

Industry participants,
stakeholders and interested
parties

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Dear Stakeholders,

Consultation on the draft RIIO-ED1 Environment Report Guidance Document

We are seeking your views on the attached draft Environment Report Guidance Document (the Guidance). In particular, we would welcome your views on the specific consultation questions outlined below.

Background

In our RIIO-ED1 Strategy Decision¹, dated 4 March 2013, and our recent statutory consultation on proposed modifications to the standard conditions of the Electricity Distribution Licence² dated 17 December 2014, we specified that we will require DNOs to publish an annual Environment Report detailing their activities in relation to environmental matters.

The core requirements of the Guidance and the content of the Environment Report were developed with a working group³ and we held an informal consultation in March 2014. The core requirements and content remain largely unchanged. We have reviewed and updated the Guidance to ensure consistency of the information provided with wider regulatory reporting requirements⁴ which have been developed in parallel. We are seeking views on this updated version of this Guidance.

Purpose of the Environment Report

The purpose of the Environment Report is to provide interested stakeholders with a transparent and public account of each DNO's commitment to address environmental matters, which includes its role in the low carbon transition. It is our view that a public, transparent report providing a holistic overview, clear rationale for actions, and details of actual benefits to customers is of value to DNOs' stakeholders and will encourage ongoing stakeholder participation and engagement on environmental matters.

Standard Licence Condition 47 establishes the requirement for DNOs to publish an Environment Report, on an annual basis, for the preceding regulatory year, in accordance with the Environment Report Guidance Document that we are consulting on here. The

¹ <https://www.ofgem.gov.uk/publications-and-updates/strategy-decision-riio-ed1-overview>

² <https://www.ofgem.gov.uk/ofgem-publications/92131/schedule2modificationstothestandardconditionsoftheelectricitydistributionlicences.pdf>

³ The RIIO-ED1 Environment Work Group

⁴ RIGS consultation: <https://www.ofgem.gov.uk/publications-and-updates/draft-regulatory-instructions-and-guidance-electricity-distribution-networks>

reporting date specified by the Guidance is on or before 31 October 2016 and by each subsequent 31 October.

The rationale for the Guidance is to set out specific required content of the Environment Report that all DNOs must provide. DNOs can include additional, discretionary content given their stakeholders' interests and / or their own business commitments. We anticipate the discretionary content will evolve over time as the individual stakeholders of DNOs participate in shaping certain aspects of the Environment Report. The draft Guidance has been informed by extensive stakeholder and DNO participation through the Environment Working Group and an informal consultation.

Consultation

We welcome views from all interested parties on the attached draft Guidance document. While we appreciate your views on any aspect of the Guidance, we are particularly interested in your views on the following questions.

1. Is the Guidance clear? Is the Guidance comprehensive, covering all relevant environment matters? If not, what specific information have we missed and should it be compulsory or discretionary?
2. Does the content of the Environment Report, as outlined in the Guidance, adhere to good practice for environmental reporting? If not, what would improve the content of the Environment Report?
3. We have allowed for cross-referencing to other published data in the Environment Report to minimise duplication of effort and ensure consistency. Much of the information to be included in the Environment Report will be collected in the RIGs⁵. Do you agree with this approach?

Please email your responses to RIIO.ED1@ofgem.gov.uk. Any questions on this consultation can be directed to Amy Freund at the same email address or by phone (020 7901 3126). Please send us your responses no later than 25 February 2015.

We will take into account your comments in our decision on the final content of the Guidance. Once this is finalised we will publish it on our website for use by DNOs in preparing their Environment Reports.

Yours faithfully,



Dora Guzeleva
Head of Networks Policy: Local Grids

⁵ We are consulting in parallel on the RIGs – <https://www.ofgem.gov.uk/publications-and-updates/draft-regulatory-instructions-and-guidance-electricity-distribution-networks>.

