

CRC Energy Efficiency Scheme Overview & Implementation

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ESTA 'Light at the end of the tunnel'

What is the CRC Energy Efficiency Scheme?

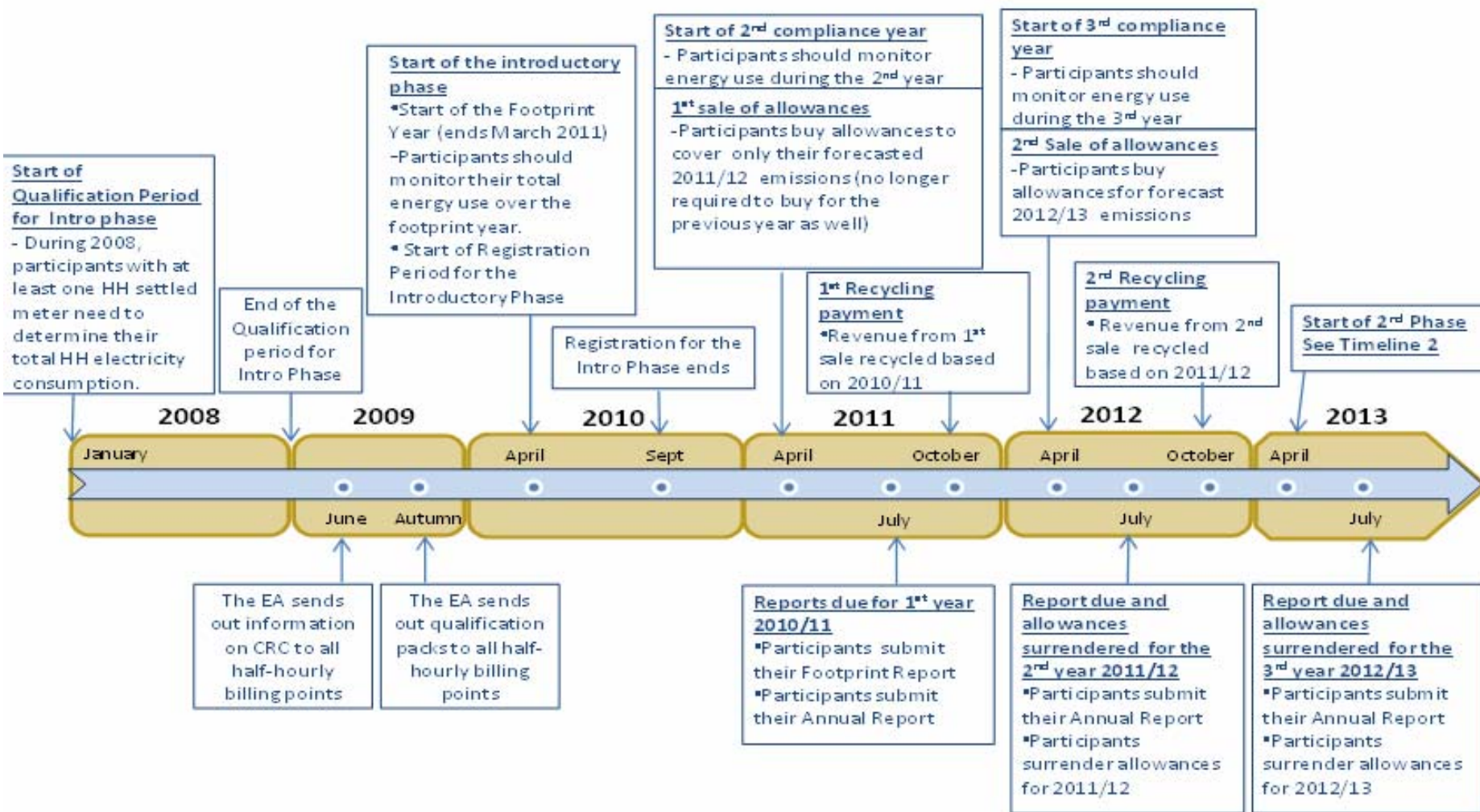
The CRC

- ➔ 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
- ➔ Scheme runs in Phases
- ➔ 6 Steps:
 - Forecast emissions (April)
 - Purchase allowances (April)
 - Monitor/manage emissions
 - Purchase additional allowances
 - Report emissions (July)
 - Receive 'recycling' payment (October)

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?

