

Metering Steering Group

PR13 (CP5) Review Consultation - Incentives

Cross Industry Responses

Jan 12

Purpose

The purpose of this document is to identify those issues associated with environmental incentives that are currently being consulted by ORR which have cross industry support. Those issues which do not necessarily have cross industry support and are of particular concern to one, or more industry stakeholders are not included, as it is anticipated that these stakeholders will raise these concerns themselves in responding to ORR.

Introduction

ORR's detailed proposals for environmental incentives under the current round PR13 (CP5) Review Consultation can be found in Chapter 10, sections 10.51 - 10.74 (pages 129 – 132).

Consultation Responses

Metering Steering Group (MSG) is a recognised cross industry body, including representatives from train operators, Network Rail, RSSB, ORR, DfT, vehicle owners etc, which meets regularly to discuss and agree topics of relevance in the fields of on train electric metering and billing. Although ORR staff are members of and normally participate fully in MSG, and this cross industry response was discussed and agreed by MSG, ORR staff did not offer opinions or commentary on the various drafts of this response during its development.

Metering Steering Group (MSG) believe that the aspiration for CP5 should, with the limited exceptions listed below, be for environmental improvements that are driven by normal economic and reputational incentives, rather than by a suite of bespoke environmental incentives.

Environmental Incentives with Cross Industry Support

MSG support the concept of continued incentivisation during CP5 for mainline operators to fit electricity meters to appropriate billing quality standards to rolling stock, via the creation of an appropriate fund that has full cross industry governance and approval mechanisms.

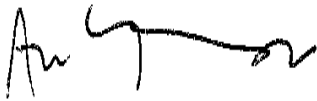
MSG support financial incentives on NR and operators to reduce traction energy consumption and losses (wherever they occur) during CP5, whenever the conditions to do this allow solutions that are both practical and economically justifiable from a whole industry viewpoint and where implementation in CP5 would not divert excessive investment and resources from other network maintenance initiatives with wide and validated cross industry support.

MSG support the concept of continued incentivisation during CP5 to implement regenerative braking for both metered and non-metered operators.

MSG supports the concept of an agreement between NR and ORR during CP5 to reference third party future energy price trend data (eg DECC Energy Price Trend) that must be used for calculating business cases for long term (>30 year life) investments in the RAB. Such reference future price trend data need not apply when calculating business cases for short term (<10 year) maintenance interventions.

Consultation Questions

Q10.6 – the general approach proposed by ORR for environmental incentives has the support of MSG. With the exceptions listed above, no further environmental incentives are believed necessary. We should not be encouraging the adoption of responses by industry stakeholders that would potentially result in shifts to other transport modes.

A handwritten signature in black ink, appearing to read 'Alec McTavish', with a stylized flourish at the end.

Alec McTavish

Chair – Metering Steering Group

6th Feb 2012