

CRC ENERGY EFFICIENCY SCHEME A SCOTTISHPower GUIDE

Large Business Sales – Energy Retail



SCOTTISHPower
The Energy People



CRC ENERGY EFFICIENCY SCHEME

THE CRC ENERGY EFFICIENCY SCHEME (FORMERLY KNOWN AS THE CARBON REDUCTION COMMITMENT) IS A NEW MANDATORY CARBON EMISSIONS REDUCTION SCHEME. IT HAS BEEN DESIGNED TO REDUCE EMISSIONS OF CARBON DIOXIDE AND IMPROVE ENERGY EFFICIENCY IN LARGE PUBLIC AND PRIVATE SECTOR ORGANISATIONS. IT IS A KEY PART OF THE GOVERNMENT STRATEGY TO CUT GREENHOUSE GAS EMISSIONS BY 80% BY THE YEAR 2050.



CRC ENERGY EFFICIENCY SCHEME

WHETHER YOU QUALIFY TO PARTICIPATE IN THE SCHEME IS DEPENDENT ON YOUR ORGANISATION HAVING ELECTRICITY SUPPLIED THROUGH AT LEAST ONE HALF HOURLY METER (HHM) THAT IS SETTLED ON THE HALF HOURLY (HH) MARKET, AND THE LEVEL OF CONSUMPTION THROUGH THESE METERS DURING 2008. TAKE A LOOK AT THE CHART TO SEE WHETHER YOU QUALIFY FOR THE INTRODUCTORY PHASE.

If you qualify to participate in the CRC Energy Efficiency Scheme you will have to keep accurate records of all your energy use emissions. Using this information you will need to purchase allowances to match your CRC emissions for each compliance year. You will then be required to surrender these allowances and submit reports to the scheme administrators.

As this is a mandatory scheme, there are penalties for non-compliance.

The scheme started with an introductory phase from 1st April

2010 to 31st March 2014. During this period, the cost of allowances will be fixed at £12/tCO₂ and there will be no limit to the number of allowances available for purchase. There are at least another two six-year phases planned beyond this, in which the number of allowances available will be capped and reduced each year, and the price will become variable and dependent on demand.



CRC ENERGY EFFICIENCY SCHEME

THE CHART OPPOSITE SHOWS WHEN EACH STAGE OF THE INTRODUCTORY PHASE OF THE CRC ENERGY EFFICIENCY SCHEME TAKES PLACE.

The CRC Energy Efficiency Scheme commenced on 1st April 2010 and you were required to complete your registration by 30th September 2010. This can be done online via the Environment Agency, who are the administrator of the scheme, and costs £950. Your organisation will also be subject to a £1,290 annual subsistence fee.

If your organisation did not exceed the 6,000 MWh threshold through all HHM in 2008, you will still need to go to the online registry and make an information disclosure. You will not, however, be subject to any registration fees.

The first year of the CRC Energy Scheme is a reporting-only year, therefore you will not need to make any allowance purchases until April 2012. However, you will need to start collating your energy use information in order that you can meet your CRC reporting requirements. Your first reports are due for submission in July 2011.

2008

JANUARY – DECEMBER

Qualification Period

2009

OCTOBER

Environment Agency sends out information on qualification to all half-hourly billing points

2010

APRIL Registration Period

CRC Energy Efficiency Scheme Begins Start of 1st compliance year Start of Footprint Year

