

2 November 2009

Kersti Berge  
Head of GB Markets  
Ofgem  
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London SW1P 3GE

Dear Kersti

Consumer Focus is currently preparing a detailed response to Ofgem's Project Discovery, and broadly welcomes its long-term perspective, but is concerned about the lack of reference to the impact of climate change on energy networks and demand.

Whilst the UK Government is aiming for an agreement in Copenhagen that limits climate change to a 2°C temperature rise, current climate science and greenhouse gas emissions suggest that we should prepare for 4°C rises whilst cutting emissions.

The impacts of inevitable climate change on the energy industry include:

1. Sea level changes cause flood risk to energy facilities;
2. Reduction in summer precipitation results in competition for cooling water for power plants;
3. Sustained high temperatures drives demand for cooling;
4. Warmer winters may reduce demand for heating;
5. Hotter summer temperatures affect equipment ratings and reliability; and
6. Climate events cause disruption to the transport of fuel to power stations or homes, and other aspects of the energy infrastructure

Due to the range and possible magnitude of these impacts, Consumer Focus would like to see the inclusion of 'climate change adaptation' in Ofgem's understanding of sustainable development and therefore in Project Discovery, particularly in terms of stress tests and investment costs.

Consumer Focus's understanding of the impact of climate change on today's consumers can be found in our recent report 'Adaptation to a changing climate'<sup>1</sup>. In the report we have used the recent Climate Projections (UKCP09) to scope the impacts of climate changes on consumers' long-term investments, but are now looking at how those changes affect the future of essential services.

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<sup>1</sup>[http://www.consumerfocus.org.uk/Media/ViewFile.aspx?FilePath=1\\_20091006133348\\_e\\_@\\_@\\_Adaptationtoachanginclimate.pdf&filetype=4](http://www.consumerfocus.org.uk/Media/ViewFile.aspx?FilePath=1_20091006133348_e_@_@_Adaptationtoachanginclimate.pdf&filetype=4)

I would welcome the opportunity to discuss further the impact of climate change on both current and future energy consumers. I would appreciate it if you could contact my colleague Liz Lainé, Senior Policy Advocate, by telephone on 01636 816969 or via email: [liz.laine@consumerfocus.org.uk](mailto:liz.laine@consumerfocus.org.uk) to arrange a meeting to discuss this issue.

Yours sincerely



**Robert Hammond**  
**Head of Regulated Industries**