
The CRC Energy Efficiency Scheme - In Brief

What is it?

The Carbon Reduction Programme is the UK's first mandatory carbon trading scheme, designed to lower carbon emissions from larger "low carbon intensity" organisations.

The scheme is designed to reduce carbon emissions using behavioural, reputational and financial drivers to challenge organisations to develop energy management strategies that increase awareness of energy usage.

Who is involved?

All organisations with at least one electricity meter settled on the half-hourly market. Where energy consumption is more than 6000 mega-watt hours of half-hourly metered electricity in the qualification year (2008), these organisations will be required to participate in the scheme. Organisations with a lower consumption will be required to make an information disclosure.

How will organisations participate?

All participating organisations will be required to report on consumption and purchase carbon allowances for each tonne of carbon emissions generated through use. Each allowance has been nominally set at £12 per tonne at this stage.

In addition to the tax element, the scheme also includes a performance league table designed to "celebrate success" by categorising the organisations achieving the greatest carbon emission improvements as the best performing.

Any organisation that falls within the criteria for inclusion, but does not participate, will be liable for significant financial penalties as a result.

Why is it happening?

The government is committed to reducing carbon emissions and having introduced the Climate Change Agreements aimed at heavy industry where the carbon intensity of their activities is known to be highly intensive, the government is now focussed on this next energy using sector. Involving 5000 or more UK organisations from both private and public sector, this initiative is thought to involve 25% of all UK businesses and cover 10% of the UK's current carbon emissions.

Aims of the Scheme?

The aim of the scheme is to reduce carbon emissions currently produced from the “low energy intensive” sector by 1.2 million tonnes by 2020, and as a Climate Change Bill commitment, to reduce emissions by 60% by 2050.

When will it happen?

2008 – The qualification year when organisations were identified for inclusion based upon energy usage.

2009 – July – Environment Agency made contact with organisations with reference to the scheme

2010 – April – The scheme begins with a registration period lasting until September

2011 – April – Original start date for 1st sale of carbon allowances

July – Foot print report submitted by participating organisations

October – First Carbon league table published

2012 – April – Revised date for 1st sale of carbon allowances.

How can air curtains make a difference?

Wherever the movement of people causes doors to remain open, there is a significant opportunity to retain heated or cooled air within a building or space using a Dimplex air curtain. The energy savings over just one entrance can be duplicated many times over for businesses that have many regularly opened entrances. Applications are almost limitless, but some notable ones include shops, offices, warehousing, public buildings to name just a few.

In addition to these benefits, the deferred start date of the 1st sale of carbon allowances has given participating organisations both time and an injection of finances saved to invest in technologies like air curtains to reduce carbon emissions prior to the April 2012 start date.

More detailed information on the CRC Energy Efficiency Scheme can be found on the Department of Energy & Climate Change web site.
