

020 7222 0161
email: cwdaws@hotmail.com

27 Tufton Court
Tufton Street
London
SW1P 3QH

By email mark.feather@ofgem.gov.uk
Mark Feather
Director, Industry Codes and Licensing
The Office of Gas and Electricity Markets
9 Millbank
London SW1P 3GE

30 April 2008

Dear Mr. Feather

Proposed Guidance - Environmental Issues and the Code Objectives

The letter states that environmental considerations are at the heart of OfGem's policy. Given, this, the proposed guidance seems to me to suffer from two weaknesses:

- It relates only to code modification proposals.
- It considers environmental issues only as a byproduct of modifications that will have been proposed for other reasons.

These fall short of what one would expect to see if OfGem were to place environmental issues at the forefront of its objectives alongside its other objectives.

One would therefore like to see:

- A requirement for each code panel to review its code from time to time and consider its environmental impact
- A requirement to initiate code modifications with the specific purpose of improving the code's environmental impact
- Removal of the underlined words below from the first two paragraphs of the proposed guidance (which I would have thought merely repeat guidance already in place and do not advance the objective set out in the opening section of the guidance).

*The panel should consider whether a code modification is likely to have an impact on [the efficient and economic operation of the network (in accordance with the relevant objective as set out in the code under which the modification has been raised)].
2. If the panel reaches the view that the code modification will have such an impact, then the panel should consider whether the modification, in so far as it impacts upon efficient and economic network operation, is likely to have an impact in] either reducing or increasing greenhouse gases.*

- Deletion of the words [against the efficient and economic network operation objective of the relevant industry codes] from paragraph 5 as these make environmental objectives secondary to other objectives
- In paragraph 4(b), replacement of 'commercial' by 'economic' for consistency
- Insertion into the code objectives themselves of appropriate environmental objectives, thus reinforcing the statement early in your letter that environmental considerations are at the heart of Ofgem's objectives.

Yours sincerely

C W Daws