



[Click here for a full summary of the new CRC legislation.](#)

Manufacturers should know their legal obligations under new CRC legislation for all HH meters.

Under the new **Carbon Reduction Commitment (CRC) Energy Efficiency Scheme** legislation, you or your appointed representative will be required to take action in a six-month window from April 2010.

Failure of any company with a HH supply to take the appropriate action will result in a fine of up to £5,000 plus £500 per working day until action is taken. At worst a director could face imprisonment.

The action required of you will depend on your business' carbon footprint. Those businesses which in 2008, consumed over 6,000 megawatt hours (MWh) on the half-hourly market will need to register and comply fully as participants in the CRC scheme including calculating and disclosure of carbon footprints, annual reporting and purchasing/surrendering of carbon allowances.

Those organisations which, in 2008, had at least one settled half-hourly electricity

will need to make an information disclosure under the CRC scheme. There is no requirement to report on emissions or to purchase and surrender allowances for these organisations.

Companies using more than 1,000 MWh but less than 3,000 MWh will be required to register with the scheme.

Calculations and reporting are likely to be a minefield, particularly in the early days of the new scheme, however any scope for leniency for companies who do not comply fully is unlikely.

If you would like to discuss the impact CRC will have on your organisation or you would like us to guide you through the process to avoid the penalties please contact:

Richard Dormer, Technical Director
on **0844 824 3838** or at
CRC@BusinessSwitch.co.uk.

About BCR Associates:

BCR Associates is one of the UK's most considered cost reduction companies. We offer advice, procurement and account management services across a wide range of essential business spend to help companies limit their waste.

Our cost reduction reviews are free, without obligation and all savings are passed on in full as we do NOT charge commission on any of our services*. All we need are your bills...



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Gas



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Finance



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Staff



Business Rates



Green Services

Tel: 0844 824 3838
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Electricity



Gas



Water



Finance



Telecoms



Insurance



Vehicles



Staff



Business Rates



Green Services

A summary of the new CRC legislation coming into effect in April 2010:

What is the legislation?

The legislation is designed to "encourage" companies to reduce their energy consumption and hence their carbon emissions in order that the UK meets its emission targets for 2020. The legislation is called the "Carbon Reduction Commitment Energy Efficiency Scheme" or CRC and comes into effect April 2010.

Am I affected?

Yes, *all* HH electricity supplies are affected to differing degrees. (see notes)

What do I have to do?

This depends on your level of energy consumption (see notes). At one end the very minimum is to determine accurately your energy usage and register your meter with a government, at the other end of the scale is full participation in carbon trading on the CRC market.

Am I responsible if my company is part of a group or a subsidiary?

No, not unless you are a director of the highest parent company. However, if a director at that level is not aware of this legislation, you may well get a very urgent request once he does find out.

Can I choose not to take part or avoid it in anyway?

To do so is illegal, would be very expensive and can include a criminal conviction and a possible jail term for a named director.

What happens if I fail to register a HH meter?

The minimum requirement is to register your meter in the appropriate place with the appropriate government body. Failure to do so will result in an **immediate fine of £5,000** imposed with a further fine of **£500 per working day for each subsequent working day of delay**. Plus being "named and shamed".

What happens if I fail to disclose information?

A further, one-off **fine of £1,000**.

What happens if I failure to supply a footprint report?

Immediate **£5,000 fine plus £0.05p per tonne CO₂** per working day for 40 days, after the 40th day this fine doubles.

If you are a full participant, these fines escalate to include a **£50,000 fine and imprisonment** for a named director for false or misleading statements.

How will the government find all the meters?

The energy companies have provided the details of every HH meter in the UK to the government and an enforcement team will audit 20% of these meters each year to ensure compliance. The information at Companies House will also be used to identify the responsible "parent" company at the datum point in 2008. This will not be open to negotiation.

Notes:

A breakdown of CRC participation levels:

Consumption 1GWh <3GWh:

- registrant in CRC.
- register your meter with the appropriate government agency.

Consumption of 3-6GWh :

- be a partial participant of CRC.
- register your meter with the appropriate government agency.
- prepare and submit a full information declaration of your total energy consumption.
- prepare for full participation in future years.

Consumption is in excess of 6GWh of HH metered electricity:

- be a full participant in the CRC.
- register your meter with the appropriate government agency.
- declare your total energy consumption including gas, oil and electricity.
- produce energy evidence packs for auditing.
- participate in active carbon trading in the CRC market.
- be subject to a yearly "ranking" as a name and shame of poor performers.
- be audited on a five yearly cycle.

References: <http://www.environment-agency.gov.uk/default.aspx>.