

ET SECTOR	
REFERENCE NUMBER:	CATEGORY: Addition
LICENCE CONDITION NUMBER: <i>(if relevant):</i>	SpC 3.15
TITLE:	Operational Transport Carbon Reduction Price Control Deliverable
RELEVANT LICENCE CONSULTATION QUESTIONS <i>(if any):</i>	
RELEVANT ISSUES LOG:	
POLICY ISSUES	
<ul style="list-style-type: none"> • Definition of “Fully Delivered” • 3.15.7 Part B • General 	<ul style="list-style-type: none"> • We are concerned that the definition of “Fully Delivered”, which is defined as an output that "has been delivered in full" is circular. Given the financial consequences that flow Ofgem’s determination as to whether an output has been Fully Delivered or not, it is essential that this critical term is clearly defined. <div style="background-color: black; width: 150px; height: 30px; margin: 10px 0;"></div> <ul style="list-style-type: none"> • We do not agree with the way in which a PCD is defined – please refer to our response on PCDs in general.
DRAFTING ISSUES	
<ul style="list-style-type: none"> • Headings • 3.15.6 • Annex 1 	<ul style="list-style-type: none"> • Headings should be framed as statements not questions. Part B heading should read “What the licensee is funded to deliver”. Part D heading should read “Authority process for making a direction”. • We note that there is no reference within 3.15 to the value of the clawback not exceeding the associated allowance for the output. Whilst we note some wording to this effect has been included in the draft PCD Reporting Requirements and Methodology Document we consider that the cap on the maximum clawback for any individual output is a material feature of the PCD design and that in the interests of transparency it should be made clear on the face of the licence. • The text “The direction will set out any amendments to Appendix 1.” erroneously appears in the heading for the Annex 1 table.
FINANCE ISSUES	

SUPPORTING INFORMATION	
OFGEM ENGAGEMENT:	