

To:

Electricity North West Limited  
Northern Powergrid: Northeast  
Northern Powergrid: Yorkshire  
SP Energy Networks: Distribution  
SP Energy Networks: Manweb  
Scottish and Southern Energy Power Distribution: Scottish  
Hydro Electric Power Distribution  
Scottish and Southern Energy Power Distribution: Southern  
Electric Power Distribution  
UK Power Networks: London Power Networks  
UK Power Networks: South East Power Networks  
UK Power Networks: Eastern Power Networks  
National Grid Electricity Distribution (West Midlands) plc  
National Grid Electricity Distribution (East Midlands) plc  
National Grid Electricity Distribution (South Wales) plc  
National Grid Electricity Distribution (South West) plc

Date: 3 April 2023

**Direction under Part B of Special Condition 9.1 (Annual Environmental Report) of the Electricity Distribution Licence to issue the Environmental Reporting Guidance**

1. Each of the companies to whom this direction is addressed is the holder of a licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989.
2. In accordance with paragraph 9.1.8 of Special Condition 9.1 (Annual Environmental Report) of the Electricity Distribution Licence (“the licence”)<sup>1</sup>, on 16 February 2023 the Gas and Electricity Markets Authority (“the Authority”) published on its website the text of the proposed Environmental Reporting Guidance (“the Guidance”) and the date on which the Authority intends the document to come into effect, and stated that representations must be made on or before 17 March 2023.<sup>2</sup>

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<sup>1</sup> [Decision on the proposed modifications to the RIIO-2 Electricity Distribution licences | Ofgem](#)

<sup>2</sup> The terms “the Authority”, “we” and “us” are used interchangeably in this document.

3. We received 6 responses, which we have carefully considered. We have placed all non-confidential responses on our website: [Annual Environmental Report - RIIO ED2 - Consultation | Ofgem](#)
4. We have made several changes to the proposed text as a result of the consultation responses, with our reasons set out in an issues log. A copy of the issue log, the full text of the Environmental Reporting Guidance, as well as a tracked change version compared with that published on 16 February 2023 can be found in the Authority's website.
5. The reason for this direction is to give effect to our decision in our RIIO-ED2 Final Determinations<sup>3</sup> that licensees prepare an Annual Environmental Report in accordance with the Environmental Reporting Guidance, as required by Part A of Special Condition 9.1.
6. This direction is our notice of reasons for the purposes of section 49A of the Electricity Act 1989.
7. Now the Authority pursuant to the provisions of Special Condition 1.3 (Common procedures) and Special Condition 9.1 hereby directs that the Environmental Reporting Guidance is issued and will have effect from 1 April 2023.
8. For more information regarding this Direction you should contact Dafydd Burton (dafydd.burton@ofgem.gov.uk).

**Steve McMahon**

Deputy Director, Onshore Networks – Price Control Setting

Signed on behalf of the Authority and authorised for that purpose by the Authority

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<sup>3</sup> [RIIO-ED2 Final Determinations | Ofgem](#)