



The Carbon Reduction Commitment (CRC)

Corporate Climate Response Conference
20 May 2008

Marie Pender
**Climate and Energy: Business and the Public
Sector**



CRC - part of a broader policy package

- The Carbon Reduction Commitment (CRC) aims to overcome sector's barriers to energy efficiency take-up by leveraging **financial** and **reputational** drivers
- CRC is part of a broader policy package:
 - Voluntary reporting initiatives (e.g. CDP)
 - Voluntary support: Carbon Trust & Salix Finance
 - Regulatory requirements: Building regulations and EPBD
 - Polluter pays: Energy bill incorporates cost of CCL and EU ETS

Reflections

1. CRC is designed to incentivise energy emission reductions in areas of the economy traditionally hard to reach.
2. Aim is to attract the attention of senior managers to authorise action and investment
3. Aim is to harness business relationships such as landlords / tenants and franchisors/ franchisees to deliver energy efficiency

Consultation

- Two formal consultations – Nov 2006 and June 2007
- Over 500 stakeholders at five CRC workshops held across UK during the consultation
- Key areas of feedback from stakeholders
 - Organisations felt they could manage the CRC processes
 - Clarify various issues eg landlord/ tenant and PFI/ PPP
 - Keep emphasis on absolute metric, but do include relative and early action metrics
 - **Keep it simple**
- Invaluable to ensure design of CRC is as user friendly as possible – keep it coming!

What happens next?

- Government consultation on the draft CRC regulations expected in the Autumn
- Stakeholder engagement by the Environment Agency in early 2009, sending out guidance packs to likely CRC participants
- Entry into force of the regulations in 2009

What should you do now?

Qualification

- Qualification will be based on half hourly metered electricity consumption during 2008
 - Work out your organisation structure and where you fit into it
 - Establish a mechanism for collecting energy information at the highest UK part of the organisation
- Start thinking about your sources to meet the 90% rule. Do you want to go beyond the minimum?

What should you do now?

Participation

- Decide if you want to participate in the early action metric
 - Roll out AMR and Register with EEAS
- Decide if you want to participate in the growth metric
 - Collate information on turnover / revenue expenditure for the whole organisation
- To score ticks, you will need to annually report:
 - (i) a longer term quantitative carbon target
 - (ii) performance against that carbon target
 - (iii) a named Director responsible for carbon
- Familiarise yourself with the evidence pack

What should you do now?

Emission Reductions

Most importantly - start to plan what your approach to CRC is going to be

- What is your abatement strategy?
- How are you going to play your part in tackling climate change?