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Date: 16 February 2018

Dear colleagues

Consultation on proposed changes to Environment Report Guidance Document.

This consultation sets out our proposal to amend the Environment Report Guidance Document (ERGD) in accordance with the Standard Licence Condition 47.7 (d).

We¹ are consulting on our proposal to align the reporting requirements of the ERGD to be in line with the proposed amendments to the reporting requirements of Annex J (Environment and Innovation) to Ofgem under the Regulatory Instructions and Guidance (RIGs) in accordance with SLC 46 (Regulatory Instructions and Guidance).

Proposal

Table 1 below outlines the proposed minor changes to the ERGD that ensure alignment to the amendments proposed for the Annex RIGs.

Table 1 – Proposed changes to ERDG

Paragraph reference	Proposed Changes – Track changed
1.21	DNOs must publish the completed Environment and Innovation Reporting Pack (part of Annex J of the RIIIO-ED1 RIGs) from their most recent RIGs submissions for each DSP covered by the Report. DNOs must include any associated commentary and other supporting documentation required, such as an explanation of the tool and methodology or CBAs, in addition to the Environment and Innovation Reporting Pack as appendices to their Report, unless they are published elsewhere as part of the RIGs, in which case they may instead elect to provide a link to these documents within the Report.
3.3 - Bullet 2, Sub-bullet 2	A hyperlink to where the relevant completed tool and methodology or RIIIO-ED1 CBA Tool can be found assessing the costs and benefits of rolling out new Innovative Solutions (including, where considered necessary by the DNO, those not chosen for roll out). If a solution has not been chosen for roll out and an assessment tool or CBA has not

¹ 2 The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably. Ofgem is the Office of the Gas and Electricity Markets Authority. We are the National Regulatory Authority (NRA) in GB.

	been completed, a brief explanation for each solution why it has not been chosen for roll out should be provided.
3.3 - Bullet 3, Sub-bullet 3	description of the actions the DNO has taken in the relevant Regulatory Reporting Year to maximise the value of smart metering data and how these actions relate to their strategy for use of smart metering data. Worksheet E5 – Smart metering (published as an appendix to the Report) and accompanying commentary and an explanation of the tool and methodology or RIIO-ED1 CBA Tools must be signposted. Actions should be categorised against the benefit categories in worksheet E5 – Smart Metering (as listed in DECC’s January 2014 Impact Assessment).
3.3 - Bullet 5, Sub-bullet 2	A summary of the benefits of using Innovative Solutions for Connections. This information should be taken from worksheet E6 – Innovative Solutions (published as an appendix to the Report). This worksheet, and accompanying commentary and an explanation of the tool and methodology used to derive the benefits and impacts or RIIO-ED1 CBA Tools should be signposted.
3.3 - Bullet 6, Sub-bullet 3	The benefits and impacts of rolling out the solution. This information should be taken from worksheet E6 – Innovative Solutions (published as an appendix to the Report). Benefits and impacts should be reported in the same units as in this worksheet. This worksheet, and accompanying commentary and an explanation of the tool and methodology used to derive the benefits and impacts or and RIIO-ED1 CBA Tools should be signposted.
3.3 - Bullet 6, Sub-bullet 7	Where the version of the tool and methodology used to derive the benefits and impacts, or RIIO-ED1 CBA Tool, for the Innovative Solution has been updated during the Regulatory Reporting Year, provide details on what changed in the inputs, the impact on the assessment of benefits, and how this has changed the DNO’s plan to deploy the solution. Where the plan remains unchanged, the reasons should be provided. Any updated tool and methodology or RIIO-ED1 CBA Tools should be appended to the report.
3.3 - Bullet 6, Sub-bullet 8	The completed tools and methodology , or CBAs, used for the worksheets in the appendix (part of Annex J of the RIIO-ED1 RIGs) must be published as an appendix to the Report or signposted if published elsewhere.
4	Any associated commentary, tool and methodology or associated CBAs which relate to these RIGs or other supporting documents required by the Guidance.

Your views

We seek your views on the following:

1. our proposed changes to the ERDG.

How to respond to this consultation

Please send your response to this consultation on or before 16 March 2018, preferably by email, to RIIO-ED1@ofgem.gov.uk and kelvin.hui@ofgem.gov.uk or in writing to:

Kelvin Hui,
Electricity Distribution,
Ofgem,
9 Millbank
London SW1P 3GE

Unless you mark your response confidential, we'll publish it on our website, www.ofgem.gov.uk, and put it in our library. You can ask us to keep your response confidential, and we'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004. If you want us to keep your response confidential, you should clearly mark your response to that effect and include reasons.

If the information you give in your response contains personal data under the Data Protection Act 1998, the Gas and Electricity Markets Authority will be the data controller. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. If you are including any confidential material in your response, please put it in the appendices.

We prefer to receive responses in an electronic form so we can place them on our website.

Next steps

The responses to this consultation will inform the decisions we shall make on our proposals. We aim to provide an update on our decisions by 28 April 2018. Subject to the responses we receive, we propose to follow this consultation with a statutory consultation on our proposed Licence change.

If you have any queries regarding this letter, please contact Kelvin Hui at kelvin.hui@ofgem.gov.uk or on 020 0203 263 9635.

Yours faithfully

A handwritten signature in black ink that reads "Grant McEachran". The signature is written in a cursive style with a large initial 'G' and 'M'.

Grant McEachran

Head of Electricity Distribution, Ofgem