Financial and Administrative impact for Participants

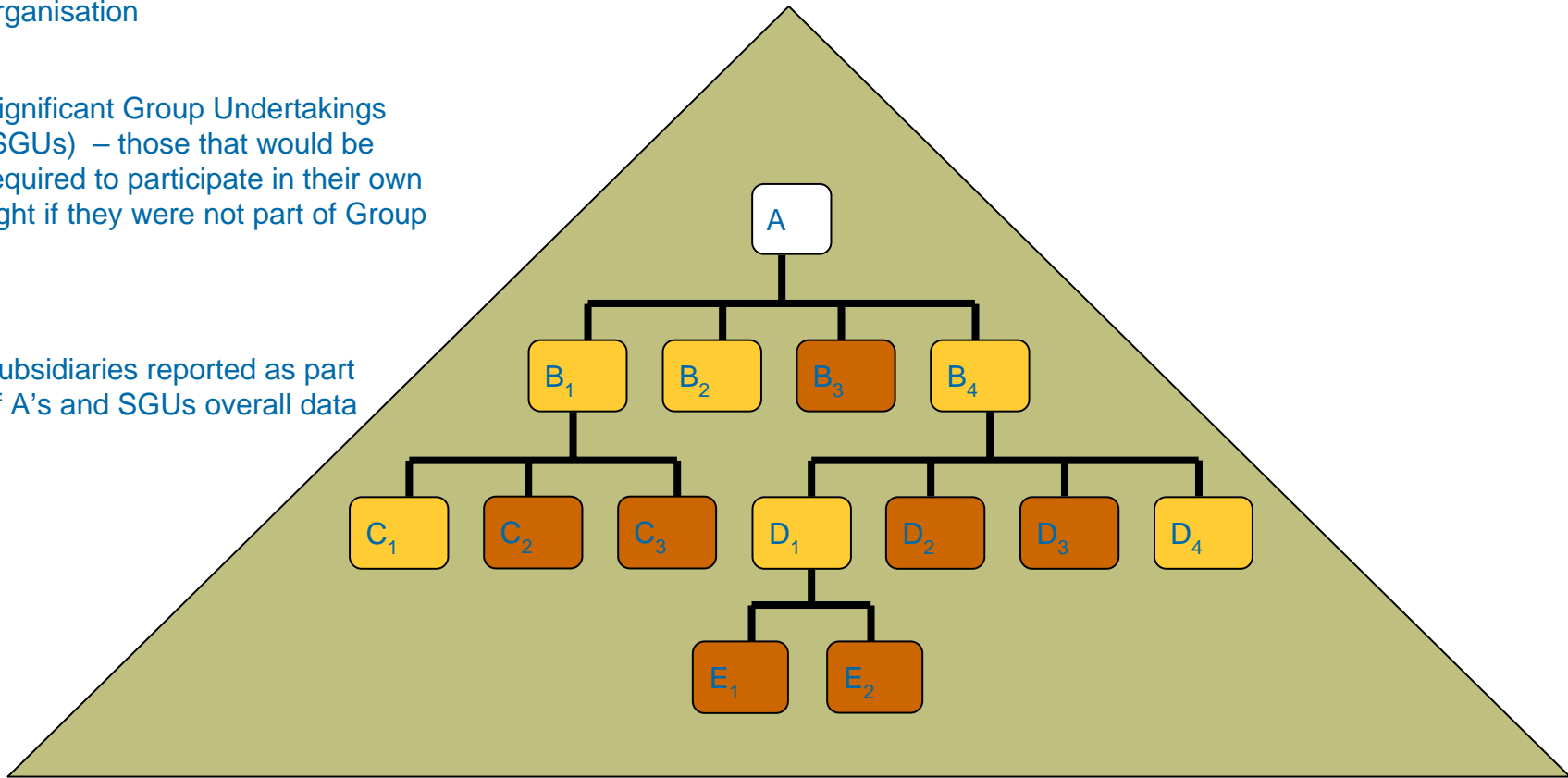
Organisational Structure

KEY

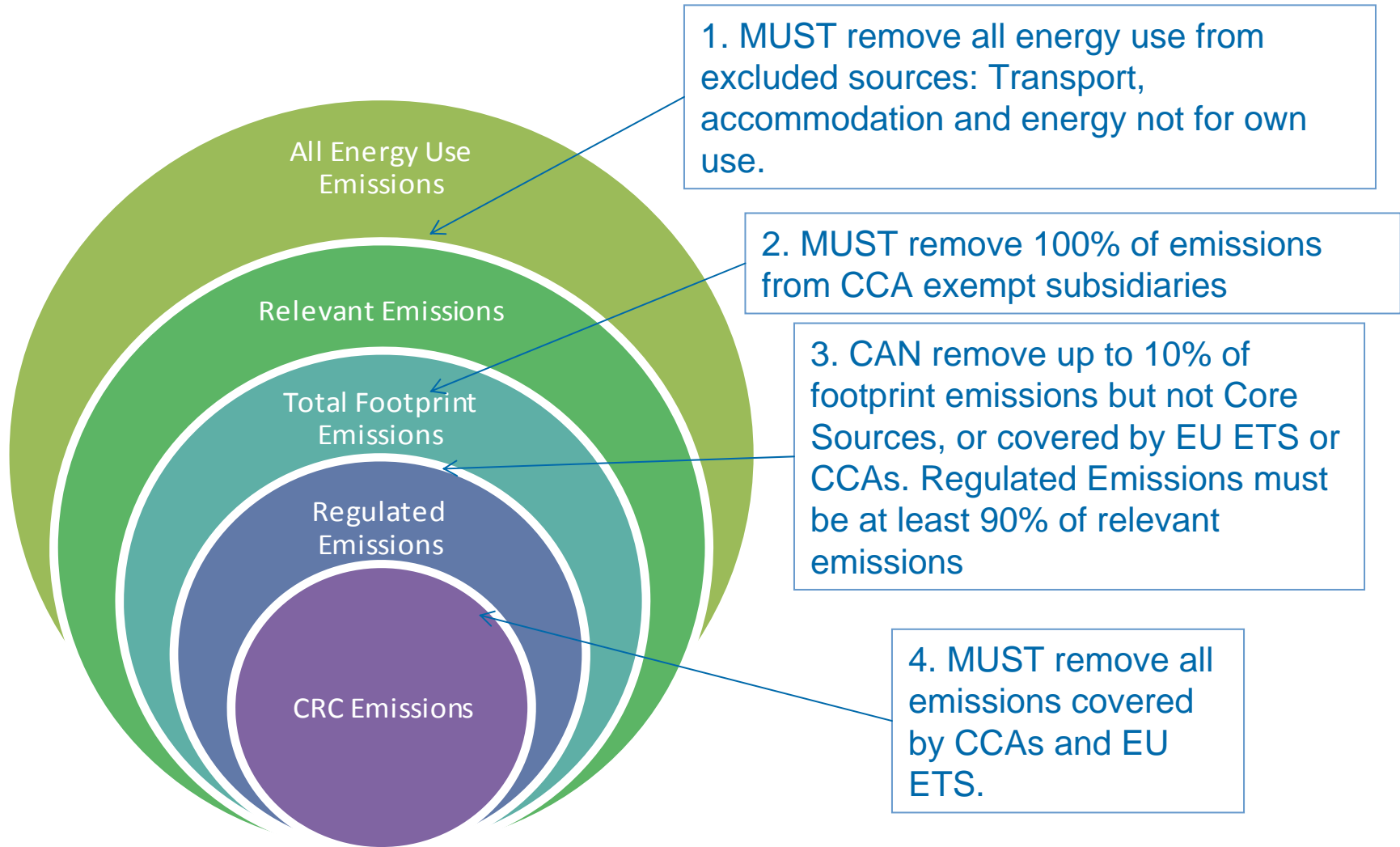
 Highest parent organisation

 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



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)

Allowances
League Table
Revenue Recycling

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%

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)

**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 Guidance Materials

- A short introduction to the CRC Energy Efficiency Scheme
- Am I in? A guide to qualification and organisational structure
- Registering as a CRC Participant
- Making an Information Disclosure

- Frequently Asked Questions

- Case Studies

- DECC website: www.DECC.gov.uk/crc

- Consultation on the Draft Order to Implement the CRC
- Government Response and Policy Decisions