Environment Report Guidance Document

Draft - Version [x.x] – [xx April 2015]

Environment Report Obligations

- 1.1. Standard Licence Condition 47: Environment Reporting (SLC47) of the Electricity Distribution Licence requires the Distribution Network Operator (DNO) to inform stakeholders about activities it has undertaken in relation to environmental matters by publishing an annual Environment Report (the Report).
- 1.2. DNOs are required to publish and submit the Report to the Authority⁶ on an annual basis for the preceding regulatory year in accordance with the Environment Report Guidance Document (the Guidance). This document constitutes the Environment Report Guidance Document referred to in SLC47. The Guidance may be amended and updated in accordance with the process described in SLC47 and the most recent version of the Guidance published on the Authority's website is the current version.
- 1.3. The DNOs are required by SLC47 to comply with this Guidance as if it formed part of the licence. However, we have attempted to make this Guidance accessible and informative to DNOs and stakeholders. For the avoidance of doubt, this Guidance is subordinate to the licence conditions. In the event of any dispute, the licence conditions will take precedence.

Purpose

- 1.4. The purpose of the Environment Report is to provide stakeholders with a transparent and public account of a DNO's commitment to addressing environmental matters, which includes the DNO's role in the low carbon transition. It is our view that a public Environment Report that provides a holistic overview, a clear rationale for actions and details of actual benefits to customers is of value to DNOs' stakeholders and will encourage ongoing stakeholder engagement on environmental matters.
- 1.5. This Guidance defines high level compulsory content of the Report, and also outlines further discretionary content. Where content is indicated to be compulsory or required, DNOs must provide the information in the manner specified under the relevant section of the Environment Report Template (provided below). Where content is indicated to be discretionary, DNOs are required to report on their relevant activities and environmental matters detailed under that section, but may determine the exact contents of that section.
- 1.6. DNOs also have the flexibility to provide additional or company-specific information on their environmental approach and commitments, as seen as desirable by their stakeholders. DNOs should seek to adhere to principles which represent best practice in public-facing reports, such as being clear and well structured, outlining clear targets and the route of involvement and engagement for stakeholders⁷. DNOs should use the Environment Report to demonstrate a public commitment to

⁶ 'Ofgem', 'The Authority', 'we' and 'us' are equivalent in this document and are used interchangeably. 'The Authority' refers to the Gas and Electricity Markets Authority.

⁷ As discussed by the RIIO-ED1 Environment Work Group <https://www.ofgem.gov.uk/publications-and-updates/meeting-notes-riio-ed1-environment-work-group-18-october-2013>

minimising their environmental impact and a move to integrating their environmental activities into business as usual where possible.

Reporting date

- 1.7. On or before **31 October 2016** and by each subsequent 31 October, unless the Authority directs otherwise, the DNOs must publish and submit to Ofgem their Environment Report for the preceding regulatory year.

Scope of the Report

- 1.8. The annual Environment Report is a single report covering all Distribution Services Areas held by each Electricity Distribution Group⁸, eg a UK Power Networks Environment Report. Some reporting elements must be provided by Distribution Services Provider⁹ (DSP), where required by this Guidance. The Report, as specified in SLC 47, should be published and be readily accessible to the public from the DNO's website.
- 1.9. This Guidance explains how the DNO must report on activities that it has undertaken in relation to environmental matters. DNOs' Reports should be provided in the form specified in this Guidance and must include the content specified here. The requirements below are not exhaustive.
- 1.10. In preparing their Reports, DNOs should be mindful of their obligations under SLC47 and consider any further areas where their stakeholders may have an interest in their environmental activities, which are not reported elsewhere and take account of this when adapting or adding to the discretionary content. DNOs can include additional discretionary content in response to their stakeholders' interests and/or their own business commitments. We anticipate the discretionary content will evolve over time as DNOs and their stakeholders participate in shaping certain aspects of the Report.
- 1.11. The majority of smart grids and innovation activity is linked to environmental matters and the low carbon transition. To provide stakeholders with a single location to find information, the Environment Report should include information on all smart grids and innovation activity, even if not directly related to the environment and the low carbon transition.
- 1.12. There are other related licence requirements for RIIO-ED1 and DNOs may also have other overarching strategies in place to deliver on their commitments. These include:
 - Reporting to Ofgem under the RIGs in accordance with SLC46;
 - Reporting of RIIO-ED1 commitments on an annual basis in accordance with SLC50;
 - Producing a distribution losses strategy in accordance with SLC49 (Part B);
- 1.13. We have designed these reporting requirements so that all licence requirements can be met while limiting duplication of effort. To help minimise duplication, the Environment Report may, where appropriate, include clear links to other relevant publically available documentation and can also refer to publically available data

⁸ As defined in Charge Restriction Condition (CRC) 2H of the Electricity Distribution Licence.

