



Guide to CRC Energy Efficiency Scheme 2010

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CRC Energy Efficiency Scheme

The CRC Energy Efficiency Scheme (formerly known as the Carbon Reduction Commitment) is part of the UK Government's CO₂ emission reduction targets.

CRC is essentially an emissions trading scheme aimed at non-energy intensive organisations. It gives organisations a financial incentive to reduce their carbon emissions by buying and selling carbon allowances while raising awareness and encouraging behaviour change. Any organisation which used more than 6000MWh energy on a half-hourly meter in 2008 is covered by the scheme.

CRC policy has been developed by the Department of Energy and Climate Change (DECC) and the scheme is being managed by the Environment Agency.

The scheme does not just cover businesses but also schools and government departments. To avoid overlap, CRC only includes emissions that are not already covered by the EU Emissions Trading Scheme (EU ETS) or Climate Change Agreements (CCAs).

Although participation in the scheme is decided only by electricity usage, in practice CRC will cover CO₂ emissions from all energy sources - electricity, gas, coal, oil, LPG - except transport fuel. And, to begin with at least, CRC will only cover direct and indirect CO₂ emissions, no other greenhouse gases.



How the scheme works

CRC is run in phases. Phase 1, or the introductory phase, will run for three years.

Phase 2 and all subsequent phases will run for seven years. The first two years of each phase overlap with the last two years of the preceding phase.

Targets

The UK Government has committed to:

- reduce CO₂ emissions by 26% by 2020
- reduce greenhouse gas emissions by 80% by 2050

*based on a 1990 baseline

1 Qualification - Each phase is preceded by a qualification period. If your electricity settled on a half hourly meter is **more than 6000MWh** during the qualification phase you will be included in the scheme.

The qualification period for Phase 1 was 2008 calendar year and the qualification period for Phase 2 runs from **1st April 2010 to 31st March 2011**.

2 Registration period - The registration period - when affected companies register for the scheme - runs for the first six months of the phase.

For Phase 1 this is from **1st April 2010 to 30th September 2010**.

3 Footprint period - The footprint period runs for the first year of the phase and overlaps with the registration period.

For Phase 1 this is **1st April 2010 to 31st March 2011**.

The footprint year gives the organisation a chance to monitor their energy use and establish the sources which should be included in the CRC. In the July following the footprint period, organisations are required to submit a footprint report detailing all the energy supplied in the footprint year.

4 Annual reporting years - For Phase 1 each of the three years is an annual reporting year. For subsequent phases annual reporting years will run in succession for the final six years of the phase.

Except for 2010/11, organisations will need to buy allowances to cover their forecasted carbon emissions before the period starts. For Phase 1 the cost of these allowances will be fixed at £12 per tonne of CO₂. After the introductory phase allowances will be sold by auction.

By the last working day of July following the reporting year each organisation needs to submit an annual report detailing their emissions in that year and surrender allowances covering those emissions.

After this, the revenue the Government made by selling the allowances gets recycled back to the participants based on how much they have reduced their emissions. Those at the top of a performance league table will be rewarded and those at the bottom will receive less than they put in, giving them an incentive to make reductions.

Organisations can improve their place on the performance table by taking early action through an accredited scheme such as the Carbon Trust Standard or equivalent.

Useful links

- DECC CRC home page: <http://bit.ly/4DSgDC>
- DECC CRC user guide (pdf): <http://bit.ly/b2D8Jo>
- Environment Agency CRC home page: <http://bit.ly/buC0U>
- Environment Agency CRC time line: <http://bit.ly/8XmF6g>
- Environment Agency - A short introduction to the CRC Energy Efficiency Scheme (pdf): <http://bit.ly/c0IkSB>



Contacts us

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To find out more about what we do take a look at our website or give us a call

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