



CRC Energy Efficiency Scheme guidance for participants in Phase 1 (2010-2011 to 2013-2014)

Version 3.1

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Version control

This guidance document will be updated periodically. The table below lists the dates when new versions were published and the pages/sections where updates were made.

If you are reading a printed copy of the manual rather than the on-screen version, please check the [CRC web pages](http://www.environment-agency.gov.uk/crc) (www.environment-agency.gov.uk/crc) to make sure you are reading the latest version.

Version	Date of publication	Actions taken on page/section number	Action (amended/added)
1.0	12 April 2012		
1.1	1 May 2012	P87 – Section 8.1.5	Added hyperlink to screenshot guidance, Enrolling and Logging in as an Account Representative and one extra sentence at the end of this subsection.
2	1 March 2013	Whole document	Updated guidance to take account of Government's simplification measures for the remainder of Phase 1 (compliance years 2012 – 2013 and 2013 -2014)
3	December 2013	Section 5 Whole document P 35	Added details on One Time Passcodes. Removed reference to digital certificates. Changes to reflect establishment of Natural Resource Wales Changes re Annual Report Publication Clarification of gas de minimis rule
3.1	January 2014	P 33 s 3.2.1 P41 s 3.2.5	Changes to correct exclusion of dynamic supplies for remainder of Phase 1

Executive Summary

Introduction

This manual aims to help participants comply with the CRC Energy Efficiency Scheme Order 2010 ([CRC Order 2010](#)) during [Phase 1](#) (April 2010 to March 2014). The CRC Order 2010 will be replaced by the CRC Energy Efficiency Scheme Order 2013 (CRC Order 2013). Until the CRC Order 2013 comes into effect, the CRC Order 2010 remains in force until the end of Phase 1 as modified by schedule 9 of the CRC order 2013.

This document updates previous versions of *CRC Energy Efficiency Scheme Guidance for Participants in Phase 1* issued in 2012. It has been updated to reflect the outcome of the CRC simplification review. While the majority of the simplification proposals will be implemented at the start of Phase 2, some changes take effect for the last two years of Phase 1 (2012-2013 and 2013-2014). These changes include:

- a reduction in the number of fuels covered from 29 to two (that is, only emissions generated from the consumption of electricity and gas)
- for gas only, this fuel only needs to be reported (and allowances purchased) when it is used 'for heating purposes'
- introduction of an organisation-wide 2% de minimis threshold for gas based on your 2010-2011 use (for heating) (So if from 2012-2013 a participant's gas consumption is below 2% of its electricity consumption then they won't have to report on gas for the last two years of Phase 1 or purchase allowances.)
- changes to climate change agreement (CCA) exemptions and emissions exclusion
- restriction of the circumstances under which Electricity Generating Credits (EGCs) can be used
- extension of the CRC allowance surrender date
- Abolition of the Performance League Table from 2012-2013 onwards. This has been replaced with the [Annual Report Publication](#) (ARP).

This manual has been produced jointly by the Environment Agency, the Scottish Environment Protection Agency (SEPA), the Northern Ireland Environment Agency (NIEA) and Natural Resources Wales (NRW). NRW will be responsible for the auditing and enforcement of CRC in Wales. The Department of Energy and Climate Change (DECC) and the devolved administrations are responsible for the policies reflected in the CRC scheme and have commented on this guidance. Advice and input was also provided by a group of scheme participants who kindly offered to review the document from the perspective of the user.

The terms 'CRC scheme' and 'CRC' are used widely in this manual as a short form for the CRC Energy Efficiency Scheme.

Content of the manual

The manual is made up of a main section, a glossary and a series of annexes. The main section is less than half the document. We hope that, in the majority of cases, you will be able to get most of the information you need from this section.

With links to further detail in supporting annexes throughout, the manual provides:

- an initial overview of the scheme for those new to CRC ([section 1](#))
- a summary of the main aspects of CRC to remind contacts of the basic rules and principles of the scheme ([section 2](#))

The manual goes on to describe how during the last two years of Phase 1 you will need to:

- collate your applicable energy supplies ([section 3](#))
- report your CRC supplies to us by the last working day in July ([section 4](#))
- purchase and surrender allowances equivalent to your CRC emissions ([section 5](#))
- keep records of your supplies and other relevant information in your evidence pack ([section 6](#))
- keep us up-to-date with any changes affecting your organisation ([section 8](#))

[Section 7](#) on performance tables has been withdrawn following the abolition of performance tables from 2012-2013 onwards.

Information about the footprint reporting process is included in this guidance manual even though the footprint year has ended to ensure any new contacts have a full understanding of how the whole process works.

Using the manual

The manual is primarily intended to be read on-screen as it contains a large number of hyperlinks either to other sections or external documents or websites. If you have followed a link and then want to return to your previous location in this manual, hold down the ALT key and then press the left arrow on your keyboard.

The manual is likely to be updated periodically so please ensure that you check our CRC web pages (www.environment-agency.gov.uk/crc) for the latest version.

Our intention is that those with a CRC role will use links from the flow charts in [section 2](#) to access the summary information they need in the main section. If more information is required, links are provided as appropriate to the appropriate detailed annexes of this manual or one of the screenshot guidance presentations available on the CRC web pages (www.environment-agency.gov.uk/crc).

CRC participants are responsible for ensuring they meet the requirements of the CRC Order. This manual is not a substitute for the CRC Order but is intended to help participants understand how they must comply with it. You may wish to refer directly to the provisions of the Order or seek independent legal advice to confirm that you are complying in full.

Further information

If you can't find what you are looking for please contact our CRC Helpdesk on crchelp@environment-agency.gov.uk or 03708 506 506.

If you are based in Scotland please contact the SEPA email helpdesk on crc@sepa.org.uk or [csrc@sepa.org.uk](mailto:crc@sepa.org.uk).

Crynodeb Gweithredol

Cyflwyniad

Nod y llawlyfr hwn yw helpu cyfranogwyr i gydymffurfio â Gorchymyn Cynllun Effeithlonrwydd Ynni'r Ymrwymiad Lleihau Carbon 2010 ([Gorchymyn CRC 2010](#)) yn ystod [Cam 1](#) (Ebrill 2010 i Fawrth 2014). Bydd Gorchymyn Cynllun Effeithlonrwydd Ynni'r Ymrwymiad Lleihau Carbon 2013 ([Gorchymyn CRC 2013](#)) yn cymryd lle Gorchymyn CRC 2010, ond mae'n dal mewn grym tan ddiwedd Cam 1. Nes y bydd Gorchymyn CRC 2013 yn dod yn weithredol, bydd Gorchymyn CRC 2010 yn dal mewn grym tan ddiwedd Cam 1 fel yr addaswyd gan atodlen 9.

Mae'r ddogfen hon yn diweddarau fersiynau blaenorol o'r *Canllaw Cynllun Effeithlonrwydd Ynni CRC i Gyfranogwyr yng Ngham 1* a gyhoeddwyd yn 2012. Mae wedi ei ddiweddarau i adlewyrchu canlyniad adolygiad symleiddio'r CRC. Er y bydd y rhan fwyaf o'r cynigion symleiddio yn cael eu gweithredu ar ddechrau Cam 2, bydd rhai newidiadau yn weithredol ar gyfer dwy flynedd olaf Cam 1 (2012-2013 a 2013-2014). Mae'r newidiadau hyn yn cynnwys:

- lleihad yn y nifer o danwyddau a gynhwysir o 29 i ddau (hynny yw, dim ond allyriadau a grëir wrth ddefnyddio trydan a nwy)
- ar gyfer nwy yn unig, does dim ond angen adrodd ar y tanwydd hwn (a lwfansau a brynwyd) os yw'n cael ei ddefnyddio 'i ddibenion gwresogi'
- cyflwyno trothwy de minimis 2% ledled sefydliad ar gyfer nwy yn seiliedig ar eich defnydd yn 2010-2011 (ar gyfer gwresogi) (Felly os yw defnydd nwy cyfranogwr o 2012-2013 islaw 2% o'i ddefnydd trydan, yna ni fydd rhaid iddynt adrodd ar nwy ar gyfer dwy flynedd olaf Cam 1 neu lwfansau prynu.)
- newidiadau i eithriadau a gwaharddiad allyriadau'r cytundeb newid hinsawdd (CAA)
- cyfyngu'r amgylchiadau pan ellir defnyddio Credydau Cynhyrchu Trydan (EGC)
- estyniad i'r dyddiad ildio lwfans CRC
- Diddymu'r Tabl Cynghrair Perfformiad o 2012-2013 ymlaen

Cynhyrchwyd y llawlyfr hwn ar y cyd rhwng Asiantaeth yr Amgylchedd, Asiantaeth Diogelu Amgylchedd Yr Alban (SEPA) ac Asiantaeth yr Amgylchedd Gogledd Iwerddon (NIEA). Mae hefyd wedi ei gynhyrchu gan ragweld sefydlu Cyfoeth Naturiol Cymru (CNC) pan ddaw i rym ar 1 Ebrill 2013. O'r dyddiad hwnnw, CNC fydd yn gyfrifol am archwilio a gorfodi'r CRC yng Nghymru. Mae'r Adran Ynni a Newid Hinsawdd (DECC) a'r gweinyddiaethau datganoledig yn gyfrifol am y polisiau a adlewyrchir yn y cynllun CRC ac maent wedi rhoi sylwadau ar y canllaw hwn. Darparwyd cyngor a mewnbwn hefyd gan grŵp o gyfranogwyr y cynllun a fu'n ddigon caredig i gynnig adolygu'r ddogfen o safbwynt y defnyddiwr. Defnyddir y termau 'cynllun CRC' a 'CRC' yn helaeth yn y llawlyfr hwn i gyfeirio'n gryno at Gynllun Effeithlonrwydd Ynni'r CRC.

Cynnwys y llawlyfr

Mae'r llawlyfr yn cynnwys prif adran, geirfa a chyfres o atodiadau. Mae'r brif adran yn llai na hanner y ddogfen. Gobeithiwn, yn y rhan fwyaf o achosion, y byddwch yn gallu cael yr holl wybodaeth sydd arnoch ei hangen o'r adran hon.

