

GT SECTOR	
REFERENCE NUMBER:	CATEGORY:
LICENCE CONDITION NUMBER: <i>(if relevant):</i>	SpC 4.3
TITLE:	Environmental Scorecard output delivery incentive
RELEVANT LICENCE CONSULTATION QUESTIONS <i>(if any):</i>	
RELEVANT ISSUES LOG:	
POLICY ISSUES	
<ul style="list-style-type: none"> General SpC 4.3.4 – 4.3.5 4.3.4 	<ul style="list-style-type: none"> We are still working with Ofgem on the details of the scorecard thresholds and therefore expect an additional opportunity to comment before the license is finalised. The above comment holds true for the TBC entries in the scorecard too. For the OTAt, as submitted in our responses to SQs and the DDs we do not believe this should be expressed as a percentage change, rather than a reduction from a baseline number.
DRAFTING ISSUES	
<ul style="list-style-type: none"> 4.3.3 4.3.4 4.3.4 and 4.3.5 	<ul style="list-style-type: none"> We are concerned about the way the algebra is drafted in this paragraph. All calculations appear to assume that a positive percentage change equals a reward. To combat this, we would need to enter any reductions that were in the consumer interest (e.g. percentage reduction in waste) as a positive number and increases as a negative to allow the formula to work. Further complicating this, there are elements of the incentive for which we are looking for an increase in behaviour (e.g. increase in net gain), which makes this confusing. We are still awaiting definitions of BGAit and NCPit Baseline years should align to our environmental action plan proposals rather than 2020/21 <ul style="list-style-type: none"> OTAt from RIIO-1 average BTAt from RIIO-1 average As in policy point above, remove word “percentage” We suggest that these provisions are moved to two additional appendices and that SpC 4.3.3 points to these annexes as setting out the meaning of the remaining terms. SpC 4.3.4 and 4.3.5 currently are not clear if read alone as licence condition paragraphs.
FINANCE ISSUES	

SUPPORTING INFORMATION	
OFGEM ENGAGEMENT:	