

Our Ref: CSM/JA/PS/JW/
ORG13-A1346

Your Ref: -

Mr Chris Chapman
Head of Planning
The Office of Gas and Electricity Markets
9 Millbank
London
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Directorate of Strategic
Planning

If telephoning ask for:
Jane Allan or
Peter Singleton
3 February 2004

Dear Mr Chapman

OFGEM'S DRAFT CORPORATE STRATEGY 2004-2007

Thank you for giving the Scottish Environment Protection Agency (SEPA) a further opportunity to contribute to the development of Ofgem's three-year strategy 2004-07.

We were pleased to see many of our earlier comments reflected in your draft strategy, particularly mention of the impact of new environmental legislation on the energy market. In view of this, we would like to take this opportunity to re-confirm our desire for closer working between our organisations.

SEPA believes it is important to continue to improve partnership working between the UK's principal environmental regulators and Ofgem (as outlined in the Energy White Paper) to make sure that the necessary environmental improvements arising from legislation are satisfactorily addressed by the companies Ofgem regulates, and ensure the coherence of various regulatory regimes. Ultimately this would lessen the regulatory burden on industry which would, in turn, help minimise energy costs to consumers.

A joined up approach to energy issues and environmental protection and improvement, as well as with the competitiveness and sustainable development aspects of the Scottish economy, would also be of great benefit to the delivery of the Government's energy strategy.

It would therefore be entirely appropriate to see in the Ofgem Strategy a target to:

- ***Work with the environmental regulators so that environmental priorities are comprehensively addressed and adequately financed.***

To this end, SEPA would like to be actively engaged in any strategic processes with an environmental and/or sustainable development dimension and we wait with interest mention of such work in your draft Corporate Plan in March. In addition, we would also like to again request formal SEPA involvement in Ofgem's Environmental Advisory Group. This would also facilitate discussion on more integrated and joined up research – of which there is currently no mention in your strategy. As we mentioned in our previous response, this could partly be addressed by discussions with the Scotland and Northern Ireland Forum for Environmental Research (SNIFFER) and the Environment Agency.

If you require any further assistance from SEPA on this matter please contact Jane Allan (jane.allan@sepa.org.uk) or Peter Singleton (peter.singleton@sepa.org.uk) at the address overleaf. We are, as usual, happy for this response to be placed in the public domain.

Yours sincerely

Calum MacDonald
Acting Director of Strategic Planning