Gyda dolenni i fanylion pellach mewn atodiadau ategol trwyddo draw, mae'r llawlyfr yn darparu:

- trosolwg cychwynnol o'r cynllun i'r rhai sy'n newydd i'r CRC ([adran 1](#))
- crynodeb o brif agweddau'r CRC i atgoffa cysylltiadau o reolau ac egwyddorion sylfaenol y cynllun ([adran 2](#))

Mae'r llawlyfr yn mynd ymlaen i ddisgrifio sut y bydd angen i chi yn ystod dwy flynedd olaf Cam 1:

- coladu eich cyflenwadau ynni cymwys ([adran 3](#))
- adrodd ar eich cyflenwadau CRC i ni erbyn y diwrnod gwaith olaf yng Ngorffennaf ([adran 4](#))
- prynu ac ildio lwfansau sy'n cyfateb i'ch dyddiadau mewnbynnu allyriadau CRC ([adran 5](#))
- cadw cofnodion o'ch cyflenwadau a gwybodaeth berthnasol arall yn eich pecyn tystiolaeth ([adran 6](#))
- rhoi gwybod i ni am unrhyw newidiadau yn effeithio ar eich sefydliad ([adran 8](#))

Mae [adran 7](#) ar dablau perfformiad wedi ei thynnu yn ôl o ganlyniad i ddi-ddymu tablau perfformiad o 2012-2013 ymlaen.

Cynhwysir gwybodaeth am y broses o adrodd ar ôl troed yn y llawlyfr canllaw hwn er bod y flwyddyn ôl troed wedi dod i ben, er mwyn sicrhau fod gan unrhyw gysylltiadau newydd ddealltwriaeth lawn o sut mae'r broses gyfan yn gweithio.

Defnyddio'r llawlyfr

Prif fwriad y llawlyfr yw cael ei ddarllen ar sgrin gan ei fod yn cynnwys nifer o hyperddolenni un ai i rannau eraill neu i ddogfennau allanol neu wefannau. Os ydych wedi dilyn dolen ac eisiau dychwelyd at eich lleoliad blaenorol yn y llawlyfr hwn, daliwch yr allwedd ALT i lawr ac yna gwasgu'r saeth chwith ar eich bysellfwrdd.

Mae'n debygol y bydd y llawlyfr yn cael ei ddiweddarau'n rheolaidd felly cadwch olwg ar ein tudalennau gwe CRC (www.environment-agency.gov.uk/crc) i gael y fersiwn ddiweddaraf.

Ein bwriad yw y bydd y rhai sydd â rôl CRC yn defnyddio'r dolenni o'r siartiau llif yn [adran 2](#) i gael mynediad at yr wybodaeth gryno y byddant ei hangen yn y brif adran. Os oes angen rhagor o wybodaeth, darperir dolenni fel sy'n briodol i'r atodiadau manwl priodol yn y llawlyfr hwn neu un o'r cyflwyniadau canllaw ciplun sydd ar gael ar dudalennau gwe'r CRC (www.environment-agency.gov.uk/crc).

Mae cyfranogwyr CRC yn gyfrifol am sicrhau eu bod yn bodloni gofynion y Gorchymyn CRC. Nid yw'r llawlyfr hwn yn cymryd lle'r gorchymyn CRC, ond ei fwriad yw helpu cyfranogwyr i ddeall sut y mae'n rhaid iddynt gydymffurfio â'r Gorchymyn. Efallai yr hoffech gyfeirio yn uniongyrchol at ddarpariaethau'r Gorchymyn neu gael cyngor cyfreithiol annibynnol i gadarnhau eich bod yn cydymffurfio'n llawn.

Rhagor o wybodaeth

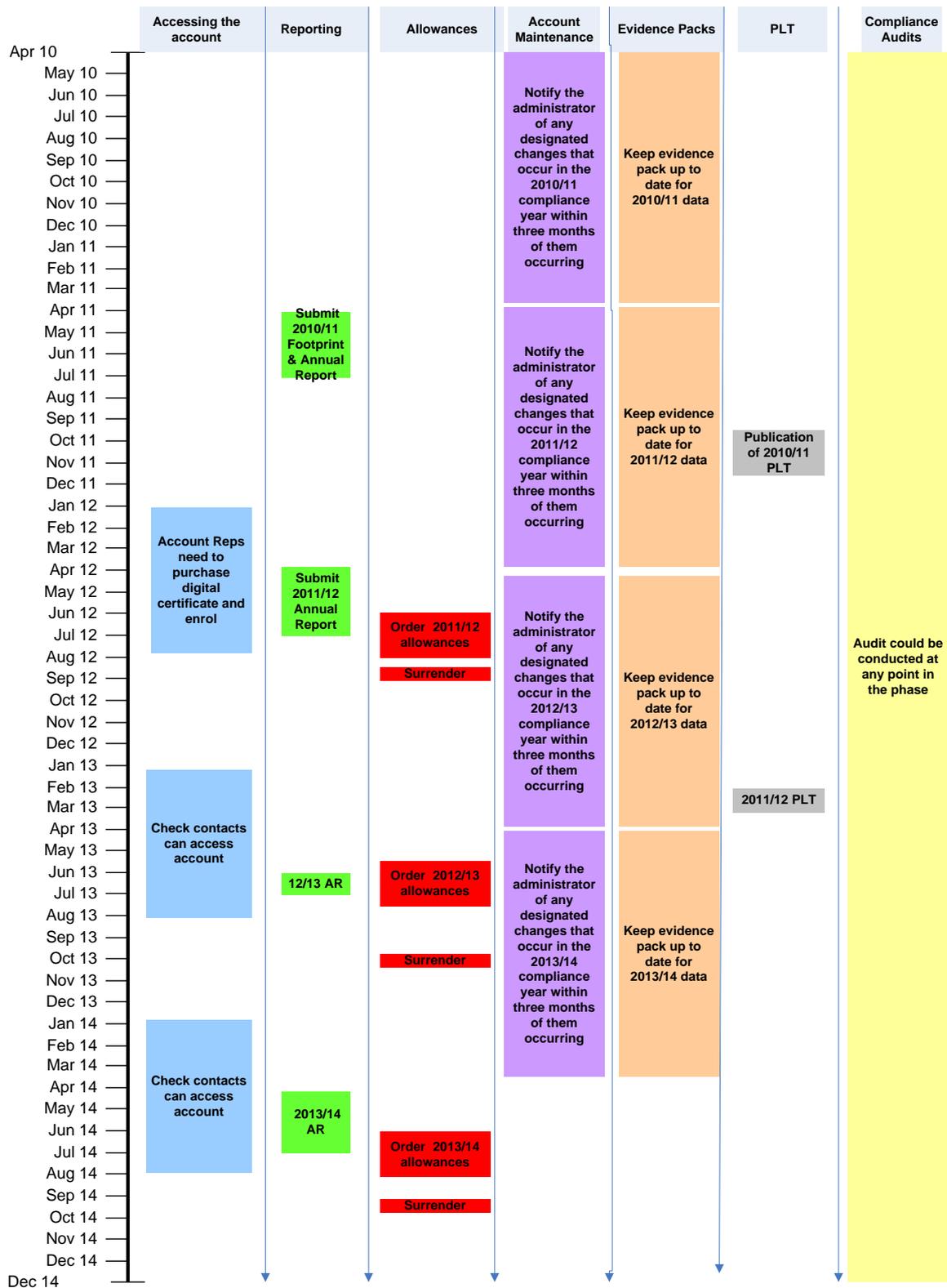
Os na allwch ddod o hyd i'r hyn rydych yn chwilio amdano, cysylltwch â'n Desg Gymorth CRC ar crchelp@environment-agency.gov.uk neu 03708 506 506.

Os ydych yn Yr Alban cysylltwch â desg gymorth e-bost SEPA ar crc@sepa.org.uk.

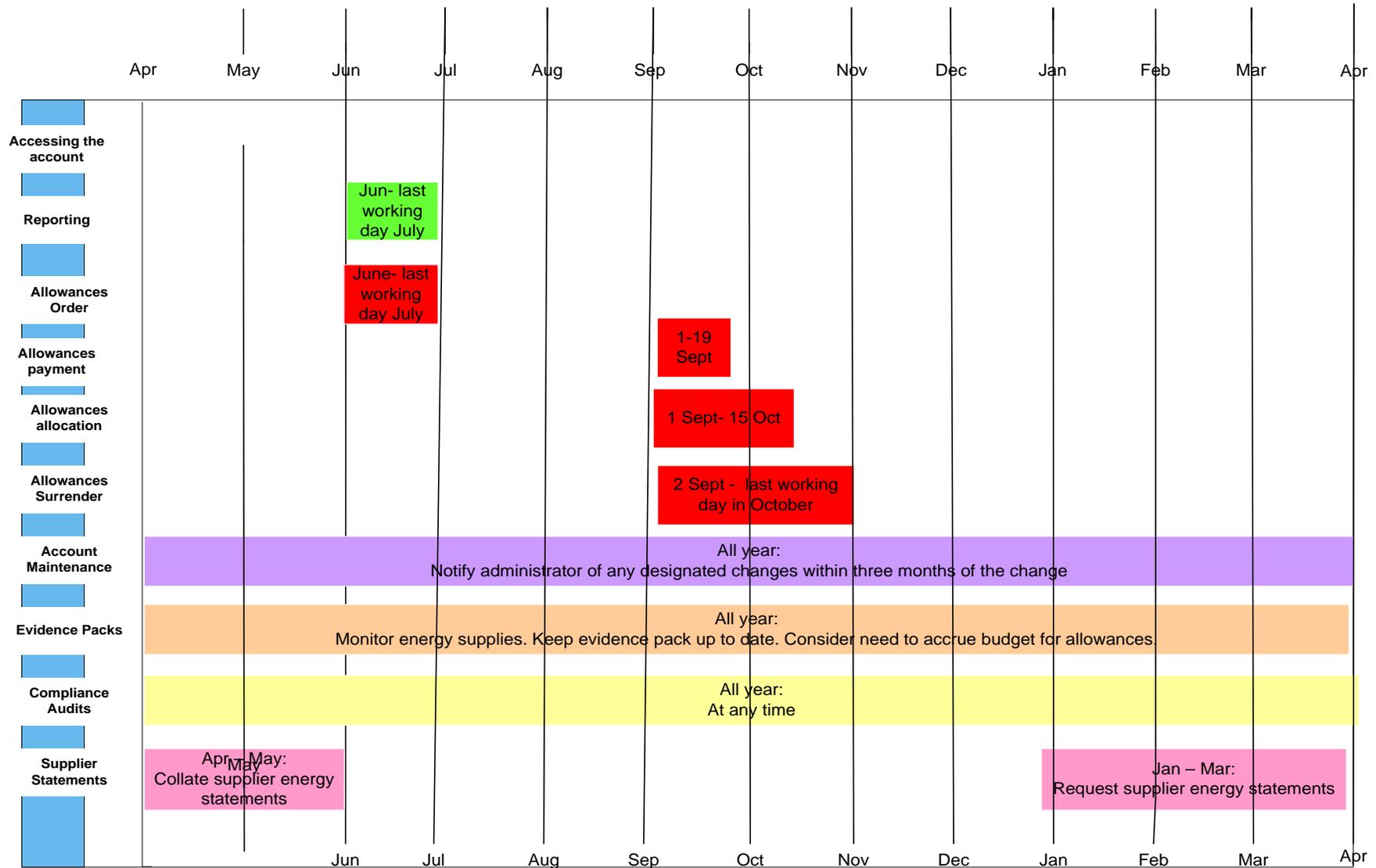
Overview of CRC activities and timelines

The following timelines outline activities required in [Phase 1](#) and during a [generic compliance year](#).

