

CASE STUDY:

RIIO Business Low Carbon Footprint Roadmap

UK Gas Utility

Overview

Gas utility companies are expected to submit 'well-justified' business plans geared towards low carbon economy to comply to Ofgem's new RIIO framework commencing in 2013.

Enzen supported the company by undertaking a comprehensive review of the Business Carbon Footprint based on global best practice standards and delivered a well justified low Carbon Roadmap.

Highlights

- Enzen reviewed the Business Carbon Footprint to ensure Ofgem compliance
- Enzen along with the business stakeholders, developed a robust & well-justified Low Carbon Roadmap
- Enzen as part of the engagement, has identified innovative clean energy initiatives supported by high level business case

Adapting to RIIO

Ofgem's new RIIO regulatory framework aims to bring about a shift from 'low cost energy delivered as sustainably as possible to sustainable energy delivered at the lowest cost possible'. GDNs are expected to deliver well justified business plans with a strong emphasis on delivery of key environmental outputs ranging from publishing their Business Carbon Footprint to facilitation of Bio-methane to grid connections.

Positive financial and reputational rewards are available where performance exceeds prescribed targets while disincentives exist to prevent and punish non-compliance.

Enzen's Contribution to RIIO

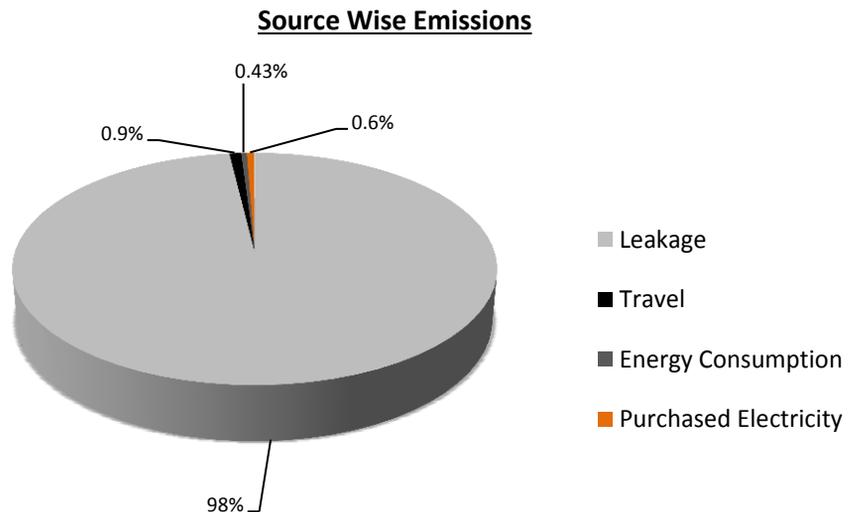
The Enzen team is accomplished in the energy and environment sector and in the interpretation of Ofgem regulations. Enzen is also well positioned to support the gas utility companies in adapting their strategies and business plans to meet RIIO sustainability guidelines and smooth the transition to low carbon operations.

Enzen's Engagement Scope

Over a 6 week project period, Enzen's team of experts were appointed to assess and validate the network's Business Carbon Footprint and drive forward the network's RIIO Environment Business Plan for submission to Ofgem

Enzen's Approach & Solutions

- Our team has followed a best practice approach of reviewing, estimating and reporting the Business Carbon Footprint in line with Ofgem regulatory requirements. A customised BCF template was created to support the utility in introducing a continuous GHG Data collection, verification and management system in addition to the standard template reporting indicated below :

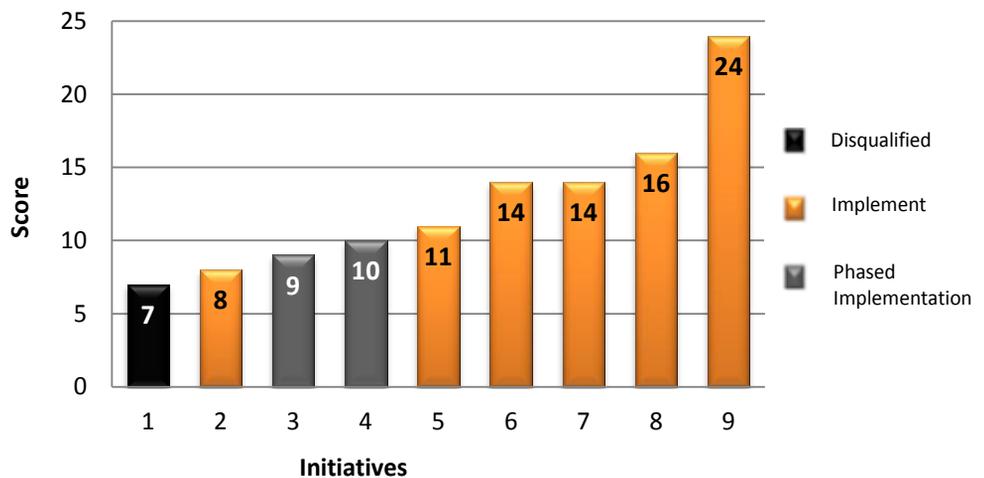


Key Benefits

- Comprehensive Roadmap for implementing selected carbon reduction strategies
- Roadmap Emissions forecasted to be 10% lower than BAU figure in 2021
- Support towards 'well justified' RIIO Business Plan for Ofgem approval, funding & incentives
- Financial, Branding, Reputational & Stakeholder Benefits

- Once emissions were base-lined and key stakeholder consultations were conducted, our team focused our attention on the delivery of a well justified, low carbon Business Plan
- Using key qualitative and quantitative metrics such as Marginal Abatement Cost Analysis, Scenario Forecasting and Enzen's customised Competitive Scoreboard Model, the team identified, evaluated and prioritised carbon reduction initiatives for implementation during RIIO-GD1.
- These green schemes were subsequently synergised and integrated into a robust Low Carbon Roadmap which placed the network on a path to reducing emissions by 10% of the forecasted BAU figure by 2021.

Competitive Scorecard Ranking



Enzen Delivered Client-Benefits

- Engaging Enzen as an advisory partner in this strategic assignment paved the way for the network to drive forward a Low Carbon Roadmap for implementing select carbon reduction initiatives with an emission savings potential of 10% over RIIO-GD1.
- This valuable support towards delivery of a 'well justified' RIIO Environment Business Plan assisted the utility in formulating its eight year Sustainability Strategy and positioned the network for receiving reputational and regulatory benefits from Ofgem
- The company, through this engagement has satisfied Ofgem in terms of the third party study of the Business plan and in embedding industry-wide best practices and knowledge.
- Enzen has identified a number of innovative schemes with associated business cases that are proposed to be piloted during the RIIO period as part of the low carbon commitment.

