



CARBON REDUCTION COMMITMENT

The Carbon Reduction Commitment Energy Efficiency Scheme (CRC) is a mandatory carbon emissions trading scheme covering all organisations who use more than 6,000MWh electricity per year (equivalent to an annual electricity bill of about £500,000).

All energy types (e.g. electricity, gas, fuel, oil) apart from transport fuels are covered. Each year, the CRC will require participating organisations to purchase, and submit, sufficient allowances to meet their annual emissions covered by the scheme.

The scheme started reporting from April 2010, covering the first sales of allowances held in April 2011. During the introductory phase, all carbon emission allowances were sold at a fixed price of £12 per tonne of carbon dioxide. From April 2013, allowances will be auctioned by the government, with fewer available each year.

Revenues from the sale of allowances will be recycled back to organisations within the scheme. Each organisation will be repaid, in proportion to their historic emissions, with a bonus or penalty depending on the extent to which they have reduced their emissions compared with other organisations within the scheme.

In the event of excessive allowance prices within the CRC, a "Safety Valve" mechanism allows EU Emissions Trading Scheme (ETS) allowances to be purchased via the Environment Agency for use in the scheme.

Chalmor is able to offer a heating and lighting survey to review where energy saving can be achieved and thus help reduce the impact on organisations.