Phase 1 timeline



Generic compliance year timeline



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1. Introduction to the CRC Energy Efficiency Scheme

The CRC Energy Efficiency Scheme is a mandatory UK scheme aimed at improving energy efficiency and cutting carbon dioxide (CO₂) emissions in large public and private sector organisations. These organisations are responsible for around 12% of the UK's CO₂ emissions.

Through helping organisations to improve their energy efficiency the CRC scheme will help reduce their carbon emissions. The scheme aims to encourage organisations to develop energy management strategies that promote a better understanding of energy usage. It is designed to tackle CO₂ emissions not already covered by climate change agreements (CCAs) (www.gov.uk/climate-change-agreements) and the EU Emissions Trading System (EU ETS) (<https://www.gov.uk/participating-in-the-eu-ets>).

The CRC Energy Efficiency Scheme (referred to as the 'CRC scheme or 'CRC' in this manual) began in April 2010 when the CRC Energy Efficiency Scheme Order 2010 came into effect ([CRC Order](#)).

Organisations that meet the [qualification criteria](#), which are based on how much qualifying electricity they consumed in 2008, are required to participate in CRC. Participants are required to monitor and report their energy and surrender allowances equal to their CO₂ emissions.

CRC policy is the responsibility of the Coalition Government, the Scottish Government, the Welsh Government and the Northern Ireland Executive. The Department of Energy and Climate Change (DECC) leads for the Coalition Government on CRC matters – for the latest policy information see the CRC pages of GOV.UK (www.gov.uk/crc-energy-efficiency-scheme).

The scheme is administered by the Environment Agency, the Scottish Environment Protection Agency (SEPA), the Northern Ireland Environment Agency (NIEA), and Natural Resources Wales (NRW).

The Environment Agency administers the CRC scheme for the whole of the UK including all aspects relating to the [CRC Registry](#). The Environment Agency also undertakes the following administrative roles for participants registered in England: (registration, auditing, enforcement). With the exception of Registry administration, SEPA, NIEA and NRW undertake the administrative activities for participants registered in Scotland Northern Ireland and Wales respectively.

The administration of the CRC is largely done through the CRC Registry where participants register their participation, make their Footprint and Annual Reports, and purchase and surrender allowances. Each participant has a web-based CRC account in the CRC Registry.

The Environment Agency runs a CRC Helpdesk which can be contacted by email (CRChelp@ea.gov.uk) or by phone on 03708 506 506. Information about the CRC scheme is also available on the CRC pages (www.environment-agency.gov.uk/crc) of the Environment Agency website. For participants registered in Scotland there is also a SEPA email helpdesk (crc@sepa.org.uk).

Below is a brief summary of the CRC scheme. If you are involved in the administration of the scheme for your organisation, we advise reading this summary before progressing through this guidance manual. You may also find the section on [key aspects of the CRC scheme](#) and the [glossary](#) of terms at the end of the manual useful.

1.1 Qualification for Phase 1

The CRC scheme is divided into phases. Phase 1 runs from April 2010 to March 2014. Each phase is divided into compliance years which run from 1 April to 31 March.

Qualification for the first phase was based on whether the organisation as a whole (that is, all those group members owned by the same ultimate parent company, or part of the same government department or public body) had at least one [half hourly electricity meter](#) (HHM) settled on the half hourly market **and** used 6,000 megawatt hours (MWh) of electricity or more through half hourly meters or dynamic supplies in 2008 (for all purposes except those [excluded from CRC](#)).

Your electricity supplier should have been able to confirm whether you had any half hourly meters settled on the half hourly market in 2008.

See [section 3](#) of this manual for further information about how your organisation's structure should have been registered in your CRC account.

Where your organisation qualified for the scheme it should have registered with the Environment Agency by 30 September 2010. You can [access](#) your organisation's account via the CRC web pages (www.environment-agency.gov.uk/crc) if you are named as a contact for the account and have the necessary login details.

1.2 Energy supplies

[Section 3](#) gives more details on energy supplies and responsibilities under CRC.

Organisations that are participants in the CRC scheme (and don't qualify for a [general CCA exemption](#) or a [group CCA exemption](#)) are required to report each year on their energy supplies that are included in the scheme.

As a result of the simplification review carried out by DECC and the devolved administrations, the CRC scheme now only includes gas and electricity supplies that are not used for excluded purposes.

Energy supplies other than electricity and gas had to be reported in the first year of the phase in a participant's [Footprint Report](#) and in [Annual Reports](#) for the first two years of Phase 1. Only electricity and gas supplies are required to be reported for the remaining two years of Phase 1 (that is, 2012-2013 and 2013-2014).

Organisations that claimed a full (group or general) CCA exemption at registration are exempted from submitting both footprint and annual reports. Organisations that claimed a full exemption in their footprint report are exempt from submitting annual reports.

A participant with a CCA exemption will continue to be exempt for the rest of Phase 1 provided that the participant continues to have at least one CCA facility specified on the Climate Change Levy reduced rate certificate for its sector association published by the Environment Agency as administrator of the CCA scheme (even if there is no energy being supplied to the facility). All CCA emissions not covered by a CCA exemption are excluded from CRC.

If your organisation generates its own electricity using a fuel that wasn't listed in your footprint report, either as core supply or a fuel on your [Residual Measurement List](#) and isn't

claiming [Renewables Obligation Certificates](#) (ROCs) or [feed-in tariffs](#) (FITs), then it may be eligible to claim [Electricity Generating Credits](#) (EGCs). This can benefit your organisation as it will reduce the quantity of allowances it is required to purchase. Please note that the circumstances in which EGCs can be claimed are more limited for 2012–2013 onwards than previous years.

In general an organisation is responsible for its CO₂ emissions calculated on the basis of the energy it uses. If you receive energy from a supplier but pass it on to another [undertaking](#), then the undertaking you pass it on to is responsible for that part of the supply, so long as that supply is measured when you pass it on to the other undertaking. The main exception to this is where you are a tenant and purchase your energy from your landlord. In this instance the [landlord](#) is responsible for the emissions. There is specific guidance for more [complex supply](#) and organisational relationships such as [private finance initiative](#) (PFI) situations, [trusts](#) and [private equity funds](#).

1.3 Reporting

1.3.1 Footprint Report

To work out what needed to be reported annually in Phase 1, [participants](#) had to submit a [Footprint Report](#) (online) during the first year of the phase (that is, 2010-2011). The Footprint Report covered electricity, gas and other energy supplies listed as a fuel in the [Residual Measurement List](#) (RML).

1.3.2 Annual Report

Participants need to submit an [Annual Report](#) (online) by the last working day of July after the end of each compliance year of a phase.

- For the compliance year 2012-2013 (1 April 2012 to 31 March 2013), the deadline is Wednesday 31 July 2013.
- For the compliance year 2013-2014 (1 April 2013 to 31 March 2014), the deadline is Thursday 31 July 2014.

Supplies for which participants do not have to report annually include those that are [excluded](#) from CRC and those from supplies covered by a CCA member exemption, a CCA (where a member exemption doesn't apply) or the EU ETS. [More details](#)

1.4 Calculating CRC emissions

CRC emissions (in tonnes of CO₂) are calculated from the data in the Annual Report. For CRC purposes, CO₂ emissions are based on standard emission factors for each fuel type. See Annex C for [emission conversion factors](#).

You are responsible for entering your report data into an online data entry system called the [CRC Registry](#). The system will calculate your emissions for you from the supply information you enter in the Annual Report (or in some cases prompt you to calculate emissions using the emissions calculator in the Registry).

To be able to enter your supply data for your Annual Report, you will need to know how much energy you have used during a compliance year (1 April to 31 March). This is normally calculated from your [meter readings, supplier invoices or supplier statements](#).

1.4.1. Estimating supplies

If you don't have adequate meter readings or records of fuel usage you are allowed to [estimate](#) your supplies (and hence your emissions). See [Annex E](#) for details of estimation techniques.

Note that CRC definitions of estimated supply (see [section 3.2.9](#)) will be different from your suppliers' definitions of estimated supply.

If, for a given compliance year, at least half the year's supply is estimated then the supply is considered to be a CRC 'estimated' supply. The whole of the supply for the year is then considered to be estimated.

If the supply qualifies as a CRC 'estimate', you will need to enter that supply in the 'Estimate' column in the Annual Report. In this instance, as required by the [CRC Order](#), the CRC Registry will add 10% to the emissions associated with that supply.

1.5 CRC allowances

For each compliance year from 2011-2012 onwards, participants must [order](#), [pay for](#) and [surrender](#) allowances to cover their annual CRC emissions in tonnes of CO₂ (tCO₂).

One CRC allowance equals one tonne of carbon dioxide (CO₂).

Your total allowances cost for each compliance year will be the cost per allowance for that compliance year (as set by the Chancellor of the Exchequer in the Budget) multiplied by the quantity of CRC emissions (tCO₂) in your Annual Report for that compliance year. The allowance price of £12 introduced in 2011-2012 remains unchanged through to 2013-2014.

