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Dear Mark

### **Proposed Guidance – Environmental Issues and the Code Objectives**

Thank you for the opportunity to comment on your letter of 15th April 2008. As a Distribution Network Operator, Electricity North West Limited (ENW) is subject to a number of the codes referred to in your letter. We agree with the principle that the industry should assess the impact that code modifications may have in terms of their effect on greenhouse gas emissions, and welcome the issue of guidance in this area.

There may be value in adding further clarifications to the proposed guidance in order to improve the prospects of consistent interpretation by the various code panels. We identify three particular clarifications that would assist in this respect.

Firstly, for the avoidance of doubt, the footnote to paragraph 4a could usefully repeat part of the DEFRA guidance, i.e. "For consistency, all changes in greenhouse gas emissions should be expressed as carbon dioxide equivalent, rather than carbon equivalent. However, referring to carbon is acceptable shorthand for carbon dioxide equivalent, so long as this is made clear, and all figures are in CO<sub>2</sub>e."

It would also be helpful if paragraph 4a made reference to the appropriate boundary conditions to be applied (both organizational and operational) to ensure that modifications are evaluated in a similar way with the same impacts accounted for in each. Specific clarifications could include:

- Whether embodied carbon in assets or materials should be included.
- Whether the carbon impact of the transport of materials or equipment should be included.
- The time period over which the calculation should be carried out.

Our final comment is that your commentary regarding the potentially wider impacts on the environment is sufficiently important to be included within the guidance note itself. There is a danger otherwise that this point could be overlooked, such that other environmental issues, that

can not be quantified so readily in financial terms, are not give sufficient weight in the final analysis.

I hope the above is helpful. Please contact me on the above number if you would like to discuss any of the points raised.

Yours sincerely,

**Paul Bircham**  
**Regulation Director**  
**Electricity North West Limited**