

CRC Energy Efficiency Scheme Overview & Implementation

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Carbon Reduction Commitment, 3rd November 2009, Leeds

What is the CRC?

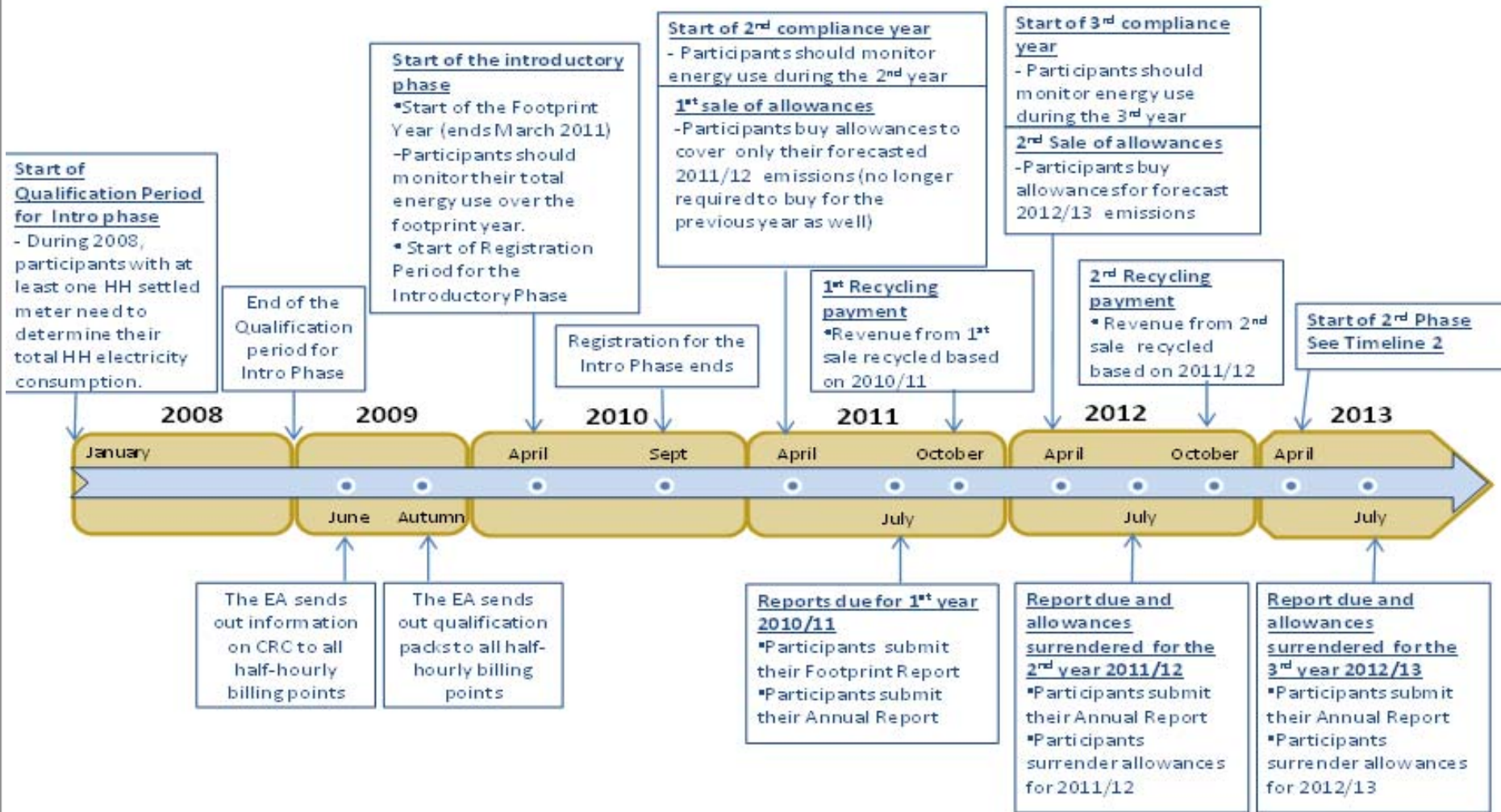
The CRC

- ➔ helps reduce the country's carbon footprint
- ➔ encourages improvements in energy efficiency
- ➔ scheme benefits outweigh cost of participation

Key Elements of the Scheme

- ➔ Traditional Cap-and-Trade scheme
- ➔ 6 Steps:
 - Forecast emissions
 - Purchase allowances
 - Monitor/manage emissions
 - Purchase additional allowances
 - Report emissions
 - Receive 'recycling' payment

CRC Timeline



Do I Qualify for CRC?