⁹ As defined in CRC1 of the Electricity Distribution Licence. In this Guidance, the term 'DNO' refers to the Electricity Distribution Group.

from the RIGs or other reporting requirements. For example, SLC49 (Electricity Distribution Losses Management Obligation and Distribution Losses Strategy) (Part D) (b)¹⁰ requires DNOs to publish information on their actions to manage Distribution Losses and to deal with Relevant Theft of Electricity. By publishing the Environment Report, including worksheet M5 – Losses, that forms part of the RIGs, we would consider this obligation under SLC49 Part D (b) (paragraph 49.9) to have been met.

- 1.14. However, the headings provided in the Environment Report Template may also require separate content from other related reporting requirements, as detailed in this Guidance, or further specific content, which DNOs consider to be of interest to their stakeholders. In particular, we expect this information will include details of year on year progress and rolling out of a specific approach / activity, such as its integration to business as usual to realise specific environmental benefits.
- 1.15. Data from other regulatory reporting, beyond that specifically required by this Guidance, should be used where it aids justification of the benefits of specific solutions or strategies. To ensure consistency, relevant terms for this Guidance are listed in Appendix 1 to this Guidance – Relevant Terms. These definitions align with those in the RIGs and may be updated from time to time as RIGs are updated.

Structure of the Report

- 1.16. This section outlines the requirements for the structure and order of the Environment Report. This common structure will enable readers to easily compare reports.
- 1.17. DNOs' Reports must contain the following sections, titled as follows:
 1. Introduction
 2. Managing our environmental impact
 - 2.1. Visual amenity
 - 2.2. Oil leakage from fluid filled cables
 - 2.3. Carbon impact and climate change
 - 2.4. Other environment related activities
 3. Innovation, smart grids and our role in the low carbon transition
 - 3.1. Progress of the Innovation Strategy
 - 3.2. Roll out of smart grids & innovation into business as usual
 4. Appendices and Annexes

Content of the Report

- 1.18. This section details the minimum requirements of the Report under the section headings outlined in paragraph above. Each section provides a high level outline of the specific content DNOs must include. Where applicable, an explanation of the detail required is provided under each section heading.

¹⁰ This is found in paragraph 49.9(b) of SLC 49 of the Electricity Distribution Licence.

- 1.19. It also specifies additional, discretionary content elements, which DNOs may provide for the benefit of their stakeholders. However, these are not exhaustive and DNOs should engage with their stakeholders in developing the scope of their reporting. We anticipate the discretionary content and any further content added will evolve over time as the DNOs engage with their stakeholders to shape the Report.
- 1.20. Where it is indicated that content is required, this content should be fully covered within the Environment Report itself. While signposting to other relevant strategies and reporting should be provided, where appropriate, the Report should provide stakeholders with a full picture of their environmental activities.
- 1.21. For the avoidance of doubt, the below structure and section headings, sub-headings and table headings, which are listed in bold and numbered in the remainder of this Guidance are the headings that should be used in DNOs' Reports, in the order provided in this Guidance. However, DNOs should not be constrained to using the numbering used here. The information provided underneath these headings in this Guidance constitutes the requirements for completion of the Report.

Environment Report Template

1. Introduction

Required

1.1. Executive summary

- Highlights and summary of progress and challenges in the preceding regulatory year and discussion of those anticipated in the coming year and beyond

1.2. Our business/Who we are

- How the DNO manages its network in an environmental context including discussion of relevant aspects of its operational strategy with a focus on impact, assumptions and responsibilities

1.3. Purpose of the Report

- A summary of why the environment is important to the DNO's business and what the DNO's commitments are in this area (under its licence and other relevant commitments)
- How the DNO does its work and what the impact of its work is in relation to environmental matters
- A description of the role of stakeholders in how the DNO manages its impact on the environment

2. Managing our environmental impact

- DNOs should provide an introduction to this section, and each subsection within it, setting it in the context of its environmental importance and how it relates to its business activities.