1.6 Performance tables

Performance tables were published for the years 2010-2011 and 2011-2012. To replace these we will be publishing the Annual Report Publication (ARP). Click here to see the [ARP](#)

2. Key aspects of the CRC scheme

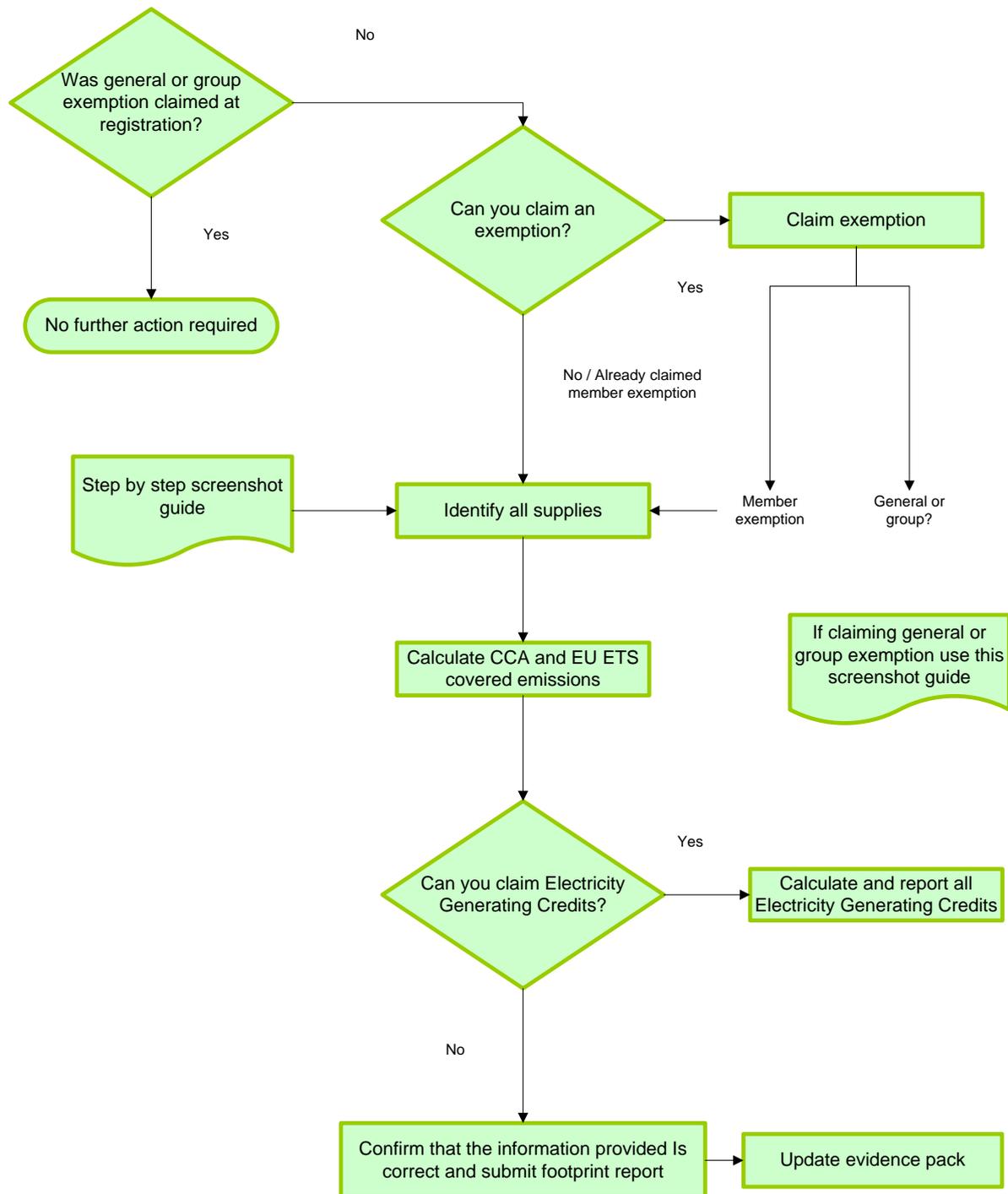
During a typical year in the CRC scheme your organisation will need to:

- collate your applicable energy supplies (see [section 3](#))
- report your CRC supplies to us by the last working day in July (see [section 4](#))
- purchase and surrender allowances equivalent to your CRC emissions (see [section 5](#))
- keep records of your supplies and other relevant information in your evidence pack (see [section 6](#))
- keep us up-to-date with any changes affecting your organisation (see [section 8](#))

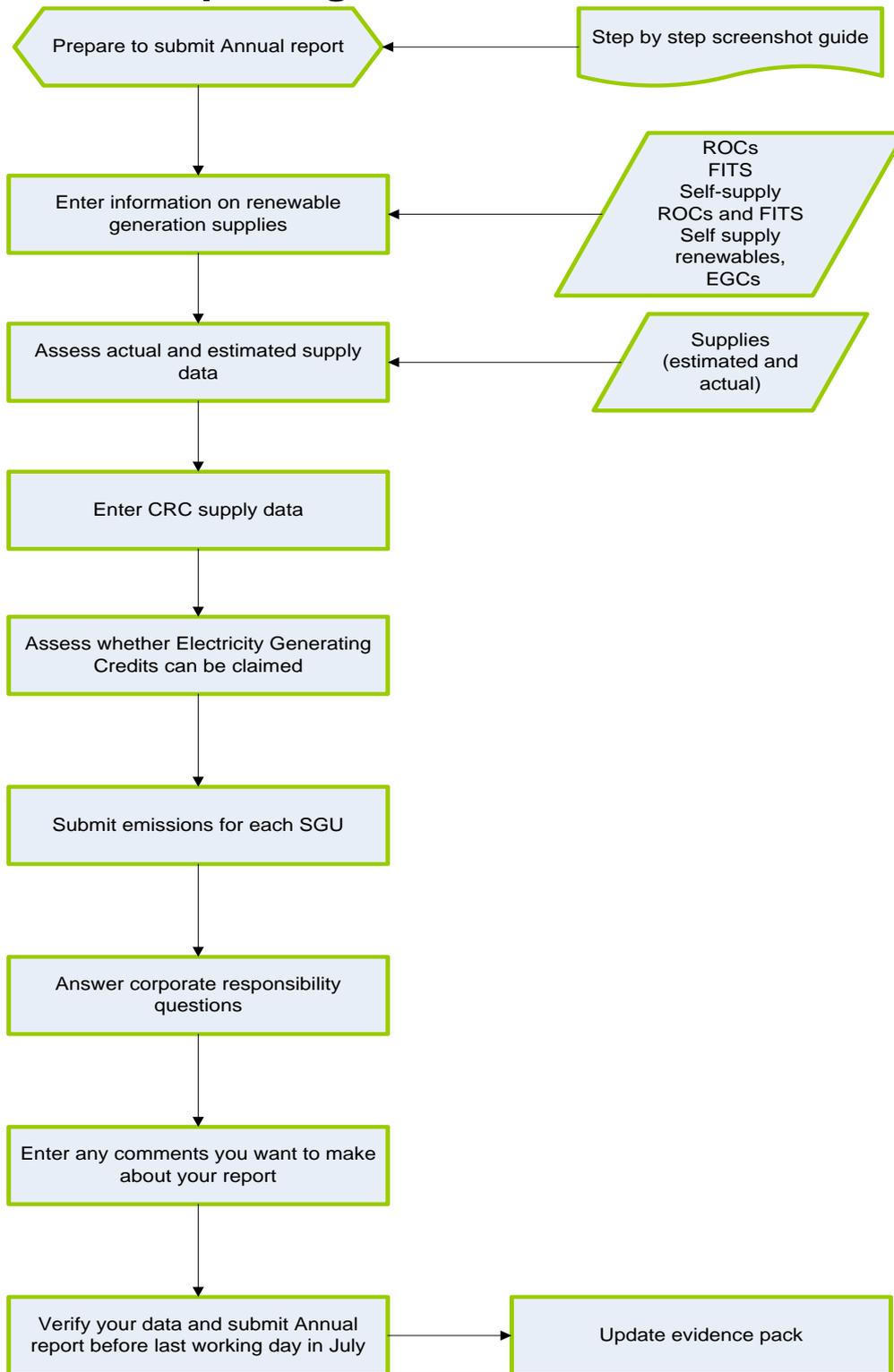
Whilst the PLT has been abolished ([section 7](#)) you may still want to keep your energy consumption under a review.

The flow charts below guide you through the footprint and annual report submission steps, the allowances process, and the overall reporting, allowances and performance table flow.

