

# Limiting climate change

## CRC Energy Efficiency Scheme

The CRC Energy Efficiency Scheme is a new, mandatory emissions trading scheme to promote energy efficiency and reduce carbon emissions in the UK. The scheme applies to large private and public sector organisations, which together contribute around ten per cent of national carbon dioxide emissions. The CRC starts 1 April 2010.

The CRC targets emissions that are not already covered by Climate Change Agreements (CCAs) or the EU Emissions Trading Scheme (EU ETS).

CRC will have a significant impact on reducing UK carbon emissions and offers the potential for businesses and public sector organisations to save money through energy efficiency. It is designed to:

- stimulate changes in behaviour and infrastructure
- generate corporate awareness of emissions
- improve energy management practices.



CRC participation is determined by 2008 electricity consumption. Any organisation with a “settled half-hourly electricity meter” during the calendar year 2008 will have to provide us with information about how much half hourly metered electricity it used.

Those that used at least 6000MWh during 2008 (roughly equating to a bill of £500,000 per year), need to start monitoring and recording emissions from energy use from April 2010. These organisations need to register for CRC as a Participant.

If the amount was less than 6,000MWh in 2008, we must be told, but no further action is required. These organisations need to make an Information Disclosure during the CRC registration period.

CRC Participants will have to monitor emissions from energy use, report these emissions annually, and purchase and surrender allowances that correspond to their emissions.

Government will not make money from CRC, as revenue raised from the annual sale of allowances will be recycled back to participants. The size of this repayment will depend on a participant's performance in the scheme as identified in the annual League Table.

#### **What will CRC achieve?**

CRC will deliver emissions savings of at least four million tonnes of CO<sub>2</sub> a year by 2020 (equivalent to at least 1.1 million tonnes of carbon). Analysis indicates that, by improving energy efficiency, CRC will achieve cost-effective emissions reductions, saving participants money, and enabling green growth – benefiting the economy by £1 billion per year by 2020.

#### **How will this be achieved?**

After the three-year introductory phase, Government will limit the number of emissions allowances available in each phase, setting an absolute cap on the total emissions permitted for CRC organisations.

#### **Our role**

The Environment Agency is the lead UK Administrator for the scheme, responsible for running and maintaining the CRC Registry, which will be used to administer the scheme.

We will also audit and enforce the scheme in England and Wales.

The other regulators will be the Scottish Environment Protection Agency and the Northern Ireland Environment Agency.

We will also participate in CRC as our electricity use exceeded the qualification threshold in 2008.

#### **Implementation**

There will be civil penalties such as fines and, where necessary, blocking the trading account of participants who do not comply with CRC. Those who fail risk damaging their reputation as details of enforcement action will be publicly published.

#### **Leading by example**

We will participate in the CRC and are committed to improving our environmental performance to set an example to those who we work with, regulate and influence.

We also aim to reduce our carbon emissions by 16 per cent [11,000 tonnes] by March 2011 and by 33 per cent [22,000 tonnes] by March 2015, from 2006/07 levels.

For more information, visit  
[www.environment-agency.gov.uk/crc](http://www.environment-agency.gov.uk/crc)

For CRC assistance, contact  
CRCHelp@environment-agency.gov.uk