2.1. Visual amenity¹¹

Required

- Visual amenity projects¹² in designated areas including
 - A description of the DNO's strategy for project assessment and delivery including analysis of costs and benefits, stakeholder engagement and support
 - The DNO's approach to assessments of projects, a list of projects assessed and selected, with a description of the projects and outcome of the assessment, and a list of forthcoming projects
 - Progress on schemes in progress, their location and nature of the relevant designated area¹³
 - Impacts and benefits of schemes including visual, carbon (such as in peat land) etc
 - Discussion of instances which the DNO believes represent best practice, for example in their use of the 10 per cent allowance¹⁴

2.2. Oil leakage from fluid filled cables

Required

- Oil leakage¹⁵ from fluid filled cables
 - Strategy / policy to address leakage including engagement with relevant stakeholders eg Environment Agency, new technology / detection strategies etc
 - Relevant actions and programmes - current and forthcoming
 - Actual and forecast benefits and impacts eg carbon equivalent savings / leakage reduction, analysis of costs and benefits, in terms of volume of oil and km replacement of cable

2.3. Carbon impact and climate change

Required

2.3.1. Business Carbon Footprint

¹¹ DNOs should provide a level of detail in this area which stakeholders can use to demonstrate to local communities the benefits of this scheme. Information should be on a consistent basis with that provided in reporting requirements to Ofgem.

¹² This is in reference to the DNO voluntary undergrounding scheme incentivised through a spending allowance for undergrounding within specific designated areas of Areas of Outstanding Natural Beauty, National Scenic Areas (for Scotland) and National Parks. DNOs' allowed expenditure for this incentive is established through CRC 3J.

¹³ There are specific reporting requirements on DNOs, submitted to Ofgem, relating to Visual Amenity Projects. This core set of requirements, as well as any other discretionary activities should be covered in this Report.

¹⁴ 10 per cent allowance is a mechanism set out in CRC3J to allow DNOs to spend up to ten per cent of their allocated expenditure for undergrounding of lines outside of the boundaries of designated areas.

¹⁵ Means leakage into the environment as a result of DNO's equipment and activities, ie fluid leaking from cables, that has a particular impact on the environment. There are specific requirements on DNOs for reports relating to this leakage to be submitted to Ofgem. This core set of requirements, as well as any other discretionary leakage activities should be covered in this Report.

- Public reporting on the Business Carbon Footprint¹⁶ (BCF) in accordance with the Greenhouse Gas (GHG) Protocol including
 - Business policy and strategy for carbon reduction including analysis of costs and benefits and challenges
 - Relevant actions and programmes - current and future
 - Actual and forecast benefits and impacts eg carbon equivalent savings including losses (as reported to the Department of Energy & Climate Change (DECC)), reduction in energy consumption etc
 - Table of performance against GHG Scope 1-3 including losses as reported to Ofgem in the RIGs. The total losses should be equivalent to the tCO₂e figure reported as part of the DNO's Business Carbon Footprint, as set out in the RIGs.

2.3.2. Sulphur hexafluoride emissions (SF₆)¹⁷

- Strategy / policy to address emissions including engagement with relevant stakeholders and new technology / detection strategies etc.
- Proactive, environmentally-driven actions to reduce emissions and programmes - current and forthcoming
- Actual and forecast benefits and impacts eg carbon equivalent savings / leakage reduction, analysis of costs and benefits

2.3.3. Distribution Losses

Discretionary

- DNOs should provide an introduction describing: what their Distribution Losses¹⁸ are, where they are generated and why they are important.
- Provide a high-level summary of latest Distribution Losses Strategy, for instance summarising key points from the Executive Summary and signposting what additional information on losses it contains.

Required

- Current assessment of Distribution Losses (Technical Losses & Non-Technical Losses) including a description and statement of the level of total losses (GWh) within the DNO's area. This should be equivalent to the tCO₂e figure reported as part of DNOs' Business Carbon Footprint (in the RIGs), but presented at the DNO level.¹⁹

¹⁶ This refers to the amount of carbon (CO₂) and/or carbon equivalent (eg SF₆) emitted by a DNO in any given year whilst conducting its business activities. The reporting of this is guided by the Greenhouse Gas (GHG) Protocol established in 2001. This should be consistent with specific requirements on DNOs to submit reports relating to the BCF to Ofgem.

