



Raw Material Trading

**John Costyn**

Ofgem  
9 Millbank  
London SW1P 3GE  
Angleterre

**Re: Fuel Mix Disclosure Consult.**

Allaman, 31 August, 2004

Dear John

We respond to this consultation as an affiliate of a consumer of electricity in the UK & NI and in most members of the EU. Our interest stems from our desire to have a positive social and environmental impact associated with our operations.

Overall we are thrilled that more disclosure will be made of origins, emissions and radiation. However, we are concerned the proposed licence amendment will not materially increase the disclosure of consumer specific information. Rather it appears that it will merely increase the distribution of currently available supplier specific information that is often too generic to be used in our campaigns to reduce the environmental impact associated with consumption of electricity.

Some more specific comments include:

Promotional material shall include all "offers of supply" delivered by any means as this is when most customers choose whether to improve their environmental performance and hence the largest benefit might result from this new licence amendment.

Forward looking estimates shall be used for "offers of supply" in preference to historical data which will be distorted by corporate activity and changes in the relative attractiveness of different fuel types.

It needs to be clearer when the information presented by the supplier refers to the whole volume sold by the supplier or a specific subset of the sales e.g. a contract with a single consumer.

There should be an obligation to make available information specific to the contract with a single consumer. At present it seems hard to be sure that a consumer buying "brown" power will see the emissions associated with their

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contract increase as other consumers start to buy the "green power" within a supplier's portfolio. If contract specific provision is not done then consumers will not be able to track their own emissions due to consumption of "brown power" or conversely the benefits of choosing "green power".

Please be clearer whether burning of domestic waste shall be classified as renewable or other.

We strongly support reporting that has the monthly breakdown so that we can report in Calendar Years, Financial Years starting in September and other periods we might need.

Please be clear that use of CHP does not change the fuel type classification. In some places suppliers have made claims that this is renewable fuel even when coal is burnt.

Please be clear how the emissions allocated to electricity and heat components of the off take from CHP units shall be calculated.

The use of standardised factors for emissions is not to be encouraged. It reduces the incentive and ability of suppliers to differentiate themselves by offering power with specific emissions characteristics. We would rather see the mandatory use of verified station specific factors and the obligation for generators to allocate factors to specific sales they make to suppliers and suppliers in turn to allocate factors to specific sales to consumers. We support a defined timetable to reduce the % of supply allocated standardised factors.

As an aside we found seven and a half blank pages in a document of just twenty pages. This is not consistent with Ofgems recent commitments to control its own costs and impact on the environment.

We are ready to provide further assistance in these matters and continue our own work with suppliers in this key area. Please acknowledge this contribution.

Yours sincerely

**IKEA TRADING SA**

John Harris

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