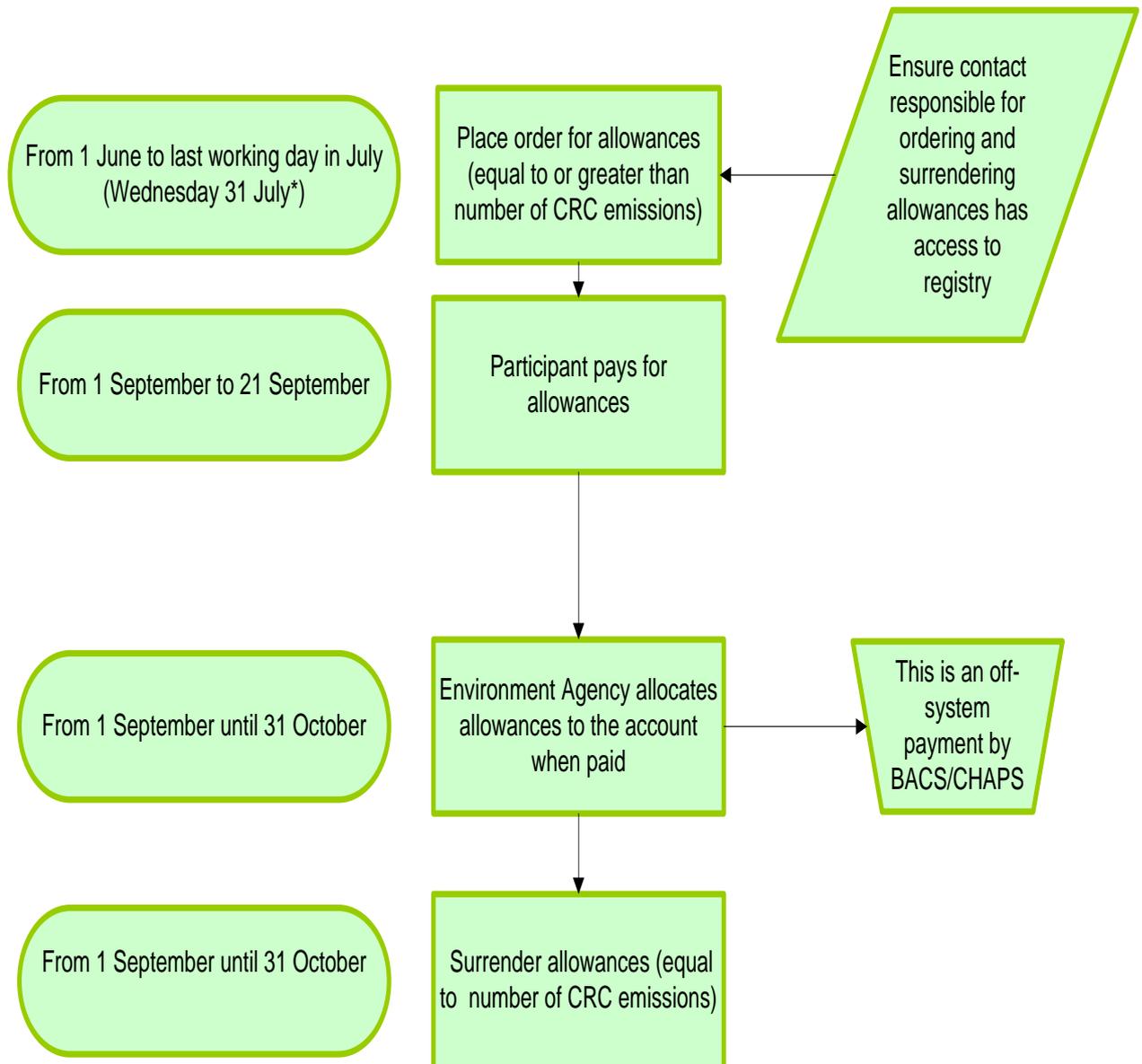
Footprint reporting



Annual reporting

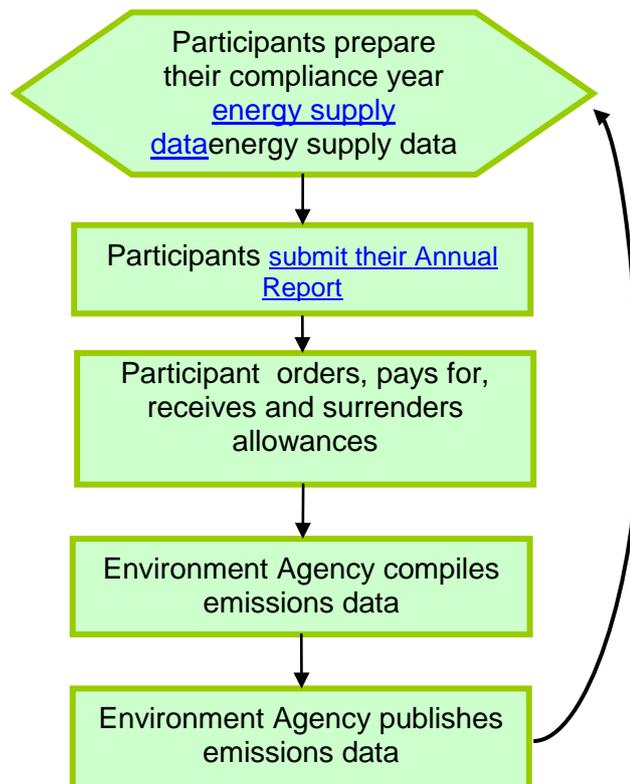


Allowances process 2013



*Subject to parliamentary approval of the amended [Allocation Regulations](#) and the CRC Order 2013.

Reporting, allowances and emissions data annual cycle for 2011/12 onwards



3. Your CRC structure and supplies

To register correctly and understand the energy supplies for which you are responsible under CRC you need to:

- evaluate the extent of your organisational structure
- assess the energy supplied to parts of your organisation
- identify which activities and supplies are included in CRC and which are not

[Section 3.1](#) outlines how you should have assessed and registered your CRC structure. [Section 3.2](#) explains how to determine which supplies are your responsibility under CRC.

3.1 CRC organisational structure

3.1.1 Assessing your organisation's qualification for CRC

Organisations qualified for the CRC scheme as [participants](#) for Phase 1 if they met the [qualification criteria](#) in 2008. Government departments and their devolved equivalents were obliged to participate in CRC even if they didn't meet these criteria.

Participants had to assess their qualification based on the whole of their UK activities.

For **private sector organisations**, this meant that any organisations in the UK with the same ultimate UK parent or, where applicable, ultimate overseas parent, had to assess their qualification as one group. More specific rules apply where [franchises](#), [private finance initiatives](#) (PFIs), [trusts](#) or [private equity funds](#) are involved (see [Annex G](#)).

For **public sector organisations**, this meant that all departments or bodies that were legally part of the public body participated with the parent body. The exception was where an [undertaking](#) was owned or controlled by a public sector organisation. In this instance if the undertaking qualified, unless the parent was a government department or devolved equivalent, it was required to participate as a single undertaking or, if it had subsidiary undertakings, as a group. If the parent was a government department or devolved equivalent, it was required to participate with them unless a government decision was made to the contrary.

For **government departments**, this meant that the departments and any devolved departments, local government bodies (where the Secretary of State stated they should participate), non-departmental government bodies for which they were responsible, and companies over which the department had control (for example, majority shareholding or management control) participated together unless the Secretary of State for that department made a [relevant decision](#) allowing some entities to participate separately.

See [Annex F](#) for further details about which organisations should be participating together in these three categories (that is, private sector, public sector and government departments).

Where an overseas organisation owned assets in the UK but had no undertakings, the overseas organisation was required to assess whether the UK assets met the qualification criteria. If the qualification criteria were met, the overseas organisation was obliged to nominate a UK entity (for example, an agent or consultant) to act on its behalf as the [primary member](#) for the organisation. In this instance the overseas organisation retained the liability for compliance with the scheme.

If your assessment indicated your organisation did qualify, you should have registered **all** of the following:

- your ultimate overseas parent organisation (where applicable)
- the highest UK parent undertaking (or nominated undertaking where no UK parent exists), public body or government department
- any subsidiaries classified as [Significant Group Undertakings](#) (SGUs) under CRC

3.1.2 Significant Group Undertakings

A Significant Group Undertaking (SGU) is any individual [undertaking](#) or group of undertakings within an organisation that would have met the qualification criteria for participation in CRC in its own right had it not been part of a larger organisation.

Organisational groups that qualified had to assess whether they contained any SGUs. If they did, these SGUs should have been recorded in the [CRC Registry](#) as part of the group's CRC structure.

SGUs are defined at qualification only. Irrespective of the level of increase or decrease of energy use during the phase, the SGU status of an undertaking or group of undertakings does not change during a phase.

When public bodies and government departments registered on the [CRC Registry](#), they should not have registered any Significant Group Undertakings (that is, no subsidiaries should be on their structures). This applied even if one of the departments, associated non-departmental government bodies, executive agencies, schools or other associated organisations would have qualified in their own right.

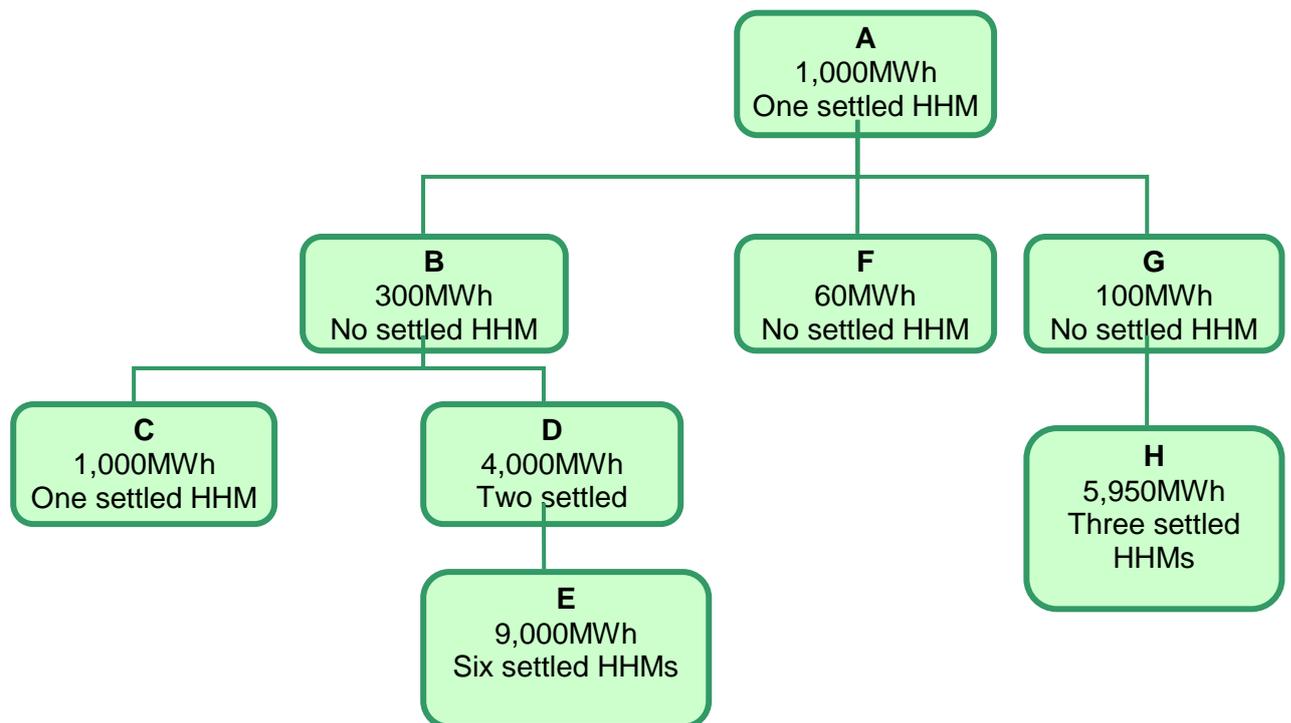
The [example](#) below illustrates how, for the purpose of qualification and registering, private sector participants should have determined and registered their CRC structure. The example is also used to explain how to report the emissions of Significant Group Undertakings.

