

Straw man guidance

Environmental reporting requirement

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ofgem

What Ofgem has signalled

- Licence requirement: For DNOs to have a public-facing, accessible environmental report that allows for stakeholder involvement and input
- Strategy decision: impetus for this reporting is to help address concerns relating to public accountability and transparency and to demonstrate integration of learning into business as usual of environmental obligations
- The report is intended to be stakeholder-led, reflecting stakeholder interests, company specific innovations, progress against key commitments and demonstrate integrated learning and commitment to a low carbon future.

- Existing networks
- How we do our work
- What comes next
- Future networks
- Smart
- Adaptation and climate change-on the back of DEFRA reporting

- Activities need to include in report
- Option for company specific reporting
- Optional extras

- Additional suggested categories for the report:
 - Responsible/accountable business
 - Preparing for change-innovation etc
 - Impact of smart-metering, grids, successful projects and learning roll out

Elements of a good CSR report

(Boston College, [Centre for Corporate Citizenship](#) &
Forbes.com)

- How thorough and credible is this report
- Corporate and results focused CSR not a community affairs report ie sufficient detail to assess strength and weakness in company's interface with full list of stakeholders (internal and external) and society
- Specific practice as well as general policy ie evidence of concentrated effort and clear theory (of change)
- Systematic (company-wide) supporting data as well as specific case studies/anecdotes
- Data reported in a comparable way to chart progress and/or peer comparison ie absolute and normalised figures to provide a full picture of cause and effect and clear targets and actions
- Present future goals as well as past and current practice
- Bad as well as good news
- Addresses the company's greatest challenges ie company specific and industry materiality
- Evidence of integrating the report with company's traditional business strategy and financial reporting
- Readers can look beyond the report ie 3rd party support/assurance or validation, specific standards, comparison with peers, clear world or national points of reference/validation etc

Learning from other reports

[B&Q](#), [Balfour Beatty](#), [Unilever](#) & [Severn Trent](#)

- Clear outline of core commitments, targets, progress and actions going forward
- Trend analysis, learning, progress to business as usual and assumptions underpinning activities
- How approach forms part of business culture, integrated thinking
- Senior management buy-in and commitment
- Reality of constraints necessitating the approach, the impact of the business in quantifiable ways
- Wide-reaching consideration of impact—eg down the supply chain, utilities consumption, holistic approach as far down the chain as possible
- Innovation, research and development, benefits of new design and key partnerships
- Engagement of local community and stakeholders- raising awareness and support and influencing behaviour of customers
- Central importance of employees in progressing good habits, driving change, employee behaviour change and commitment
- Accreditation and affiliation to certain expert bodies, accreditation schemes, etc to make quality and consistency of activities clear
- Adaptation is about reducing the impact that changes in the climate will have on business and vital services provided to customers.

Possible structure 1

- **High level**
 - corporate values and approach, parent company etc
 - targets, objectives, RIIO proposals
- **Existing networks**
 - progress to date, actions outstanding,
 - maintaining operations—asset stewardship; efficiency; losses; replacement/refurbishment policies and projects; fuel/gas leakage; etc
 - *how we do our work*— DG; BCF; waste; mitigation activities and management of direct and indirect impacts on environment
 - adaptation and climate change
- **Future networks**
 - preparing for change—innovation, learning and business as usual
 - Impact of ‘smart’
 - *what comes next*— legislation and obligation changes; (eg eco design directive, F Gas regulations) BCF; DG; waste and other mitigation activities and impacts
 - adaptation and future proofing
- **Responsible/accountable business**
 - undergrounding-current and future progress, best practice (10%)
 - other stakeholder driven responsibilities/priorities/company specific

Possible structure 2

- **High level**
 - corporate values and approach, parent company etc
 - targets, objectives, RIIO proposals
- **Our operations**
 - maintaining operations—asset stewardship; losses etc
 - *how we do our work*—waste, street-works, mitigation activities and management of direct and indirect impacts on environment, behaviours
- **Responsible/accountable business**
 - key commitments and annual progress- fuel/gas leakage (SF6, FFC etc), BCF, DG
 - undergrounding—current and forthcoming, best practice etc
 - other stakeholder driven responsibilities/priorities/company specific
 - stakeholder engagement
- **Future Networks**
 - what comes next & how preparing for it—legislation and obligation challenges (eg eco design directive, F Gas regulations)
 - preparing for change—innovation, learning and business as usual
 - Impact of ‘smart’—approach and progress report, include losses
 - adaptation, climate change and future proofing—approach and progress

- Comments and feedback
- Inclusion of losses and innovation
- Other structure possibilities?
- Better and additional examples under each category?
- Something missing?
 - Eg how often should it be published-is July ok?
- Consultation will be early Jan 2014 and will include the proposed licence condition as well as the guidance for comment
 - The licence condition has been through work group review
 - The guidance document draft will be shared shortly
- Development timescale
 - Draft for Jan 2014
 - Finalised version May 2014 (tentative to accommodate resourcing for March re-submissions and licence condition finalisation)

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