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email
Date

23rd November 2010

Department of Energy and Climate Change
Area 4C
3 Whitehall Place
London SW1A 2HD

Subject: Consultation on the Implementation of the "Citiworks" Ruling

Dear Mr [REDACTED]

Thank you for the opportunity to comment on this important topic that will have a big impact on the operation of our three airports. All three airports (Liverpool John Lennon Airport, Durham Tees Valley Airport and Robin Hood Airport Doncaster Sheffield) currently operate private wire networks. Please appreciate this response has been rushed as the Airport Company did not find out about this consultation until late last week.

The consultation document states that DECC "has held bi-lateral meeting with a wide range of stakeholders and other interested parties", this included ports and airports as large commercial groups. The Airport Company would like to enquire which airports were party to the bi-lateral meetings? The reason I ask, is because none of the above three airports have been consulted or made aware of the consultation process, neither had the Airport Operators Association (AOA) which is the Airports trade association. There is a large difference in scale, resources, current regulatory framework, market position and approach between for example Heathrow with 60 million plus passengers and Durham Tees Valley Airport with 300,000 passengers. Therefore, it would be appropriate to start or re-engage the consultation and bi-lateral meeting process with a more representative cross section of stakeholder.

The three airports mentioned above are all relatively small businesses operating complex sites with numerous small users, the "Citiworks" regime change will have considerable administrative burden on an industry which has already more regulators than most sectors. Whilst offering no protection for the owner of the network who has had to invest and maintain the utilities infrastructure for the site for a complex site which at airports is more expensive because of finite nature of space, development restrictions, security and operational restrictions.

The "Citiworks" interpretation is in contradiction to other government guidance and proposals to invest decentralised or renewable energy alternative. The Airport Company were looking to invest in renewable options to supply a high proportion of the Airport

communities energy but if it can not be assured of this being recharged locally this makes this less viable. The Airport Company is also half way through a sub-meter exercise to help reduce and manage carbon emission but this is dependent on managing the whole sites energy use and making third parties responsible for energy is communal areas, removing them from this process will have a negative environmental impact.

On a practical level please could DECC consider:

- Having a phased introduction of the requirements over a number of years in the similar way to the privatisation process. For example phased approach could be in three band >50,000 MW, 50,000 to 25,000 MW and < 25,000 MW starting in 2012, 2017 and 2022 respectively.
- In October the Airport Company purchase electricity for the consumption of all three site based on a given volume, if the tenants select to go with an alternative supplier this will have potential of requiring the Airport Company to pay for electricity or gas not used. Plus going forwards it will make planning purchasing of electricity and gas very difficult and the accounting carbon consumption and responsibilities an administrative nightmare.
- Airports should be given special consideration despite the original "Citiworks" being about Leipzig Airport because since then airports in the UK especially have become more complex sites with particular issues surrounding security and access.

The Airport Company recognises the government will eventually comply with European legislation, however, the consultation process needs to be more inclusive; it is not appropriate to rush this important matter through so it can be squeezed into the third energy package timescale.

The Airport Company would appreciate the opportunity to comment further and be involve in this process.

Yours sincerely,



Liverpool John Lennon Airport