

Environmental Reporting Requirement Workgroup

Meeting of dedicated workgroup to develop the new environmental reporting requirement

Date and time of Meeting

4 December, Ofgem offices, 12:30-14:00

Present

Attendee	Organisation	Representation
Heather Bain	Scottish and Southern Energy	DNO
Clive Steed	UK Power Networks	
Jon Booth	Electricity North West	
Ray Wright	Scottish Power	
Gordon Walker	Northern Power Grid	
Paul Jewell	Western Power Distribution	
Frank Gordon	Renewable Energy Agency	Environment stakeholder
Jeff Hardy	Ofgem	Regulator
Stacy Feldmann		

Apologies

Sheila Wren, Ruth Chambers

Introduction

1.1. Ofgem presented two possible content and scope options for the environment report, which they shared as part of a set of slides. Scenario 2 was outlined as Ofgem's preferred format following review of comparable reports by other companies and the guidance of an academic report on Corporate Social Responsibility.

1.2. It was clarified that this report was not intended to be a Corporate Social Responsibility (CSR) report, but that when searching for best practice, this was found in literature discussing CSR. It was agreed that the environment report does have certain elements of CSR within it and that the best practice guidance shared with the group could be used for any well-drafted, complete and transparent report, with a few changes to the terminology used.

Content

1.3. Members discussed the options presented by Ofgem and offered views on content, chapter headings and format. The overall agreed is summarised below:

'High level'

1.4. Should include purpose, current status of progress, what proposed and what achieved, highlights for the period, how the report satisfies certain regulatory obligations and customer interest. It should be an executive summary that also provides a good signpost for the reader to the rest of the report. It could typically include a CEO foreword, a contents page and an outward look into the trends and constraints within the industry and how these have been addressed.

'Our operations'

1.5. It was suggested that 'maintaining operations' would not give the right message about the report and that this should be termed 'operational strategy' and that asset stewardship could be incorporated as part of the high level overall approach, as could operational strategy.

1.6. 'How we do our work' was agreed should be higher up in the report structure hierarchy to signal current approach. This was later suggested could be headlined as 'Our Business' as the second chapter of this report.

'Responsible/accountable business'

1.7. There was discussion that this was quite a loose term and could be incorporated as part of 'our business' or the 'high level' intent and rationale, such that maybe this was not a useful chapter heading. There was some discussion about the inclusion of distributed generation (DG) in the list of items to be covered off in this chapter.

1.8. FG of the REA made it clear that they considered DG to be an integral part of this report, but that REA expected a specific level of detail, ie number of connections to DG and actual growth and by technology type, as this information did not appear to be elsewhere in the public domain. An action was taken by Ofgem to review the Connections related outputs incentives as it was anticipated that connections related data should be covered off in this area and that DG whilst integral to this report, was more about the carbon offset and transition to low carbon rather than isolated data on number of connections made and technology type as not all DG would be low carbon.

1.9. After further discussion it was agreed that stakeholders would struggle to let DNO's know the data they wanted if they could not see the original data sheets that certain figures originated from. Therefore, an action was taken by Ofgem and the REA to potentially share a blank template of the data reported on DG such that REA could provide details of the data they were looking for and Ofgem could consider if this was covered off somewhere else.

1.10. Discussion on consistency of reporting and comparison amongst DNOs suggested that Ofgem could potentially indicate certain key data cells within the regulatory reporting pack that could be referenced by all DNOs in their reports and therefore make certain key elements comparable. An action was taken by Ofgem to consider this as it appeared reasonable.

2. Final headings

2.1. Following discussion, the following headings were agreed:

- Our Business
 - Can include purpose, current status of progress, signposting, achievements and challenges, highlights etc.
- Our commitments and progress
 - Forecast on things said going to do, potentially include an index in the report to aid better searching by readers.
- Our plans for the future
 - It was agreed this latter should include 'role in the low carbon transition' to provide a useful steer as to content, what was not thought about. It

was agreed that where something from 'plans for the future' starts to be implemented, it would then move into the current looking 'our commitments and progress' chapter

2.2. It was then agreed that Ofgem would seek to finalise a rough draft of the planned guidance, to be published with the licence condition consultation, for members to review in the week commencing 16th December. (Following receipt of comments on the 6th January, it was decided that there were several substantive comments that needed to be addressed. Therefore, it was decided not to include the guidance document as part of the licence condition consultation in favour of further development at the work group).

3. Date of next meeting

3.1. Next meeting scheduled for 28th January 2014.