

Future Billing Methodology

Q How could Future Billing Methodology help consumers to save money?

A The Climate Change Act established a target for the UK to reduce its emissions by at least 80% from 1990 levels by 2050. This means moving to a low carbon energy future. 80% of residential heat emissions come from gas heating, so decarbonisation of heat is vital. However, decarbonisation of energy and heat in particular, will involve changes to the energy network and changes for consumers.

The existing gas distribution networks are a multi-billion pound asset, paid for by gas customers over many decades. These networks are flexible, resilient and are physically capable of transporting low carbon gases to customers.

This project aims to unlock the gas energy billing framework to deliver all safe low carbon gases without needing to add in costly, high-carbon treatments. This would maximise use of the existing gas grid to deliver low carbon energy in a way that is convenient for customers, as they could continue to use their existing heating systems into the future.

Unlocking the transportation of all safe gases, including renewable gases and low carbon alternatives would widen the supply market and could also help keep gas costs lower than they would otherwise be.

Using the existing gas networks to deliver low carbon heat energy would also help avoid very high future costs that would be incurred if electricity networks had to be re-engineered to deliver electric heating instead of gas to the 80% per cent of homes that currently use gas heating.