⇒ For calendar year 2008:

- Did you have at least one half-hourly electricity meter (HHM) settled on the half-hourly market?
- Did you consume at least 6,000 MWh of electricity through all your HHMs?
- Did you consume less than 6,000 MWh/ electricity?
- Did you consume less than 3,000 MWh/ electricity?

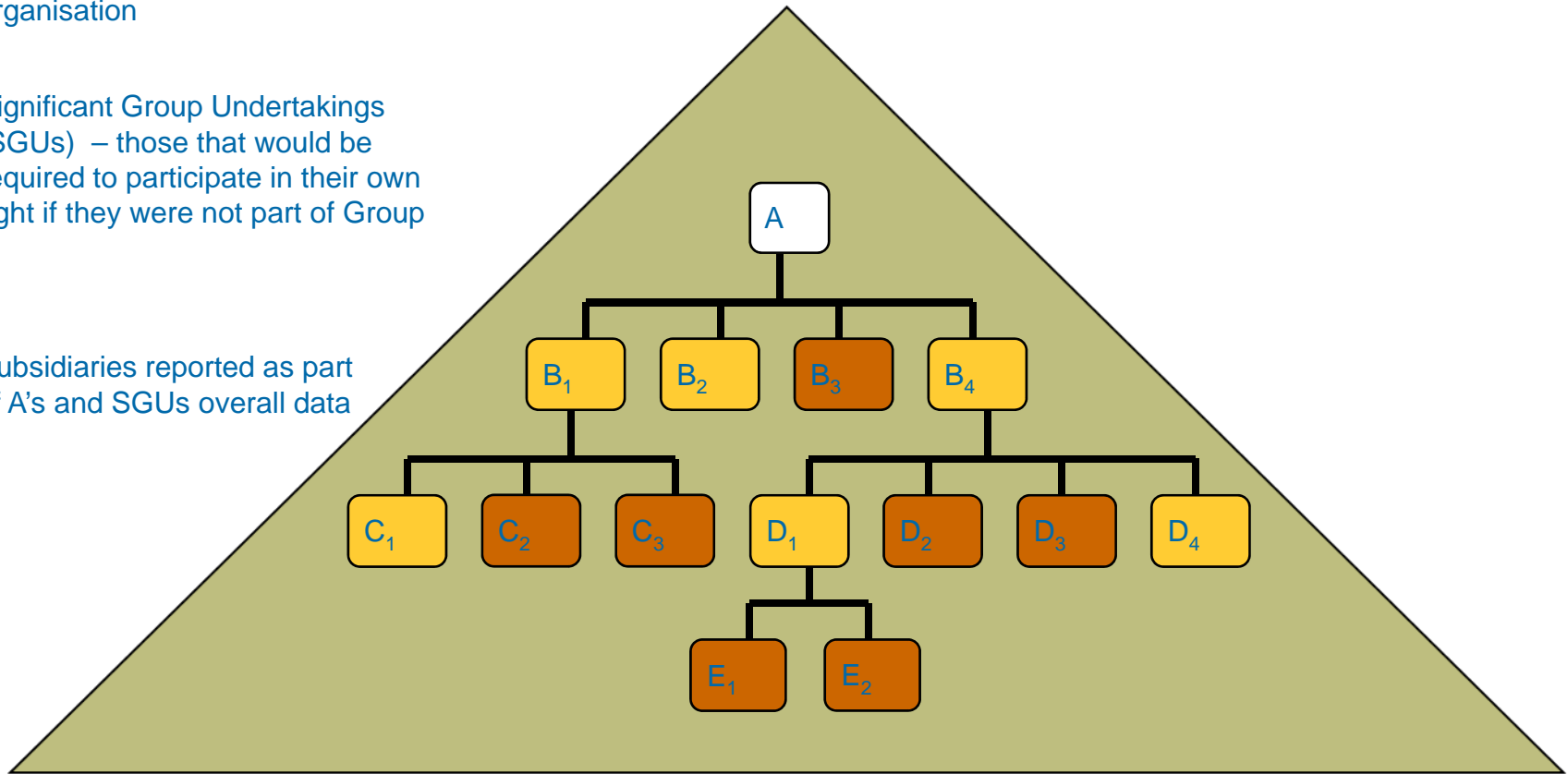
Organisational Structure

KEY

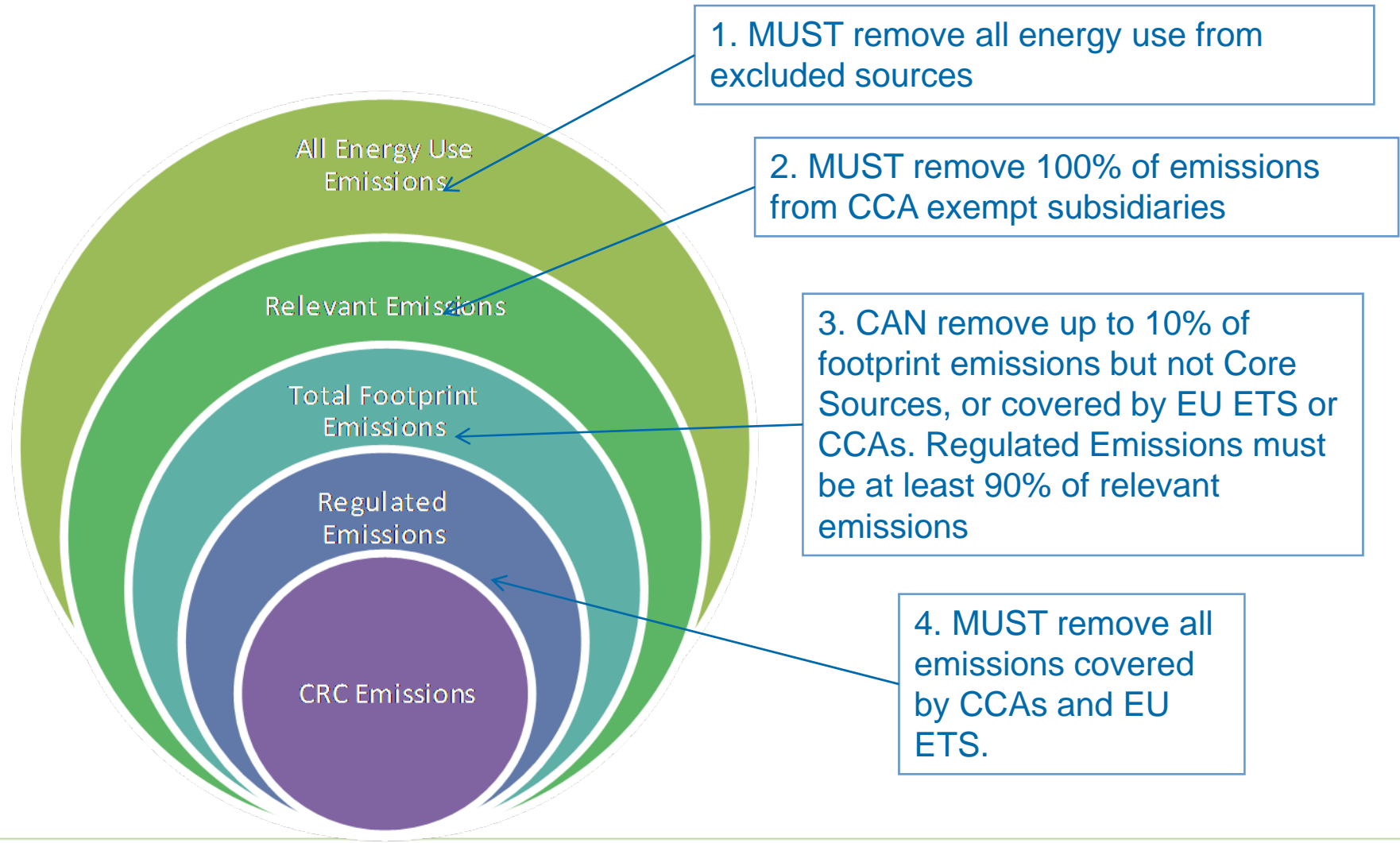
 Highest parent organisation

 Significant Group Undertakings (SGUs) – those that would be required to participate in their own right if they were not part of Group A

 Subsidiaries reported as part of A's and SGUs overall data



Footprint and Scheme Emissions



Allowances
League Table
Revenue Recycling

Allowances

- ⇒ 1 allowance = 1 tonne of CO₂
- ⇒ Government sale at start of each compliance year
- ⇒ Additional allowances -- secondary market and 'safety valve'

- ⇒ 3 year introductory phase
 - 2010-2011: reporting year only
 - 1st sale: April 2011 (for 2011-2012 emissions)
 - Fixed price: £12/tCO₂; no limit
 - Allowance 'banking'

