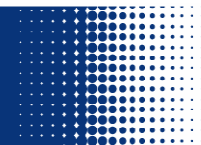




# MANAGING CRC OBLIGATIONS TO YOUR BENEFIT

**Shayne Rees**  
Marketing Communications  
Manager

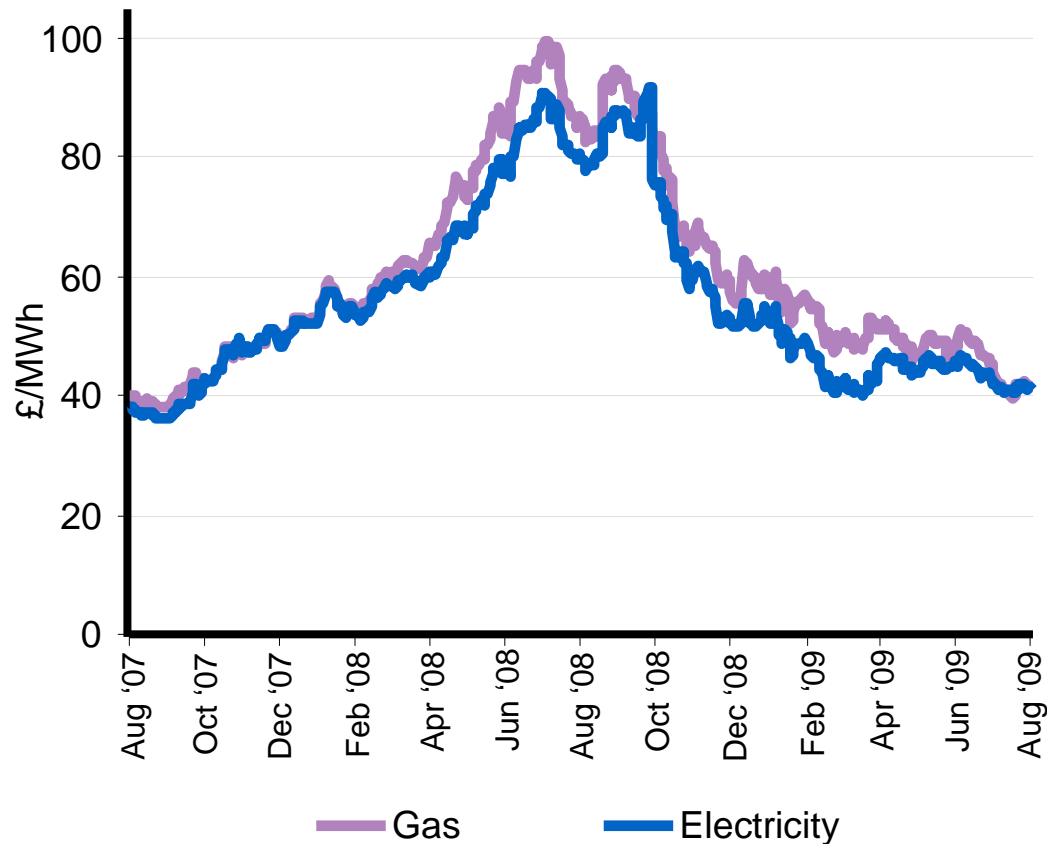
ENVEC 2009  
8 October 2009



## ❖ REMEMBER THE CRC'S OVERARCHING OBJECTIVE

Push non energy intensive organisations that use large amounts of energy to achieve carbon savings through greater energy efficiency

## ❖ REDUCE EXPOSURE TO HIGH ENERGY PRICES



	'09	'10	'11	'12
<b>Coal</b> (\$/t)	68	78	92	100
<b>Oil</b> (\$/barrel)	69	74	77	80
<b>EMISSIONS</b> (€/tCO <sub>2</sub> )	14.8	15.2	15.9	16.9
<b>UK Power</b> (£/MWh)	39	44	47	49
<b>UK Gas</b> (p/th)	32	46	52	55

Source: Spectron

## ❖ PRIORITISING CRC ACTIONS

**Objective:** first avoid penalties, then achieve best possible ranking

1. Information for accurate registration
2. Data for footprint report & opted in emissions
3. Early action metric decisions
4. Energy saving programmes

## ❖ DATA MANAGEMENT

### What's my CRC organisation

- The organisation's legal boundary

### Which sites count

- Site inventory with 'counterparty status'

### Which emissions are relevant

- Core / residual status & 90% rule

### Where is my data

- Systematic data collection & storage

### NI 185 learnings

1. Time
2. Structure
3. Current records

# ❖ EXAMPLES



## ❖ PENALTY PROPOSALS

### Principles

Light touch

Civil then criminal

- Knowing falsification
- Ignoring civil penalties

No financial gain

Proportionate

Deterrent

Transparent

### Assistance

For CRC participant to recover penalty costs.