¹⁷ Means leakage into the environment as a result of DNO's equipment and activities, ie SF₆ gas emissions from specific assets, which has a particular impact on the environment. There are specific reporting requirements on DNOs, submitted to Ofgem, relating to these emissions. This core set of requirements, as well as any other discretionary leakage activities should be covered in this Report.

¹⁸ Distribution Losses means Units lost while being transported through the DNO's Distribution System, including: (a) Units lost in the course of that process as a result of the electrical impedance of electric lines and electrical plant or the operation of that plant; and (b) Units unaccounted for that can be attributed to Relevant Theft of Electricity, or to inaccuracies or errors in inventories of unmetered supplies.

¹⁹ DNOs may also provide this information at a DSP level, if it is considered desirable by their stakeholders.

- Actions taken under the Distribution Losses Strategy in the reporting Regulatory Year and those planned for the following Regulatory Year ie details of current and forthcoming programmes to manage Distribution Losses including:
 - Analysis of the losses investment profile over the RIIO-ED1 price control period
 - Assessment of the progress in developing tools and a methodology for measurement and monitoring Distribution Losses
 - Actual and forecast cost benefit analysis and impacts eg carbon equivalent savings.

To inform this analysis, DNOs must publish as an Annex to the Environment Report the worksheet M5 – Losses, that is part of the RIGs, including any associated evidence such as Cost-Benefit Analyses (CBAs) or additional commentary which relates to these tables. This information will be provided at a DSP level.

Using the information from M5 - Losses, at a minimum, DNOs must present Table 1 – Summary of losses actions, below, within this section of their Environment Reports. This table should be presented at an Electricity Distribution Group level. DNOs may also provide this information at a DSP level, if it is considered desirable by their stakeholders.

Table 1– Summary of losses actions

Losses Action	Distribution Losses-justified costs in reporting Regulatory Year	Distribution Losses benefits in reporting Regulatory Year	Cumulative discounted net benefits²⁰ over RIIO-ED1	Cumulative discounted net benefits over 45 years (if appropriate)
	£m	£m	£m	£m
Total				

2.4. Other environment-related activities

Discretionary

This section is an opportunity for DNOs to outline additional environment related activities outside of regulatory obligations. It is also a section where best practice and innovation can be highlighted. Examples (non-exhaustive) of activities that can be included are:

- Other relevant undergrounding / environmental impact mitigation schemes funded outside the Charge Restriction Condition (CRC) 3J – Allowed Expenditure on Visual Amenity Projects.
- Waste / landfill / recycling

²⁰Cumulative discounted net benefits are a means of assessing the overall benefits of an action relative to its costs. Benefits include reductions in energy lost and carbon equivalent savings in £m.

- Noise pollution and air quality / pollution reduction activities and strategy
- Streetworks
- Other undergrounding outside the scheme (if not specifically detailed elsewhere in the Environment Report)
- Environmental employee awareness schemes / incentives / practices
- Community awareness / environmental commitments eg protection of habitats, community and wildlife
- Adaptation / flood preparedness
- Habitat enhancement / Ecological best practice / Protected species management
- Joint partnership agreements²¹

3. Smart grids, innovation and our role in the low carbon transition

Discretionary

- DNOs should provide an introduction to this section, and each subsection within it, setting it in the context of its environmental importance and how it relates to its business activities
- What are the key challenges and how the DNO will address these

This section is an opportunity for DNOs to provide an overview of the impacts and challenges affecting them, including government policy and EU wide trends. The DNOs can also provide rationale for their particular company focus, activities and highlights of specific work being undertaken.

- Our role in the low carbon transition

DNOs can detail their approach to facilitating the low carbon transition, providing detail and insight into the progress to date and plans going forward including their key successes and challenges. DNOs can also provide information on the numbers of low carbon technologies and amount of distributed generation connected in the preceding regulatory year, using information provided in worksheet M11 - LCTs in the RIGs.

3.1. Progress of the Innovation Strategy

Required

The DNO is required to outline the progress it has made against its Innovation Strategy, explaining any changes since the version submitted as part of the RIIO-ED1 business plan.

