

CARBON REDUCTION COMMITMENT ENERGY EFFICIENCY SCHEME (CRCEES) FACTSHEET



What is the Carbon Reduction Commitment Energy Efficiency Scheme?

The Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES) is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations. Organisations qualified for the initial CRCEES phase (April 2010 - March 2014) based on 2008 electricity consumption.

Organisations qualify for Phase 2 between 1 April 2012 and 31 March 2013 if they have:

- at least one settled half hourly electricity meter
- consumed at least 6,000 megawatt hours (MWh) or more of qualifying electricity supplied on the settled half hourly market.

If your organisation meets these criteria you must have registered for Phase 2 of the scheme between 4 November 2013 and 31 January 2014. Some public bodies must participate in CRC no matter how much electricity they consume. These are known as mandated participants. All qualifying organisations must register as participants via the CRC registry.

To find out more, visit: www.environment-agency.gov.uk

What are my CRCEES obligations?

In a nutshell, if your organisation qualifies and once you have registered for the scheme through the Environment Agency registry, you will have to submit an annual report of your electricity and gas consumptions converted into tonnes of CO₂. You will then have to order, pay for and surrender a matching number of allowances to cover your annual CRC emissions in tonnes of CO₂.

While the scheme may continue to develop, your organisation will still have legal obligations to comply if you qualify. Please note that a simplification consultation was carried out in March 2012. The aim of the consultation was to reduce complexity, give greater business certainty, and less overlap with other schemes. (For more information on the scheme changes see page three).

The majority of the scheme's changes will be implemented from April 2014. While the scheme evolves, you can keep up to date by visiting the Department of Energy and Climate Change website: www.decc.gov.uk

What is a CRCEES Annual Statement?

As your energy supplier, we are mandated to help you with your annual reporting for CRCEES by providing you with an annual statement. This will show you the consumption for each Meter Point Administration Number (MPAN) / Balancing Mechanism Unit (BMU) which we have supplied and billed during the selected period i.e. 1 April 2013 to 31 March 2014.

To find out more, visit: www.environment-agency.gov.uk

Important information

*All references in this document to consumption means the following:

HH MPANs = Billed consumption data for the reporting year

NHH MPANs = Billed / bill ready consumption data for the reporting year

Why are there two types of CRCEES reports available via MyAccount for Large Business?

An "All" report will cover all sites billed during the period requested for this organisation. A "Select" report covers only the sites you selected when ordering the report. A select report will be useful when you only want to report on part of your portfolio. The type of report and the period you requested is shown in the top right corner of your statement (from page five).

Why prorate? How does this help my organisation?

As part of the Annual report your organisation will need to demonstrate recorded actual and estimated consumption* for the exact scheme year e.g. 1 April 2013 - 31 March 2014. Energy suppliers do not record invoice periods to the exact scheme year. To ensure you have no problems doing this, we have created a daily prorated consumption* based on the invoice period. Where the period covers over the reporting period we will prorate to the exact reporting dates.

For more information about the Annual report please visit: www.environment-agency.gov.uk

What if I receive more than one report?

There might be two reasons for this:

1. EDF Energy systems - EDF Energy is a large organisation with specific systems for different metering types. These meters could be in different systems. Where this is the case we will provide separate reports and make you aware of this. Once received, please ensure you thoroughly check your reports to have full confidence that all sites have been captured.
2. Non Half Hourly Un Metered Supply - Remember Non Half Hourly Un Metered Supply (NHH UMS) or dynamic supply is not captured by the CRCEE Scheme. Abbreviations and relevant technical terms are explained in the 'Understanding the Terminology' section at the back of your report. Please note that from Phase 2 all UMS will need to be reported.

What if I have changes to my company structure?

It is your legal responsibility to inform the Environment Agency within three months of any significant changes to your organisation structure. Within the CRCEES these are known as 'designated changes'. In general a designated change only occurs when it involves the buying or selling of a Significant Group Undertaking (SGU) or an entire CRCEES participant. However for full information you should check the Environment Agency's website at: www.environment-agency.gov.uk

Designated changes are deemed to have taken effect at the start of the emissions year during which the change took place. For example, if your organisation purchases another CRCEES participant or SGU during an annual reporting year and still owns it at the end of the annual reporting year, you will be responsible for reporting emissions and surrendering allowances for the purchased organisation for the entire year. This applies even if the subsidiary was acquired on the last day of the annual reporting year (31 March). It will be up to the acquiring organisation to make the necessary arrangements with the seller regarding a transfer of the allowances.

From 1 April 2014 SGUs will no longer apply and will be replaced by Participant Equivalent's. A Participant Equivalent (PE) is any individual undertaking within an organisation that would have met the qualification criteria for participation in CRC in its own right had it not been part of a larger organisation.

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What do I need to do once I have received my CRCEES annual statement?

Once you receive all your annual statements from your energy suppliers, you can create and submit your organisation CRC annual report using the CRCEES Environment Agency Registry unless otherwise agreed with the Administrator. You need to have been set up on the CRCEES Registry as a Primary Contact, a Secondary Contact or an Account Representative to submit an annual report. (Each user within a participating organisation will have been set up with rights appropriate to their role at the time of registration).

The CRCEES Registry will lead you through the process of submitting the information required for your annual report. It is important that you have gathered the necessary data together before you start.

You may save your data and exit during the reporting process. If you do this the data will be saved for 28 days, after which if the report is not updated or submitted it will be lost.

Remember you must have completed and submitted the report by the last working day of July or you could face a penalty.

What are CRCEES Allowances?

The energy supply data that you input to the Registry as part of your annual report will be converted by the Registry into CO₂ emissions. In order to comply with the CRCEE Scheme you must surrender allowances equal to the emissions that you reported in your annual report. The surrender of allowances must be made by the last working day in October following the end of the annual reporting year. Organisations are required to surrender one allowance for each tonne of CO₂ they emit during the annual reporting year.

What changes have been made to the scheme in 2014?

Following the March 2012 consultation a number of changes have been made to the scheme. Many of these have already been implemented by the Government.

- The number of fuels has been further reduced from 29 to two (electricity and gas, and gas only when used for heating purposes)
- The 90% rule (which meant participants had to demonstrate that 90% of emissions were regulated under the EU Emissions Trading Scheme (EUETS), Climate Change Agreements (CCAs) or CRC) has been removed, but there will be a 2% de minimus threshold for gas used for heating so that organisations with a very low gas consumption do not need to report this
- Responsibility for compliance with CRC has been transferred from the landlord to the tenant if there is a lease of a building of 30 years or more
- All state funded schools in England have been withdrawn from CRC
- Proposals relating to the way trusts are treated have been changed
- The Performance League Table has been abolished but the CRC administrator will continue to publish energy use and emissions data
- The deadline for surrender of allowances has been further extended to the end of October to allow more time to complete the allowance sale process

For more information regarding the changes in the scheme please visit: www.environment-agency.gov.uk

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