Consider liability insurance cover.

### Registration deadline

**Non participants:** HH list / data not disclosed: £1,000

**Participants:** £5,000 + £500/day (max £105k)

### Annual reporting deadlines

£5,000 + 5p per tCO<sub>2</sub>/day (max 40 days) (min £12k)

Doubled if administrator completes report

Ranked bottom of league table

### Reporting accuracy

>5% diff reported & actual emissions: £40/tCO<sub>2</sub> (min £12k)

Insufficient allowances surrendered: £40/tCO<sub>2</sub>

Evidence pack not maintained: £5/tCO<sub>2</sub> (est. min £30k)

Estimated min / max based on 6,000 tCO<sub>2</sub> emissions

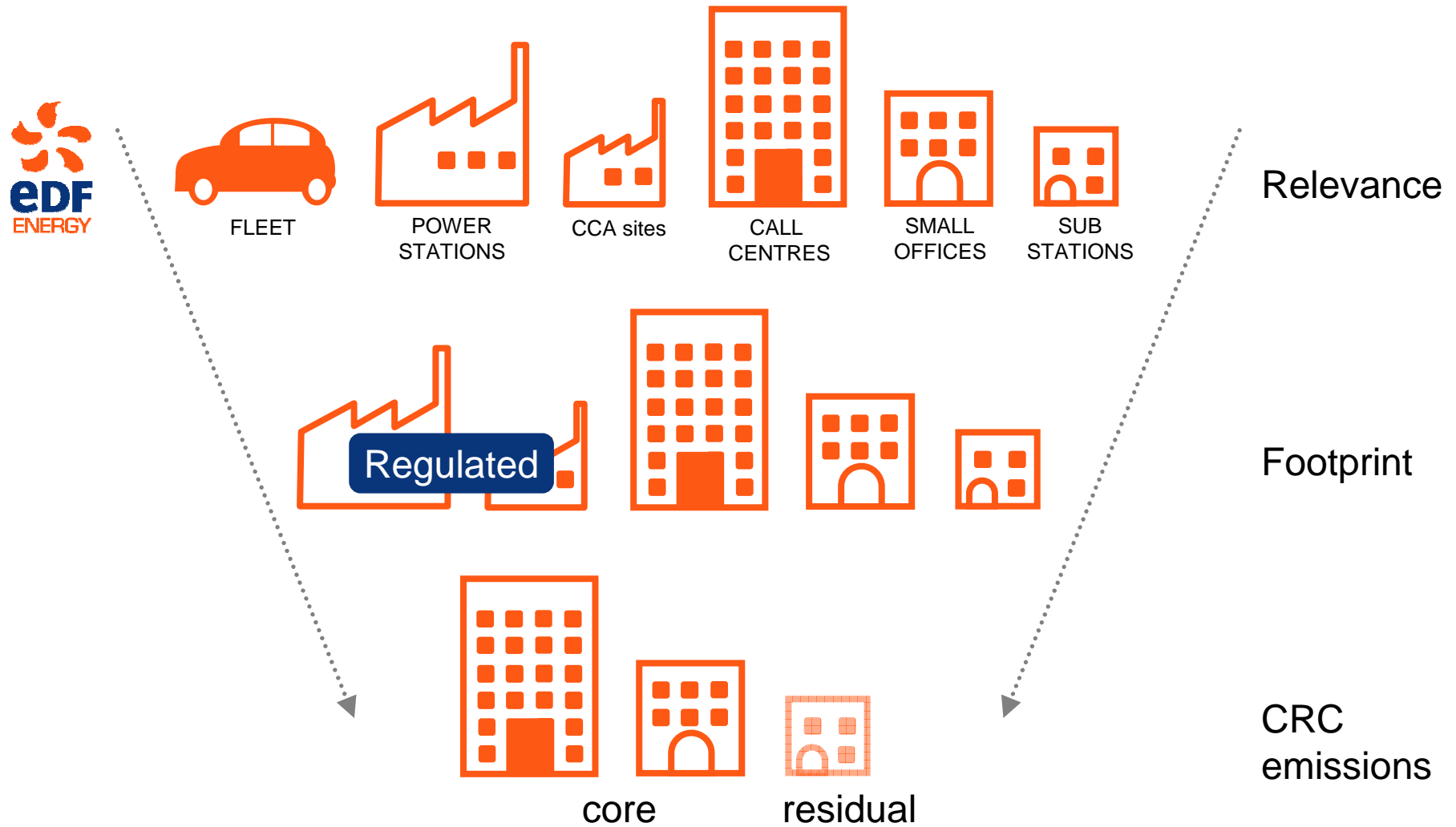
## ❖ RECYCLING PAYMENT FORMULA

$$\begin{aligned} &\text{Revenue from allowance sale} \times \frac{\text{Company 2010/11 emissions}}{\text{Total CRC 2010/11 emissions}} \times \text{\% bonus/penalty factor} = \text{Recycled payment} \\ &\text{(excl EU ETS safety valve sales \& penalties)} \end{aligned}$$

