

**eaga partnership limited**

Eaga House  
Archbold Terrace  
Jesmond  
Newcastle upon Tyne NE2 1DB

**Telephone** 0191 247 3800

**Facsimile** 0191 247 3802

**Website** www.eaga.co.uk

6 January 2003

Ref: JC/VTG/OFGEM060103

Callum McCarthy  
Chief Executive  
Ofgem  
9 Millbank  
London  
SW1P 3GE



*Dear Callum,*

Thank you for your letter of 16 December 2002, enclosing Ofgem's proposed corporate strategy.

I found this both informative and 'easy reading'. I am supportive of the plan and its continued emphasis on social and environmental objectives. My only recommendation is that emissions trading arrangements should be made inclusive in future. In short, organisations who act as brokers and agents, in the way Eaga does, should be able to trade emissions 'credits' in the market place. I see this as a cost effective mechanism for both funding management costs and for encouraging agents and brokers to commission work to be done using their own resources.

As I understand it the current expectation is that emissions trading will only be open to utilities. I see that as a possible barrier to achieving the broadest market base. It also means that the benefits may only accrue to that sector. By widening the group of players the public sector too, could benefit by utilising such funds to off-set costs as indicated.

I do hope that these comments are helpful.

With the compliments of the season.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Clough', written over a faint, illegible stamp.

**John Clough MBE B.Sc.**  
**Chief Executive**