

Reference: By email



23 July 2009

Mark Feather  
Director, Industry Codes and Licensing  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Dear Mark

**BSC Panel Response to 2<sup>nd</sup> Ofgem Consultation on Environment and Code Objectives**

The BSC Panel would like to take the opportunity provided by Ofgem's further consultation on panels considering the impact of changes on Greenhouse Gas emissions under the relevant code objective to confirm our view that the licence clarifications proposed would go a long way to providing the necessary clarity we requested. However, it is still the Panel's belief that amending Applicable BSC Objective (b) to reflect this requirement would have removed all uncertainty in the most legally robust way. On the other hand, we take on board Ofgem's concern that, as the Applicable Objectives have a wider application than the change process, there may be unintended consequences of changing the Objectives themselves. We note that a way to overcome this and to confine how Objective (b) works in relation to the modification process would be to clarify in Condition C3 para 4 how the Objective should be applied for the purposes of the change procedures.

We also take some comfort from the fact that the impact on carbon emissions has, where applicable, successfully formed part of the terms of reference for BSC Modification Groups for approximately a year now.

Should you need to discuss this response further, please contact Laone Roscorla (0207 3804120) or me (0207 3804251).

Yours sincerely

A handwritten signature in black ink that reads "Nick Durlacher". The signature is written in a cursive, slightly slanted style.

Nick Durlacher  
**BSC Panel Chairman**