   |
| <b>Outcomes, Associated Actions and Success Criteria</b>          | <p>Over 200 senior (decision making) delegates from Ofgem, UK Government, public, private and charity sectors collaborating with a highly outcome driven agenda over a full day – face-to-face.</p> <p>100s of new connections forged, including those facilitated via an innovated app designed for the conference.</p> <p>Outstanding feedback from the event, including multiple charity partners confirming new investment received and new projects established, directly through connections made at the conference.</p>   |
| <b>Project Partners and Third Parties Involved</b>                | <p>The project was delivered with support from Brandwalk.</p> <p>Speakers at the session including Akshay Kaul (Ofgem), Chris Webb, MP, Sir Robin Miller, CBE (Scope), and senior representatives from Citizens Advice, National Energy Action, Alzheimer's Society, Home Start, various Centres for Warmth, the Cadent and Severn Trent charity foundations and many more. Full details can be found on Cadent's website.</p>   |
| <b>Potential for New Learning</b>                                 | <p>Ongoing engagement has continued since the event. Future events will be more focussed on specific problem statements.</p>   |
| <b>Scale of VCMA Project and SROI Calculations, including NPV</b> | <p>It is impossible to attribute a direct SROI benefit to such a wide-ranging project.</p>   |

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|  | As a result we propose to attribute a simple £1 benefit to each £1 invested in the event. We know, from feedback of connections made, new partnerships forged and extensions to existing projects (e.g. new services now offered through our Centres for Warmth), which are generating outstanding customer benefits, but to estimate their social value would be impractical. |
| <b>VCMA Project Start and End Date</b>                     | 1 September 2024 to end of October 2024  |
| <b>Geographical Area</b>                                   | UK wide with the event held in London  |
| <b>Internal governance and project management evidence</b> | Approved by Mark Belmega (Director of Sustainability and Social Purpose)   |

### **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:  | Review Completed By: Gemma Norton |
| Stage 2: Sustainability and Social Purpose Team Management Review   |                                   |
| Date Management Review Completed:   | 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: 23 March 2025  |                                   |
| Step 4: Upload PEA Document to the Website & Notification Email Sent to Ofgem ( <a href="mailto:vcma@ofgem.gov.uk">vcma@ofgem.gov.uk</a> )  |                                   |
| Date that PEA Document Uploaded to the Website: March 2025  |                                   |
| Date that Notification Email Sent to Ofgem: March 2025  |                                   |