If your organisational structure changes after registration, you may be required to notify us. The change will affect the supplies you need to report. Section 8.2.1 explains [when to notify us of a change](#) and section 8.2.2 details [how to notify us](#)

Example

An organisation is made up of a total of eight companies with the organisational structure depicted in [Figure 3.1](#). Each company consumes a different quantity of electricity through half hourly meters (HHMs) (as shown in the boxes in Figure 3.1). Some of the companies have [settled half hourly meters](#) and some do not. The total organisation qualifies as a participant in CRC and needs to assess whether it has any SGUs.

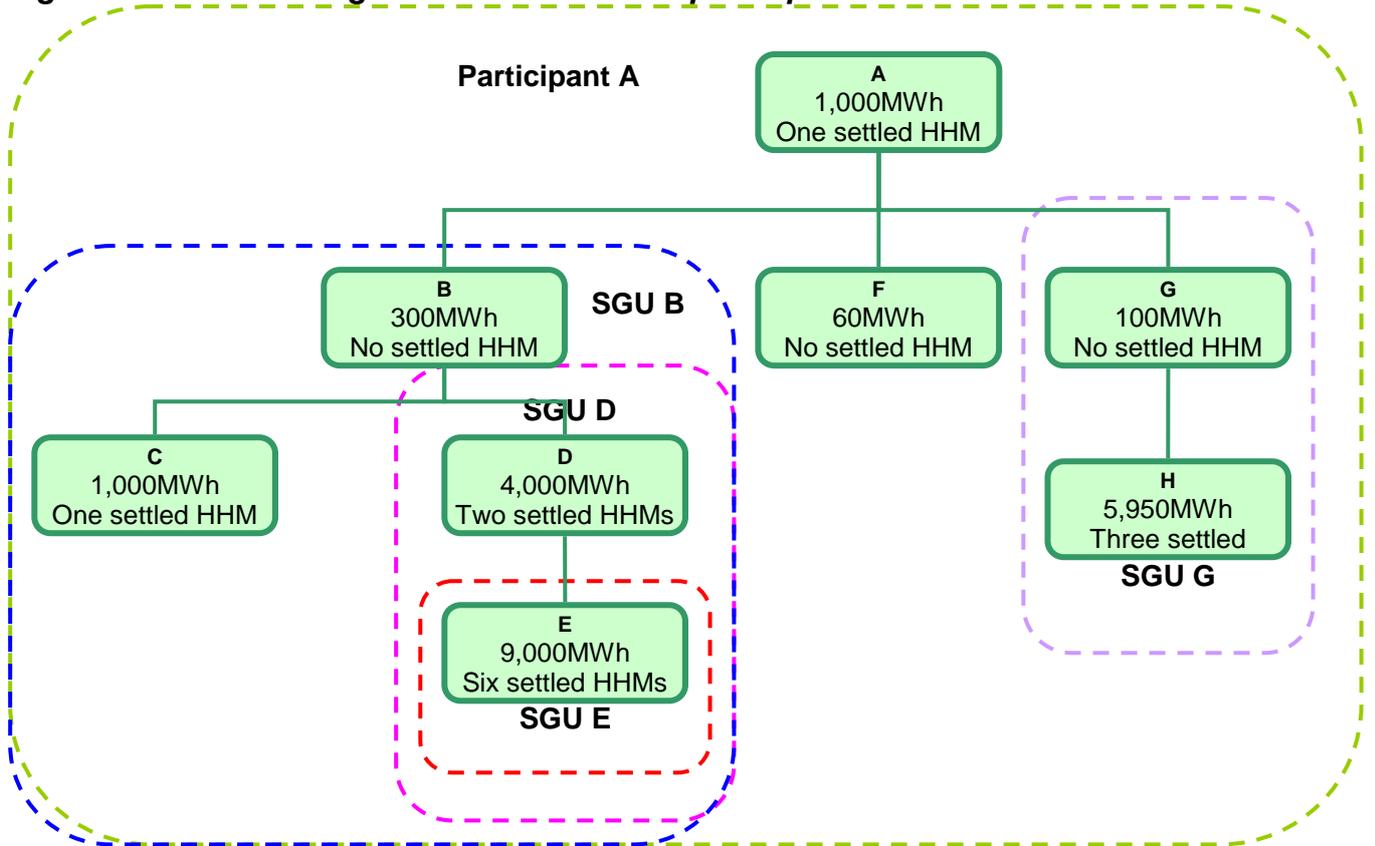
Figure 3.1: Example organisational structure



Defining your SGUs

The dashed coloured lines in [Figure 3.2](#) show the organisation's SGUs by virtue of an individual undertaking meeting the qualification criteria itself, or through an undertaking and its subsidiaries meeting the qualification criteria together.

Figure 3.2: Determining the SGUs within the participant for CRC



Registering the SGUs in the CRC Registry

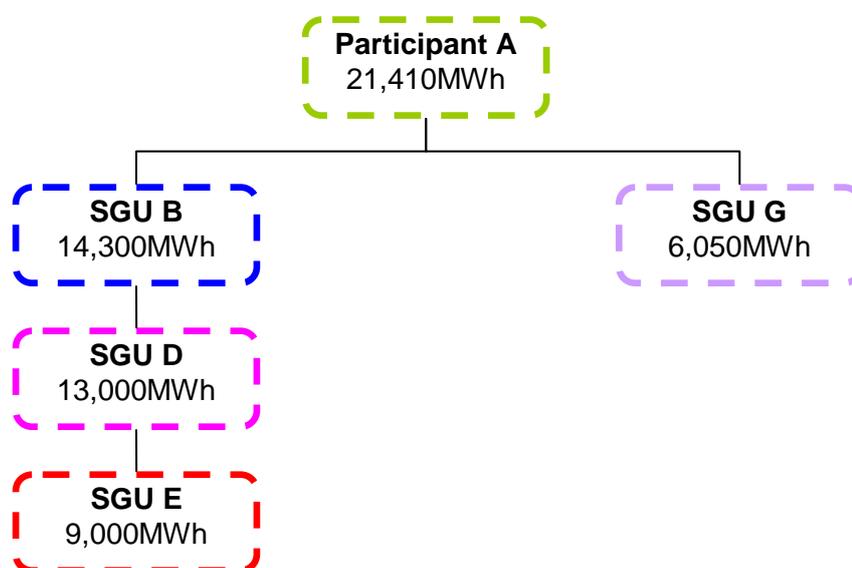
Having established the SGUs in the structure, this participant should have registered the CRC structure shown in [Figure 3.3](#).

As part of the registration process, the energy consumption of SGUs is added together and becomes cumulative (that is, supplies are added from the bottom of the structure upwards). Therefore the ultimate parent will have a cumulative total consumption equal to the whole group even if it doesn't have any reportable energy supplies itself.

In this example, the 2008 HHM electricity consumption figures in Figure 3.2 have been added together to demonstrate how the SGUs should have been registered. These are written out below for clarity.

- Participant A's qualifying supply should have been entered as 21,410MWh (A, B, C, D, E, F, G and H's qualifying supplies).
- SGU B's qualifying supply should have been entered as 14,300MWh (B, C, D and E's qualifying supplies).
- SGU D's qualifying supply should have been entered as 13,000MWh (D and E's qualifying supplies).
- SGU E's qualifying supply should have been entered as 9,000MWh (just E's qualifying supplies).
- SGU G's qualifying supply should have been entered as 6,050MWh (G and H's qualifying supplies).

Figure 3.3: CRC structure on the CRC Registry for registration



Reporting emissions of your SGUs

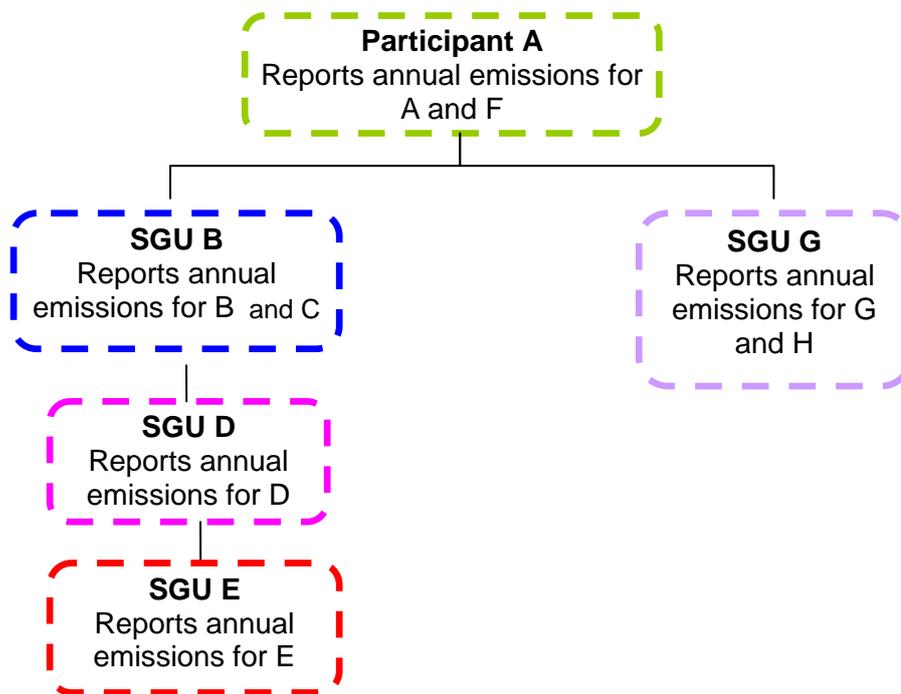
[Section 4](#) details how to report CRC supplies in your [Annual Report](#). In summary, you should report for the participant group as a whole and then the supplies associated with each SGU.

When reporting the SGU supplies in your Annual Report, do not report cumulatively. You should report each SGU separately as follows (and as shown in [Figure 3.4](#)).

- Participant A's emissions are just the emissions associated with A and F (because it isn't part of another SGU).
- SGU B's emissions are the emissions associated with B and C only.
- SGU D's emissions are the emissions associated with D.

- SGU E's emissions are the emissions associated with E.
- SGU G's emissions are the emissions associated with G and H.

