



# Practicalities for CRC organisations

## Countdown to the Carbon Reduction Commitment

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Chiara Sorisi

Senior Policy Advisor

# Practicalities for CRC organisations

- **Monitor** fuel and energy use throughout year - Evidence pack
- **Report** total organisation's emissions at end of year
- Light touch self-certification –  
**Risk-based audit**

# Monitoring energy use

- Evidence Pack
  - Structural records - to define the organisation
  - Data records - to show annual consumption of energy
  - Special event records – to keep an audit trail of unusual events
- Evidence pack signed by a Director

# *De minimis*

- Flexible source based *de minimis*
  - Core sources
    - All half hourly meters
    - All meter profile classes 5 – 8
    - All daily-read gas meters
    - Non-daily metered gas consuming > 73,000 kWh per annum
- Ensure at least **90%** of total energy use emissions covered by either CRC, EU ETS or CCA
- **PARTICIPANTS TO MEASURE AND REPORT EMISSIONS FOR 2009**

# Reporting energy use

- Report by 30th April the following year
- Input data into Registry
  - organisation details
  - annual organisation-wide energy consumption
  - early action information
  - growth metric data
- Emissions factors to convert fuel and energy used into CO<sub>2</sub> emissions
- League table compiled from this information

# Emissions factors

- Single conversion factor will be used for grid-sourced electricity
- Irrespective of tariff structure
- Grid electricity emission factor based on five year rolling average emissions factor (currently **0.523 kg/CO<sub>2</sub>/kWh**)
- ensures that the CO<sub>2</sub> emissions from the use of electricity are more accurately represented
- emissions factors would only be revised at the start of each phase

# Reporting green electricity

- green tariff electricity will not be treated differently from standard tariffs
- any imported electricity will be treated as grid average
- consistent with the approach taken under CCAs and UK ETS
- carbon savings in CRC are additional to those that will be delivered by the Renewables Obligation (RO)

# Reporting of on site renewables

- On-site electricity generation from renewable sources
- Do **not** claim ROCs
- Emissions from this energy use would be zero-rated
  
- If this electricity is exported, it will be credited at a rate of minus 0.523tCO<sub>2</sub>/MWh.
- Credit to organisation that generates renewable electricity

# Reporting of on site renewables

- On-site electricity generation from renewable sources
- Claim ROCs
- Reported as an import from grid – grid average conversion factor
- Export will attract a credit of minus 0.523tCO<sub>2</sub>/MWh.
- net reporting impact is zero

# Electricity Generation

- Electricity imported from the grid and then used for electricity generation
- Grid electricity input can be netted off against grid electricity output
- On-site renewable electricity -where ROCs are not claimed- crediting of grid electricity exports above and beyond the level of grid electricity imports is allowed

# Reporting Combined Heat and Power (CHP)

- The reporting requirements for all CHP plants will be the same
- 1) CRC participant operating a CHP plant**
  - Only report primary fuels input into CHP plant
- 2) CRC participant importing electricity from a CHP plant**
  - Electricity - grid average
  - Import heat – zero rated
- The emissions factors:
  - Electricity – grid average (currently 0.523 kg/CO<sub>2</sub>/kWh)
  - Heat – zero rated

# Risk-Based Audit

- 20% of CRC organisations will be audited annually
- audit would initially be a desk-based assessment
- site visits would result in case of information discrepancies
- audits would run on a rolling annual programme

# Risk-Based Audit

- Preliminary risk assessment framework criteria being considered include:
  - Energy usage
  - Compliance record
  - Performance in the league table
  - Frequency

# Penalties and Offences

- Self-certification requirements as 'light touch' as possible
- Strong penalties to deter abuse and secure compliance
- Some proposals:
  - Failing to register
  - Failure to provide annual data on time
  - Provision of false annual emissions data
  - Failure to pay for allowances purchased at sale / auction
  - Failure to surrender allowances corresponding to reported emissions

# Questions

**[crc@defra.gsi.gov.uk](mailto:crc@defra.gsi.gov.uk)**