

# Response to Defra consultation on the government's proposed strategy for the third round of the climate change Adaptation Reporting Power

26 March 2018

## About Energy UK

Energy UK is the trade association for the GB energy industry with a membership of over 100 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership covers over 90% of both UK power generation and the energy supply market for UK homes. We represent the diverse nature of the UK's energy industry – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

Our members turn renewable energy sources as well as nuclear, gas and coal into electricity for over 27 million homes and every business in Britain. Over 730,000 people in every corner of the country rely on the sector for their jobs, with many of our members providing long-term employment as well as quality apprenticeships and training for those starting their careers. The energy industry invests £12bn annually, delivers £88bn in economic activity through its supply chain and interaction with other sectors, and pays £6bn in tax to HM Treasury.

Energy UK welcomes the opportunity to respond to this consultation on Defra's proposed strategy for the third round of the climate change Adaptation Reporting Power (ARP). For the first round of the Adaptation Reporting Power (ARP1) under the Climate Change Act 2008, nine electricity generating companies were directed to report on their actions to adapt to climate change by the Secretary of State in 2010. Those reports were delivered in July 2011; although the reports were compiled by individual companies, the reporting approach/format was developed collaboratively via a Working Group on Resilience and Adaptation established by the Association of Electricity Producers (AEP). AEP produced a sector summary of the nine reports in October 2011.

In 2013, Defra notified Energy UK (the successor to the AEP) of a second reporting round for organisations, this time to be undertaken on a voluntary basis. For ARP2, Energy UK used its Working Group on Resilience and Adaptation to produce a sector-level summary, which was submitted to Defra in August 2015.

## Consultation questions

- 1. Do you agree that reporting in the third round should continue to be voluntary?**  
Yes, our preferred approach to ARP3 is for a sector-level report to be presented by Energy UK on a voluntary basis.
- 2. Do you agree with the principles for reporting in the third round?**

We agree and consider that reporting requirements for electricity generators must be proportionate; ARP1 and ARP2 have demonstrated that the risk from future climate change for the sector is low and, following these previous reporting rounds, relevant generators have embedded the assessment of risk from future climate change within their risk management systems.

**3. Do you agree that reporting in the third round should build on the second round by agreeing sector or organisational reporting proposals?**

Yes, our preferred approach to ARP3 is for a sector-level report to be presented by Energy UK on a voluntary basis. We understand that agreement of reporting proposals would be between Defra and the individual sectors/organisations as opposed to agreement across different sectors and organisations. This would also serve to help manage expectations on both sides and ensure that a proportionate and relevant approach is taken that is best suited to the respective reporting sector.

**4. Do you agree that the reporting date should be determined by sector, reflecting on regulatory or business pressures within the reporting window of 2019-2021, with a final deadline of 31 December 2021?**

We understand it is proposed that a new set of UK Climate Projections (UKCP18) will be available for use in ARP3 reporting. In view of the UKCP18 timings, we would aim to deliver an ARP3 report in 2020. This should enable the results to be taken into account for the next UK Climate Change Risk Assessment (CCRA) in 2022. However, in order to achieve this timetable, Energy UK will be dependent upon the timing and accessibility of the full UKCP18 data and associated support products. Currently, we do not foresee that there are any specific regulatory or business pressures within that reporting window that would impact our sector's ability to respond in this timeframe.

**5. Do you agree that the criteria for identifying eligible organisations are reasonable? Are there other factors that might be useful to consider?**

Energy UK considers the criteria for identifying eligible organisations to be reasonable.

As per our response to Question 3 above, and consistent with the sector approach to ARP2 reporting, we would expect the detailed scope of generator participation to be discussed and agreed with Defra as part of our sector discussions on the ARP3 reporting framework. This will be particularly relevant given the changes to the generation fleet and the regulatory framework within which it operates (e.g. Industrial Emissions Directive and coal closure) since our ARP2 report was submitted.

**6. Are there any other sectors which you believe should be included on the list?**  
No.

**7. Are there any organisations that the Government proposes to invite to report which you believe should not be included?**  
No.

**8. Are there any organisations that have not been included which you believe should be?**

As per our response to Question 5 above, the scope of participation for the electricity

generation sector will most likely need revising and should be discussed with Defra in detail ahead of the reporting round. We therefore consider that the list of generators set out under Section H should be regarded as indicative, but not definitive.

**9. Do you agree with the additional situations in which organisations may be asked to report? Would you suggest any others should be included?**

Yes. We have no further situations to be included.

For further information contact:

**Andy Limbrick**

Environment Consultant  
Energy UK  
Charles House  
5-11 Regent Street  
London SW1Y 4LR

Tel: +44 20 7747 2924

[andy.limbrick@energy-uk.org.uk](mailto:andy.limbrick@energy-uk.org.uk)

[www.energy-uk.org.uk](http://www.energy-uk.org.uk)

**India Redrup**

Policy Executive  
Energy UK  
Charles House  
5-11 Regent Street  
London SW1Y 4LR

Tel: +44 20 7024 7635

[india.redrup@energy-uk.org.uk](mailto:india.redrup@energy-uk.org.uk)

[www.energy-uk.org.uk](http://www.energy-uk.org.uk)