Figure 3.4: Reporting emissions against your SGUs/participant



3.1.3 Disaggregation of Significant Group Undertakings

If a participant group has an SGU, the participant can choose (at registration) to disaggregate the SGU from the rest of the participant group provided the remaining part of the group would still have qualified as a participant in CRC.

A disaggregated SGU will operate as a separate participant and be required to:

- register
- pay all the appropriate registration and subsistence fees
- submit footprint and [Annual Reports](#)
- [purchase](#) and [surrender](#) allowances for the whole of the phase

In the [example](#) above, any of the SGUs in [Figure 3.3](#) could have been disaggregated. However, they could not all have disaggregated as this would have left the parent participant below the qualification threshold.

You are not allowed to disaggregate an SGU during a phase – this can only be done at registration. However, if an SGU is sold from one participant group to another participant group, the purchasing participant may request that the SGU they have bought be disaggregated. This request must be made within three months of the purchase.

Disaggregated participants would have had their own separate listing in the [performance tables](#) for 2010-2011 and 2011-2012, with a link to the parent group in the [Participant Scorecard](#). Disaggregated participants will have their own listing in the [ARP](#).

3.2 Assessing which energy supplies you need to report

Having assessed which undertakings are your responsibility under CRC and registered your CRC structure, you should have assessed which supplies you are responsible for. Details are given below of:

- what qualifies as an energy '[supply](#)' or a '[self supply](#)' under CRC
- how [CRC classifies](#) these supplies for reporting purposes
- when these supplies are your [organisation's responsibility](#)
- when supplies have to be classified as a CRC [estimate](#) and incur a 10% [estimation uplift](#)

Reading this section will help you report your supplies correctly.

3.2.1 What is a 'supply'?

For the remainder of Phase 1 (compliance years 2012-2013 and 2013-2014), only [electricity](#) and [gas](#) used for heating purposes only) will be reportable energy supplies for CRC purposes. These are considered to be a supply for CRC where **all** the following criteria apply.

- 'A' agrees with 'B' that 'B' will supply electricity or gas to 'A', and that 'A' will pay 'B' for that supply.
- 'A' receives a supply further to that agreement.
- The supply is measured by a metering device (electricity only). A metering device in the context of electricity is a device which measures the supply for charging purposes. A metering device in relation to gas is a device that measures more than 73,200kWh of gas during a year of a phase.
- A supply of electricity or gas is made at the time it is received.

There will be no distinction between core and non-core energy supplies for Annual Reports from compliance year 2012-2013 onwards.

For more details on supply of energy and what is meant by a 'metering device' see [Annex I](#).

Supplies to electricity generation plants

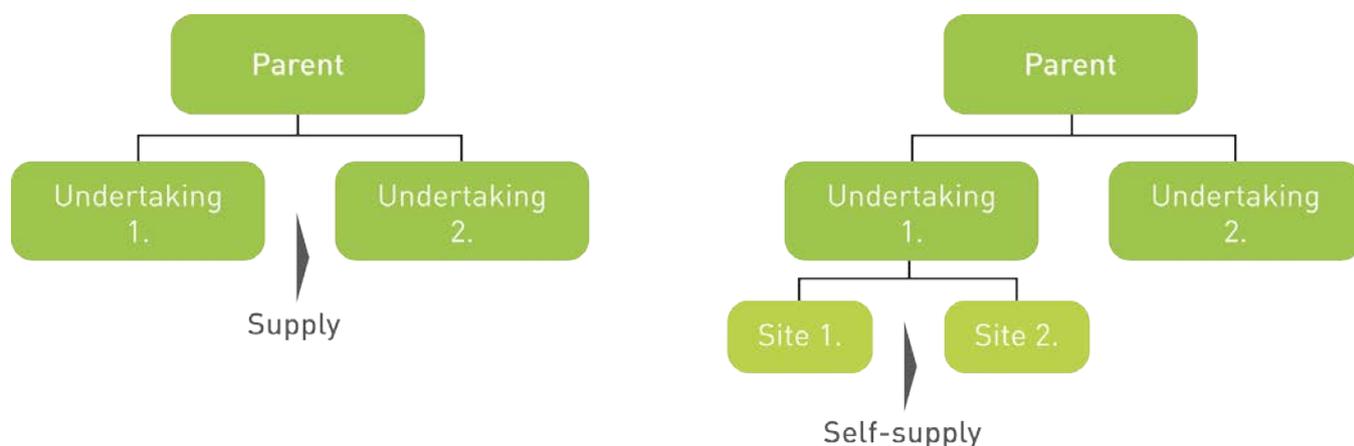
Where supplies are imported to an electricity generating plant, any core electricity, core gas or non-core fuel should have been reported in your Footprint Report (on the core/residual supplies screen or EU ETS/CCAs screen as appropriate).

3.2.2 What is 'self supply'?

A 'self supply' is a supply of electricity or gas that an authorised energy supplier (for example, with a licence or exemption for the generation or supply of gas or electricity) makes to itself. This means that the self supply takes place within a legally defined undertaking/public body. For a self supply, the criteria in [section 3.2.1](#) do not apply.

A supply made from one undertaking/public body in a participant group to another undertaking/public body in the same group is not considered a 'self supply' but may be defined as a [supply](#) (see [Figure 3.5](#)).

Figure 3.5: Distinction between supply and self supply within the same participant group



If you self supply electricity and don't have a meter on the generator, you will need to [estimate](#) the supply used. You should record your estimation method and calculations in your [evidence pack](#). See [Annex E](#) for details of estimation techniques.

Self supplies need to be reported under CRC in the footprint and annual reports.

Self supplies at electricity generation plants

All self supplies of electricity or gas constitute supplies of energy for the purposes of the CRC scheme apart from:

- **electricity** used for generating, transmitting or distributing **electricity**
- **gas** used for transporting, shipping or supplying **gas**

Self supplied gas and electricity used for all other purposes (for example, running the organisation's offices or call centres, including those at a generation site) are included in CRC. They should have been reported in the Footprint Report and reported in annual reports (unless these supplies are covered by [EU ETS](#), a [CCA](#) or a [CCA exemption](#)).

For information on electricity generation see [Annex J](#).

Private wires

If your gas or electricity is delivered via a private wire or is measured by a sub-meter, the supply may not meet the criteria given in [section 3.2.1](#). However, the electricity supply may be classed as self supply if the self supply criteria are met. This is because the supply criteria given in section 3.2.1 are not relevant for determining whether there is a self supply. If there is a self supply relationship as explained above, the electricity or gas supply will come under CRC whether or not it is measured by a metering device.

3.2.3 Electricity and gas supply

Electricity supply

For the remainder of Phase 1:

- There will be no distinction between core and non-core supplies.
- The scheme will only cover emissions generated from the consumption of electricity and gas.
- Gas will only need to be reported and allowances purchased when this fuel is used 'for heating purposes'.
- For gas used for heating, an organisation-wide 2% de minimis threshold will apply. From 2012/13, if a participant's gas consumption is less than 2% of their total CRC electricity use (based on their 201/11 use) they will not need to report on that fuel or purchase allowances on it for the last two years of Phase 1.

An electricity supply is a supply of electricity when it is measured through one of the following meters.

In relation to **England, Wales and Scotland**, a device where the electricity supplied is charged for as measured by the device but not including meters allocated to the Domestic Unrestricted or Domestic Economy 7 profile classes (that is, 01 and 02 respectively) under the Balancing and Settling Code Procedure BSCP516.

In relation to **Northern Ireland**, a device where the electricity supplied is charged for as measured by the device but not including meters that measure supplies to domestic accommodation.

Changes in definition of supplies

Electricity: From 2012-2013, all electricity supplied via a profile 03, 04, 05, 06, 07, 08 or 00 meter is a CRC supply. Previously an electricity supply was a core supply when supplied via a profile 05, 06, 07, 08 or 00 meter. Electricity supplied through other meters was either a residual supply if on your Residual Measurement List or not counted as a CRC supply if not on the Residual Measurement List.

Gas: From 2012-2013 onwards, gas supplied through a meter that measures 73,200kWh in any given compliance year counts as a supply. Previously a gas supply was a core supply if delivered through a [daily](#), [hourly](#) or [large gas point](#) meter. Gas supplied through any other meter was a residual supply if on your Residual Measurement List or not counted as a CRC supply if not on the Residual Measurement List.

If the type of meter changes mid-year, for example, from a profile class 01 to a non-settled half hourly meter ([automatic meter reading meter](#)) or vice versa, the supply quantity for the period when the meter was a supply meter should be reported as supply (in footprint report and annual reports).

[Annex I.3](#) contains a table to help you identify the reporting requirements for your meters.

Gas supply

From 2012-2013 onwards, the definition of a gas meter is a meter that has supplied 73,200kWh or more in the given compliance year. Therefore a supply could come in or out of CRC from year to year depending on the supplied amount.

When used for gas, the term 'meter' includes any ancillary device used in connection with the meter that allows the amount of the supply being measured to be read. [Annex I.3](#) contains a table to help you identify the reporting requirements for your meters.

3.2.4 Who is responsible for the supplies?

The general rule is that if you use the energy supply then you are responsible for that [supply](#) in the CRC scheme. However, there are two exceptions:

- the [landlord tenant rule](#)
- the [rule for franchises](#)

This section outlines where CRC responsibility lies for supplies in these two cases and where supplies are received through a third party.

Readers are referred to [Annex G](#) for details on the more complex scenarios of [private finance initiatives](#) (PFIs), [private equity funds](#) and [trusts](#).

Please also see [unconsumed supply rule](#) below.

Landlord tenant rule

This is an exception to the normal rule that the consumer of the supply is responsible in CRC.

The landlord tenant rule says that:

- A landlord is responsible for the supply where the landlord receives/pays for the supply and passes it on for the tenant to consume.
- The tenant is responsible for the supply where the tenant receives a supply from someone **other** than the landlord. The tenant is responsible for that supply as the consumer in the usual way.

The landlord tenant rule applies to each supply type individually. For example, if the landlord purchases the electricity then the landlord will be responsible for the electricity, and if the tenant purchases the gas the tenant will be responsible for the gas.

This rule applies to:

- lease/licence arrangements to occupy a premises
- sub-landlord/sub-tenant arrangements

In lease and lease back arrangements where 'B' leases a premises to 'A' who subsequently leases it back to 'B', 'A' is considered the landlord of 'B' for CRC.

