

Electricity Distribution Network  
Operators

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Dear Colleagues,

### Decision on proposed changes to Environment Report Guidance Document

On 16 February 2018 we<sup>1</sup> issued a consultation paper on our proposals for changes to Environment Report Guidance Document (ERGD) in accordance with the Standard Licence Condition 47.7 (d). Following consideration of responses to the consultation, we have decided to proceed with aligning the reporting requirements of the ERGD to be in line with the proposed amendments to the reporting requirements of Annex J (Environment and Innovation) of the Regulatory Instructions and Guidance (RIGs) in accordance with SLC 46 (Regulatory Instructions and Guidance).

#### Details of our decision

We consider that the following revisions in Table 1 below to provide sufficient alignment to the amendments to the reporting requirements of Annex J (Environment and Innovation).

Table 1 – Changes to ERGD

Paragraph reference	Proposed Changes – Track changed
1.21	DNOs must publish the completed Environment and Innovation Reporting Pack (part of Annex J of the RIIO-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 <a href="#">explanation of the tool and methodology or</a> 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 <a href="#">tool and methodology or</a> RIIO-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 <a href="#">an assessment tool or</a> CBA has not

<sup>1</sup> The Gas and Electricity Markets Authority, or GEMA. In this letter, the terms 'Authority', 'we', 'us' and 'Ofgem' can be taken to mean GEMA

	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 <a href="#">explanation of the tool and methodology or</a> 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, <del>and</del> accompanying commentary <a href="#">and an explanation of the tool and methodology used to derive the benefits and impacts or</a> 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 <a href="#">and an explanation of the tool and methodology used to derive the benefits and impacts or</a> and RIIO-ED1 CBA Tools should be signposted.
3.3 - Bullet 6, Sub-bullet 7	Where the version of the <a href="#">tool and methodology used to derive the benefits and impacts, or</a> 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 <a href="#">tool and methodology or</a> RIIO-ED1 CBA Tools should be appended to the report.
3.3 - Bullet 6, Sub-bullet 8	The completed <a href="#">tools and methodology</a> , 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, <a href="#">tool and methodology or</a> associated CBAs which relate to these RIGs or other supporting documents required by the Guidance.

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

Yours faithfully,



Grant McEachran

**Head of Electricity Distribution, Ofgem**