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Dear Mark

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

I refer to your letter of 15 April 2008 and note the proposed guidance that has been issued to code panels, administrators and industry participants on the treatment of carbon costs. This response is on behalf of the MRA Executive Committee (MEC).

Due to the nature of the scope of the MRA, we believe that it will be rare for changes to have an impact on greenhouse gas emissions. However; in order to take account of the guidance proposed we propose to introduce an additional criterion into the MRA change process that will identify and where necessary quantify any impact on greenhouse gasses.

We consider that the most appropriate way to introduce this guidance into the MRA change process is to include a requirement for MRA Parties raising a Change Proposal (CP) to indicate in their proposal whether they believe the change is likely to have an impact on greenhouse gasses (which could be a reduction or an increase). MRA Parties will then be asked to take this into consideration when completing impact assessments of the change. The MRA Development Board, who make decisions on CPs on behalf of MEC, will take these impact assessments into consideration when deciding whether to accept the CP.

If parties have indicated that there is an impact on greenhouse gas emissions, MDB will procure a quantitative analysis of the impact in terms of tonnes of carbon equivalent in the same way that MEC will sometimes procure legal advice in relation to MRA changes. The outcome of this analysis will be used by MDB to inform its decision regarding the CP.

However, if the effect of the proposal has already been considered under another arena and quantitative analysis has already taken place, further analysis may not be required, as it may result in double counting. For example, if changes to the MRA are required to facilitate Smart Metering, reference will be made to the effect that the environmental impact has been included elsewhere.

Yours sincerely

**John Sykes**  
Chairman  
MRA Executive Committee

# MRA