Banked allowances – allowance carries forward but revenue recycled in year of purchase



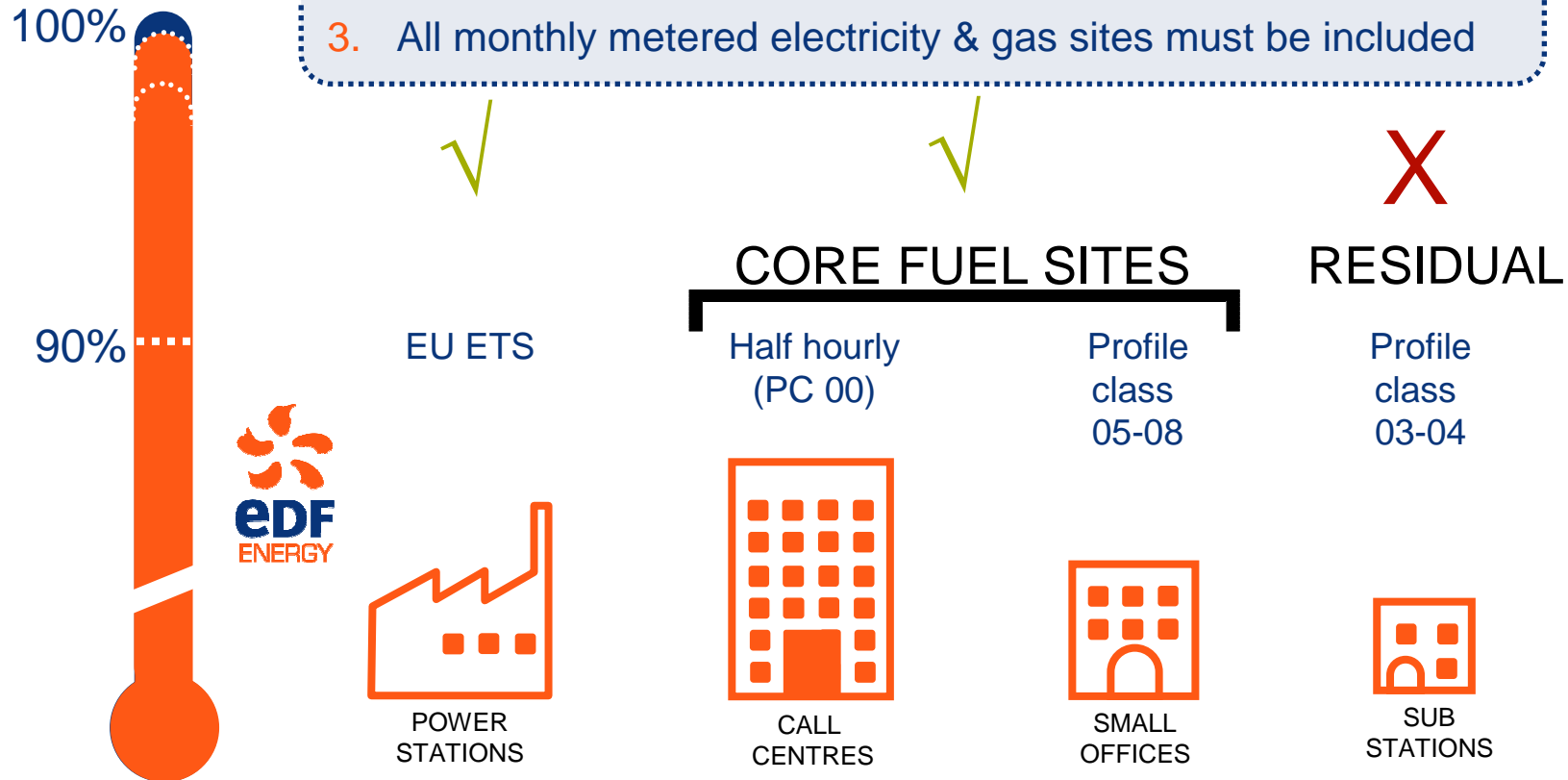
# ❖ DETERMINING CRC EMISSIONS



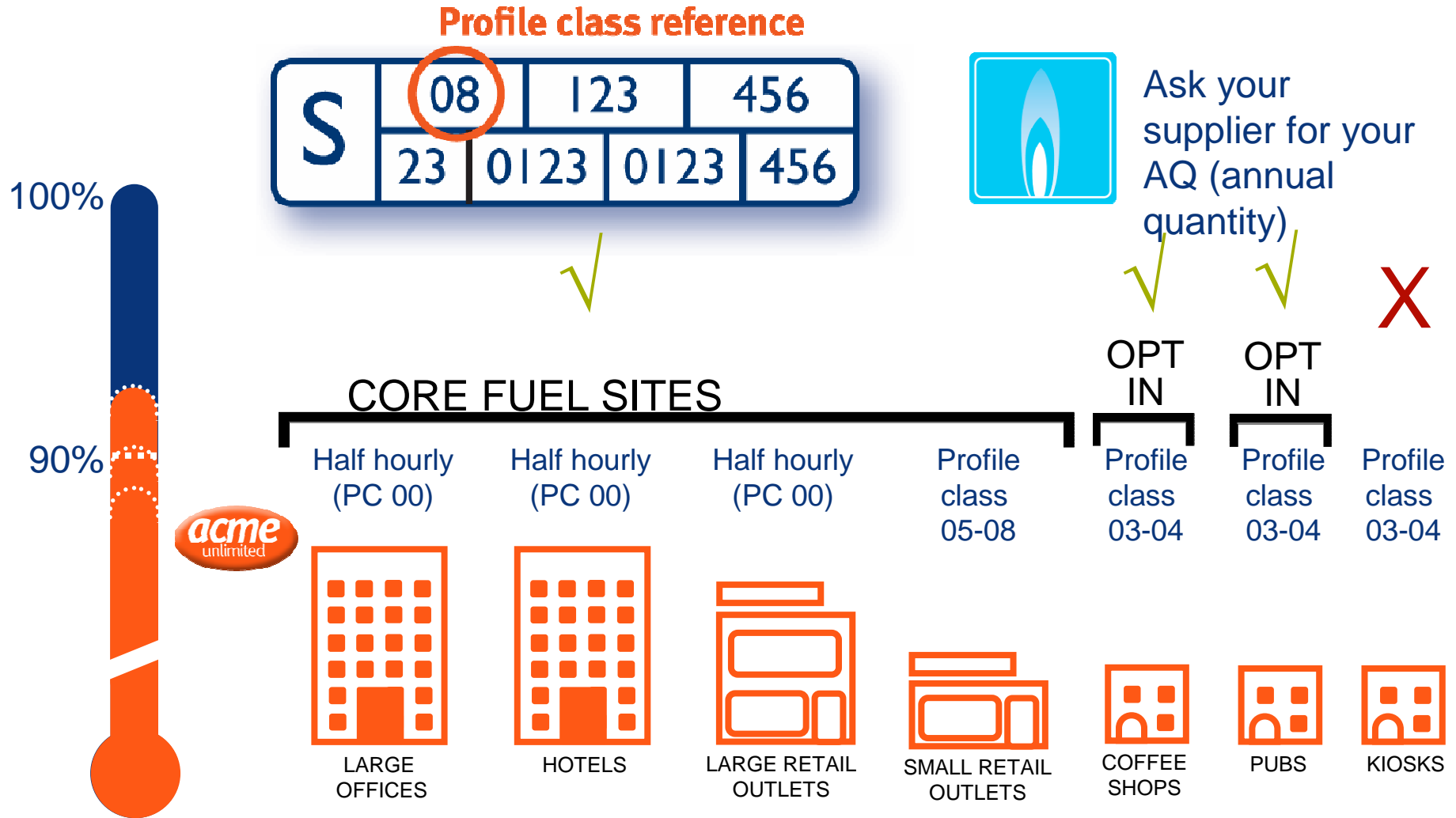
# ❖ CORE FUELS AND THE 90% EMISSIONS RULE

## Principles

1. 100% energy assessment prior to the phase starting
2. 90% of emissions must be covered by CRC, CCA or EU ETS
3. All monthly metered electricity & gas sites must be included



# ❖ CORE FUELS AND THE 90% EMISSIONS RULE



# THE RECYCLING PAYMENTS IN FIRST 3 YEARS

1	2	3
2010/11	2011/12	2012/13
<p><b>APRIL Buy</b> Not required</p>	<p><b>APRIL Buy</b> £50 (10/11 actual) £50 (11/12 forecast) <hr/>£100</p>	<p><b>APRIL Buy</b> £50 (12/13 forecast)</p>
<p><b>JULY Report</b> Not required</p>	<p><b>JULY Report</b> CO<sub>2</sub> (10/11 actual) £ T.O. (10/11 actual) AMR &amp; CTS (in place by March 11)</p>	<p><b>JULY Report</b> CO<sub>2</sub> (11/12 actual) £ T.O. (11/12 actual) AMR &amp; CTS (AMR by March 11, CTS by March 12)</p>
<p><b>OCTOBER Rebate</b> Not required</p>	<p><b>OCTOBER Rebate</b> £100 ±10% Based only on AMR &amp; CTS in place by March 11</p>	<p><b>OCTOBER Rebate</b> £50 ±20% Based on all three metrics against baseline</p>

THANK YOU