The DNO is required to summarise the key themes of the trials it has undertaken in the last year and how they link back to themes in its Innovation Strategy. A more detailed version of this is produced in the NIA Annual Summary and a hyperlink to this document must be included in the Environment Report.

²¹ For example, through WRAP – waste prevention and resource efficiency

3.2. Roll out of smart grids & innovation into business as usual²²

Required

In this section, the DNO is required to outline how innovative solutions are transitioning into business as usual. DNOs are required to include the following content in their Environment Report. The precise structure and inclusion of tables or figures for the benefit of stakeholders is at the DNO's discretion.

- a) A description of the DNO's strategy for rolling out innovative solutions into business as usual to maximise the benefits they can provide, including:
 - A description of the process to monitor the output of innovation trials (including those of other DNOs) and assess the merits (costs and benefits) of rolling out the new innovations
 - A hyperlink to where a detailed CBA can be found assessing the costs and benefits of rolling out new innovative solutions (including those not chosen for roll out)
 - A summary of the benefits and impacts of rolling out innovative solutions into business as usual.²³ This information should be taken from worksheet M10 – Innovative Solutions in the RIGs.
 - A summary forecast of the total benefits and impacts of rolling out Innovative Solutions into business as usual by the end of RIIO-ED1 (including for those solutions not yet used). DNOs can use the benefits and impacts per deployment figures from the RIIO-ED1 CBA tool used to complete the relevant RIGs worksheets multiplied by an estimate of future deployments.
- b) A description of the DNO's strategy for maximising the benefits of smart metering, including:
 - The percentage penetration of smart meters in each of the DNO's licence areas at the end of the preceding regulatory year. This information should be taken from worksheet CV34 – Smart Meters in the RIGs
 - The current status of IT and communications investments which are required to maximise the use of smart metering data
 - A description of the actions the DNO has taken to maximise the value of smart metering data and how these actions relate to their strategy for use of smart metering data. This should include any elective communication services procured. Actions should be categorised against the benefit categories in worksheet M7 – Smart Meters in the RIGs (as listed in DECC's January 2014 Impact Assessment²⁴)
 - A summary of the benefits of using smart metering data. This information should be taken from worksheet M7 – Smart Meters in the RIGs.

²² Smart grids (including smart metering) and innovation are grouped together in recognition of the overlap between the two. This section should capture anything funded in the Low Carbon Network Fund, NIC and NIA. It should also cover any discretionary solution which is an incremental change from current practice. These solutions are collectively referred to as Innovative Solutions.

²³ Benefits and impacts, wherever referred to in this section, includes all the following information on worksheet M10 – Innovative Solutions in the RIGs where relevant: avoided cost, capacity released, distribution losses, customer interruptions, customer minutes lost.

²⁴ DECC Smart meter roll-out for the domestic and small and medium non-domestic sectors (GB): Impact Assessment (Jan 2014): <https://www.gov.uk/government/publications/smart-meter-roll-out-for-the-domestic-and-small-and-medium-non-domestic-sectors-gb-impact-assessment>

- A forecast of the benefits in each of the categories in worksheet M7 – Smart Meters in the RIGs by the end of RIIO-ED1. DNOs can use the benefits figures from the RIIO-ED1 CBA tool used to complete the relevant RIGs worksheets.
- c) A description of the DNO’s strategy for using innovative solutions for new connections, including:
- A description of how innovative solutions have been used to accelerate connections and reduce costs
 - A summary of the benefits of using innovative solutions for connections. This information should be taken from worksheet M10 – Innovative Solutions in the RIGs.
- d) For each innovative solution deployed since the start of RIIO-ED1,²⁵ DNOs must include:
- A description of the solution so that stakeholders can understand what is being done and how this is more innovative than the alternatives
 - The RIIO output(s)²⁶ that the solution is intended to facilitate
 - The benefits and impacts of rolling out the solution. This information should be taken from worksheet M10 – Innovative Solutions in the RIGs.
 - A forecast of the benefits and impacts of rolling out the solution into business as usual by the end of RIIO-ED1. DNOs can use the benefits per deployment figures from the RIIO-ED1 CBA tool used to complete the relevant RIGs worksheets multiplied by an estimate of future deployments.
 - Brief description of the innovation trials from which the solution has been derived, with explanation where relevant on what has changed since the trial, and hyperlinks to documentation
 - Where smart metering data is used in the solution, this should be noted.