SEPTEMBER

End of Registration Period

2011

APRIL

Start of 2nd compliance year

JULY

Footprint Report and 1st Annual Report due

OCTOBER

1st League Table published

2012

APRIL

Start of 3rd compliance year
1st sale of allowances

JULY

2nd Annual Report due and allowances surrendered

OCTOBER

2nd League Table published

2013

APRIL

Start of 4th compliance year
2nd sale of allowances

JULY

3rd Annual Report due and allowances surrendered

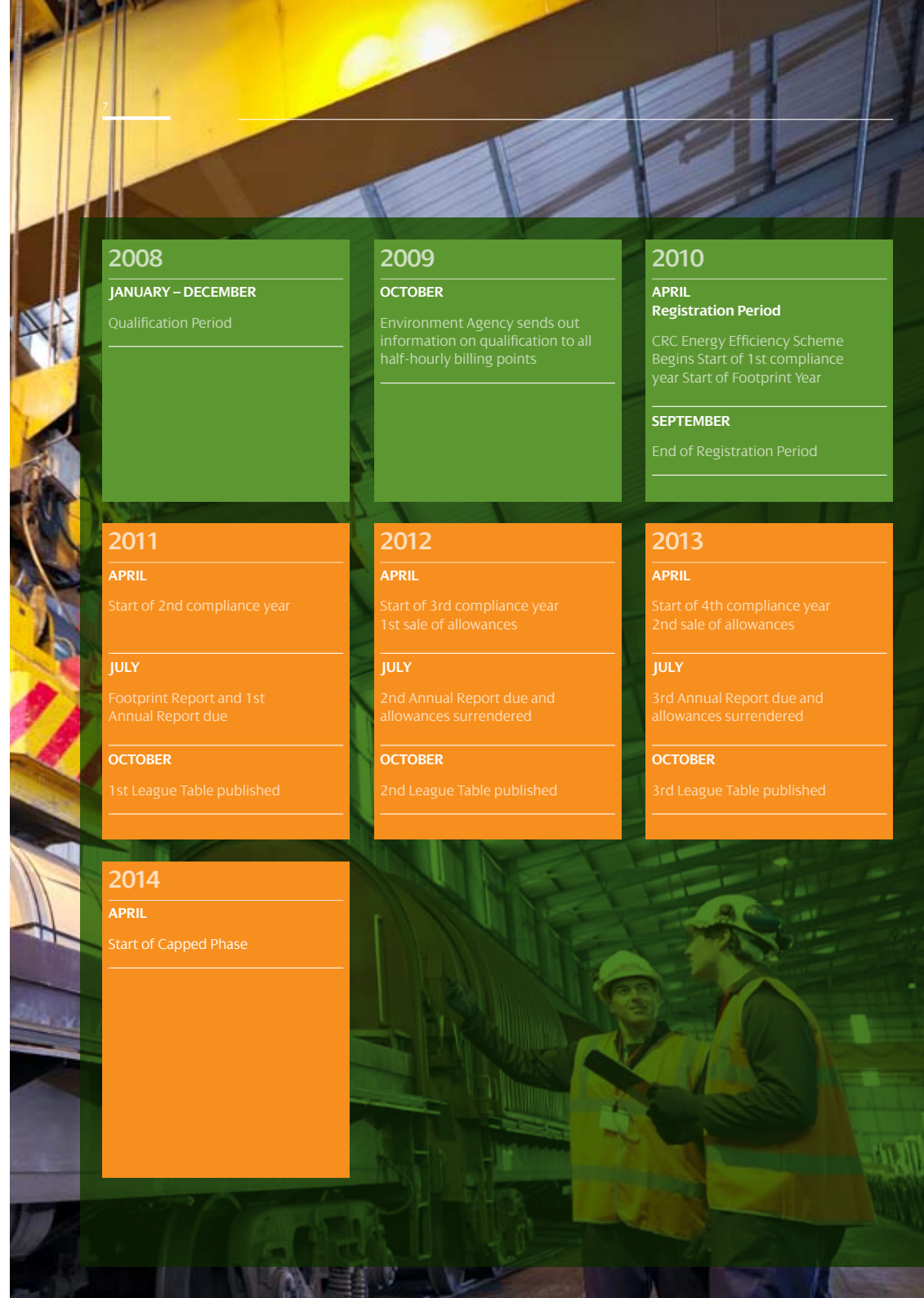
OCTOBER

3rd League Table published

2014

APRIL

Start of Capped Phase





THE LEAGUE TABLE

THE ADMINISTRATORS OF THE SCHEME WILL COLLATE INFORMATION ABOUT THE PERFORMANCE OF ALL CRC PARTICIPANTS AND PUBLISH A LEAGUE TABLE. THIS WILL BE DEVELOPED USING THREE DIFFERENT METRICS. THESE ARE:

Absolute Performance: This measures the percentage change in emissions by comparing the current annual emissions with the average emissions over the preceding five years. Where five years of data is not available, whatever amount of data is available is used for the average.

Early Action: This metric is the combination of two equally weighted factors. The first is the percentage of electricity and gas emissions (excluding those covered by mandatory HHM) that are covered by voluntarily installed automatic meter reading by March 2011. The second factor is the percentage of reported CRC emissions covered by the Carbon Trust Standard (or recognised equivalent). This metric is only applicable in the introductory phase of CRC.

Growth: This measures the percentage change in emissions per unit turnover (or revenue expenditure if public sector) by comparing current per unit level of emissions with average over the preceding five years.

The final score is calculated as a weighted average. The metrics are weighted as shown opposite.

Metric	Introductory Phase Year One (April 2010 - March 2011)	Introductory Phase Year Two (April 2011 - March 2012)	Introductory Phase Year Three (April 2012 - March 2013)	Introductory Phase Year Four (April 2013 - March 2014)
Absolute	0%	45%	60%	75%
Early Action	100%	40%	20%	0%
Growth	0%	15%	20%	25%





HOW SCOTTISHPOWER WILL SUPPORT YOU

SCOTTISHPOWER ARE COMMITTED TO PROVIDING YOU WITH THE CONSUMPTION DATA YOU REQUIRE FOR YOUR CRC REPORTING.

If you wish to receive a crc annual statement, please email crchelpdesk@scottishpower.com with a full list of scottishpower-supplied sites (including electricity mpans and gas mprns) for which you require consumption data. You must request this from us by the 31st march 2011. If you have any further questions about the CRC Energy Efficiency Scheme, how it affects your business and how we can assist you, please email our CRC advice helpdesk at CRCHelpdesk@ScottishPower.com

Any updates to the CRC Energy Efficiency Scheme will be made available on the dedicated CRC page of our website at www.scottishpower.co.uk

ScottishPower also offers a number of Energy Management products and services that are designed to help you reduce your consumption. For further information, you can email our Energy Management team at EnergySolutions@ScottishPower.com or call us on **0845 030 4053**. Lines are open between 08:30 and 16:00, Monday to Friday.

ScottishPower could help maximise your league table position. The early action metric applying to AMR equipment only applies for the first two years of the scheme so you should act now to benefit.

For details of AMR solutions call ScottishPower's Metering Services Organisation on 0141 565 3161 or email CommercialTeam@dataserve-uk.com



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