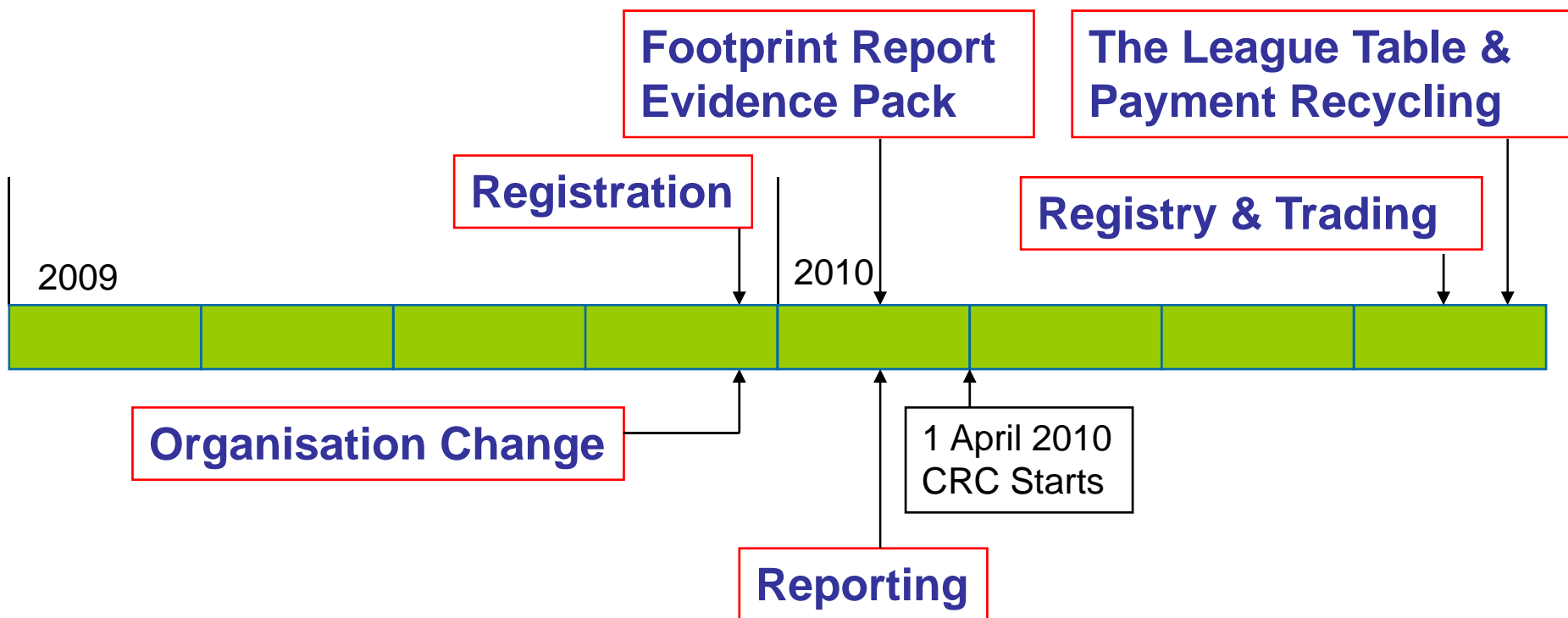
League Table

- ⇒ Performance calculated using three metrics during the introductory phase
- ⇒ Mandatory absolute metric
 - Reflects change in org's CRC emissions
- ⇒ Early action metric
 - AMR and CTS coverage
- ⇒ Growth metric
 - Credit given to organisations that reduce energy intensity

Revenue Recycling

- ➔ Incentive to reduce emissions
- ➔ League Table performance plays key role
 - Top placed orgs -- highest bonus rate
 - Bottom placed orgs -- maximum penalty rate
 - Year 1 maximum bonus/penalty +/-10%
 - Year 2 maximum bonus/penalty +/-20%
 - Year 5 maximum bonus/penalty +/-50%

Guidance Timetable



Enforcement

- ⇒ Deterrent Civil Penalties – fixed and variable
- ⇒ Naming and Shaming
- ⇒ Energy supplier obligations:
 - HHM lists
 - Performance statements
- ⇒ Minimum number of criminal penalties
- ⇒ Regulator discretion (EA, SEPA, DOENI)

What should I do now?

- ⇒ Do I qualify?
- ⇒ Finalise a list of all HHMs settled on the half hourly market
- ⇒ Total electricity consumed through all HHMs (for calendar year 2008)

**Where can I get
help?**

CRC Support

CRC dedicated helpdesk:

CRCHELP@environment-agency.gov.uk

CRC dedicated webpages:

www.environment-agency.gov.uk/crc

- CRC User Guide
- CRC Timeline Slides
- CRC Guidance Materials
- Frequently Asked Questions
- Case Studies
- Much, much more!