Worksheets M7 – Smart Meters, M10 – Innovative Solutions, and M11 - LCTs for each Distribution Services Area should be published as an annex to the Environment Report or hyperlinks provided if published elsewhere. The completed CBAs used for the RIGs worksheets referenced in the Environment Report and those used directly to fulfil the requirements of the Guidance should be published as an annex to the Environment Report or hyperlinks provided if published elsewhere.

4. Annexes and Appendices

Required

The DNO should include Annexes with the worksheets required under Section 2.3.3. - Distribution losses and Section 3. - Smart grids, innovation and our role in the low carbon transition, of this Environment Report Template.

²⁵ Innovative Solutions are those reported in worksheet M10 – Innovative Solutions in the RIGs.

²⁶ The RIIO primary outputs are: safety, environment, customer satisfaction, connections, social obligations, reliability and availability.

Appendix 1 – Relevant terms

Business Carbon Footprint (BCF)

A measure of the total greenhouse gas emissions (in tonnes of CO2 equivalent) resulting from operations on which the DNO has full authority to introduce and implement its operating policy and contractors emissions.

Distributed Generation (DG)

Has the meaning given to it in Standard Condition 1 of the electricity distribution licence.

Distribution Losses

Has the meaning given in Standard Condition 1 of the electricity distribution licence.

Distribution Losses-justified costs

Means the component of the unit cost that is justified by Distribution Losses benefits. This is the difference in costs between the adopted activity and the baseline scenario.

Distribution Losses Strategy

Has the meaning given in SLC 49 (Electricity Distribution Losses Management Obligation and Distribution Losses Strategy).

Elective Communication Services

Payments for discretionary data service purchased through bilateral agreements with the Data Communications Company (DCC). These payments may extend beyond the smart meter roll-out period.

Environment Report

Has the meaning given to it in Standard Condition 47 of the Electricity Distribution Licence.

Fluid Filled Cables

Pressurised fluid filled underground cables.

Innovative Solution

An Innovative Solution is any work, activity, asset or other solution that is listed in the Innovative Solutions worksheet of the RIGs.

Low Carbon Technologies (LCTS)

LCTS is the collective term for the following technologies:

- Heat pumps at existing connections that does not lead to a new or modified connection
- Electric vehicle (EV) chargers, both slow and fast charging, at existing connections that does not lead to a new or modified connection
- Photovoltaics (PV) connected under Engineering Recommendation G83
- Other generation technologies (excluding PV) connected under Engineering Recommendation G83.

Noise Pollution

The activity of investigating reports of noise pollution, and consequential remedial works (if necessary). In this context, noise pollution is defined as levels of noise associated with the normal operational characteristics of electrical distribution assets that may be deemed to be a nuisance and subject to Part III of the Environmental Protection Act 1990 (EPA).

Non-technical losses

Electricity units lost for non-physical reasons, including theft and measurement inaccuracy.

RIO-ED1 CBA tool

[tbc]

SF6 Emitted

The total mass (in kg) of sulphur hexafluoride emitted during asset installation (only if gassed by the DNO), service life and decommissioning. Service life emissions include those due to leakage (measured through top-ups); those measured during service activity requiring gassing and degassing; and those due to equipment failure resulting in the loss of all gas contained by the asset. The SF6 emitted value should account for gas recovered. Each DNO's SF6 emitted should be calculated according to the methods set out in ENA Engineering Recommendation S38. DNOs should not assume a percentage leakage rate to determine any element of SF6 emitted and if a DNO does not have measured records of SF6 emitted, this should be highlighted in the accompanying commentary.

tCO2e

Carbon dioxide (CO2) equivalent, measured in tonnes. This is a measure for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO2) as the reference.

Technical losses

Electricity units lost owing to the physical properties of the network. This also includes the way the network is configured and operated.

Visual Amenity Projects

Has the meaning given to it in CRC 3J of the Electricity Distribution Licence (Allowed expenditure on Visual Amenity Projects).