Where the landlord is responsible for a tenant's supply and this supply is covered by a CCA, please see [Annex B2.10 Treatment of CCAs in landlord tenant situations](#).

Franchisee/franchisor rule

This is a further exception to the normal rule that the consumer of the supply is responsible in CRC.

If you are a franchisor you are responsible for the energy supplies of your franchisees. **However, the landlord tenant rule overrides the franchise rule where a landlord**

supplies to a franchisee. This means that, if a franchisee receives a supply from a landlord, the landlord will be responsible for the tenant's supply and not the franchisor.

Overall responsibility for compliance with the requirements of CRC lies with the franchisor. To comply with the rules of the CRC scheme, franchisees are required to provide such information and assistance as the franchisor might reasonably require enabling the franchisor to register for and comply with CRC.

A franchise exists for the purpose of CRC if **all** four of the rules below are satisfied.

Rule 1: An agreement exists (whether or not in writing) between two undertakings (the 'franchisee' and 'the franchisor') for the sale or distribution of goods, or the provision of services.

Rule 2: The franchisee carries out business using the name provided by the franchisor in the agreement.

Rule 3: The premises where the franchisee carries out the franchise business are used exclusively for that business.

Rule 4: The presentation of those premises must have an internal or external appearance agreed by the franchisor and it must be similar to that of other premises operating a franchise business under an agreement with the franchisor.

Where a franchise does not satisfy all four rules, the relevant franchisee(s) will not be required to participate with the franchisor group and must assess whether they qualify for CRC in their own right.

Some franchise examples are given in [Annex G](#).

Facilities management companies

If your organisation is supplied with energy via a facilities management company or any other third party supplier who isn't your landlord, you are responsible for the supply of energy you receive and consume as the undertaking under contract with the facilities management or other third party. The third party is not responsible as they do not consume the supply.

If your organisation operates a facilities management company or any other third party supply contract, you are not responsible for the energy you do not use yourself.

Unconsumed supply rule/meaning of own use

An energy supply that your organisation doesn't consume for its own use is not your responsibility under CRC. The exceptions are where the landlord has responsibility for the supply under the landlord tenant rule, or a franchisor is responsible for the supply to its franchisee.

What is unconsumed supply for one organisation might be a supply for another under CRC. The party receiving and consuming the supply will be responsible for it under CRC.

For example, provided the landlord tenant rule does not apply, B is responsible for the supply it uses and A is responsible for the supply it uses where the following apply:

- A has the contract with the energy supplier and pays the supplier
- B receives the supply directly
- B uses all or part of the supply
- B reimburses A for the percentage of the supply it used

In special cases where A passes on a small supply to B (less than 5% of either’s supply) **and** both A and B are participants, then A can report the total supply.

Private finance initiative scenarios

If you are in a [PFI scenario](#), please refer to Annex G2 for supply responsibility details.

Private equity fund scenarios

If you are a [private equity fund](#), please refer to Annex G3 for supply responsibility details.

Trust fund scenarios

If you are a [trust fund](#), please refer to Annex G4 for supply responsibility details.

3.2.5 Which supplies are excluded from CRC?

Overseas supply rules

If your organisation has operations outside the UK, the energy supply to these overseas operations is excluded from CRC.

Domestic supply rules

Energy that is supplied for the purposes of ‘domestic accommodation’ is not included in CRC. ‘Domestic accommodation’ means premises intended to be used as a permanent home.

Examples of domestic accommodation are:

- private owner occupied housing
- accommodation provided on caravan or camp sites
- accommodation provided on travellers’ sites
- emergency temporary accommodation provided by a local housing authority or the Northern Ireland Housing Executive
- rented/social housing where it is used as permanent accommodation

Common areas in domestic accommodation such as stairwells count as part of the accommodation and so are excluded from CRC. However, you can choose to include the energy supply to these areas in your CRC supply if you think that the administrative burden of excluding them is too big. Any decision you make will be valid for the entire phase and cannot be changed. You should ensure such decisions are documented in your [evidence pack](#).

Accommodation provided for the purposes outlined in [Table 3.1](#) is **not** classed as ‘domestic accommodation’ under CRC and therefore supplies to these types of accommodation are included in the scheme.

Table 3.1: Accommodation included in CRC

Activity	Examples of specific use included in CRC
Education	University halls of residence, boarding schools
Employment	All domestic accommodation provided in relation to a person’s employment such as police section houses, nurses’ accommodation, school caretakers’ houses and seasonal staff accommodation
Service	Monasteries, nunneries and other similar religious establishments, armed forces accommodation
Recreation	Hotels, hostels, and bed and breakfast establishments
Care services	Hospitals, care homes, care homes with nursing and rehabilitation centres

Outsourcing

The outsourcing of the provision of the accommodation types listed in Table 3.1 does not change their exclusion from being classed as 'domestic accommodation'. Responsibility for energy supply may, however, transfer with the outsourcing.

Rules for mixed use buildings

If you operate within a mixed use building, the energy supplied for domestic accommodation within this building is not included in CRC.

You can calculate the energy supply used for domestic accommodation either by sub-metering or by using [estimation techniques](#). You should assess responsibility for the non-excluded supplies using the [supply responsibility rules](#).

Community heating schemes

Energy supplies for community and district heating schemes that are used for domestic accommodation are excluded from CRC.

Heating supply rules

If you receive heat that you didn't generate within your organisation (for example, from a third party), then you do not need to report the quantity of heat supplied to you.

If your organisation generated the heat using gas or electricity, you will need to report this supply (as appropriate). If the heat is generated using any other fuel then you do not need to report either the input fuel or heat that is generated.

If you have any supplies of heat from gas derived from a landfill site or gas produced from the treatment of sewage, these supplies are excluded from CRC.

Other renewable sources of energy such as ground source heat pumps or solar thermal heating fall outside the scope of the CRC scheme and do not need to be reported.

Transport rules

Energy consumed for the purposes of transport where it is used by the types of transport listed in [Table 3.2](#) is excluded from CRC. All other transport is included in CRC.

Table 3.2: Transport equipment included and excluded in CRC

Transport	Excluded from CRC	Included in CRC
Road going vehicles	All vehicles that require a licence (including a nil licence) under the Vehicle Excise and Registration Act 1994 or are exempt from this requirement under the Act's provisions. Vehicles that are required to display a certificate of Crown exemption under regulation 31 of the Road Vehicles (Registration and Licensing) Regulations 2002 are also excluded.	Vehicles operating without a licence, such as on-site vehicles. These include forklifts, land-based drill rigs, and non-road going mobile or floating cranes and excavators.
Vessels	All vessels, that is, any boat or ship that is self-propelled and operates on or under water. This includes self-propelled drill rigs, floaters, hydrofoil boats, air cushion vehicles, submersibles, floating craft, fishing vessels, pleasure boats, hovercrafts, warships and wooden ships.	
Aircraft	All aircraft, that is, any self-propelled machine that can move through air other than against the Earth's surface.	
Trains and railways	All trains, as defined in section 83 of the Railways Act 1993. All network services (as defined by section 82 of the Railways Act). Energy use for heavy maintenance services relating to trains and railways is excluded.	Energy used in relation to railways to provide heating, power or lighting to a building. Energy use for light maintenance services.
Long conveyors	All extra-long conveyor belts (at least 8 kilometres in length) that transport materials between a CRC participant site and an offsite facility for onward transport via rail or inland waterway.	

Where your organisation has a half hourly electricity meter that supplies multiple sources including transport and there is no sub-metering in place, you can choose to include the energy supplies for these excluded uses in your CRC supplies if you think that the administrative burden of excluding them is too big. Any decision you make to include or exclude transport supplies will be valid for the entire phase and cannot be changed. You should ensure such decisions are documented in your [evidence pack](#).

Where fuel is used for the purpose of testing vehicles during manufacturing, the vehicle licence requirement status (as set out in [Table 3.2](#)) determines whether the fuel is excluded from CRC reporting.

Rules on supply for generation, transmission or distribution

Self supplied electricity that is necessary for, and directly related to, generating, transmitting or distributing electricity or self supplied gas used in the transport, supply or shipping of gas is not treated as a [supply](#). It is excluded from CRC and is therefore not included in reporting.

Uses such as supply to call centres and offices are not considered to be directly related to the generation, transmission or distribution of electricity or gas.

Rules on street lighting

For Phase 1 only, electricity supplied for the purpose of public lighting by, or on behalf of, the Department for Regional Development in Northern Ireland is excluded from CRC.

Street lighting in England, Scotland and Wales not counts as a CRC supply if it is measured on a [passive](#) or [dynamic](#) basis. An unmetered electricity supply is therefore not reportable under CRC.

3.2.6 Supplies covered by a CCA or the EU ETS

See [Annex B](#) for details of how supplies covered by a [climate change agreement](#) (CCA) or the [EU Emissions Trading System](#) (EU ETS) are dealt with in CRC.

3.2.7 Dealing with new supplies and loss of supplies

If your organisation gains new supplies then the [supplies](#), if they meet the supply rules, must be reported in your [Annual Report](#):

The period for which these supplies need to be reported depends on whether the new supply is the result of an organisational change that amounts to a [designated change](#) or is a result of acquiring additional assets.

For the remainder of Phase 1 if you acquire a new electricity supply other than as a result of a [designated change](#) during a compliance year, provided it meets the supply rules you will have to report the supply for the period you received that supply. If a meter changes its profile type such that it becomes a profile 03, 04, 05, 06, 07, 083 or 00 meter you will have to report the supply for the period the supply met the supply rules.

If you acquire a new gas supply other than as a result of a [designated change](#), it will have to be reported if the total supply from that supply for the compliance year, or part of the year, exceeded 73,200kWh.

3.2.8 Collecting your supply data

You can collect the data for the supplies that are your responsibility under CRC in one of the following ways.

- **Taking meter readings (either manually or through automated systems).** Keep records of your [primary evidence](#) of these readings in your [evidence pack](#). This is the preferred method of data collection as these readings are likely to be the most accurate data.
- **Using invoices from suppliers.** Keep these as your primary evidence in your evidence pack.
- **Using annual statements from suppliers.** Keep these as your primary evidence in your evidence pack. Note that if supplier statements don't arrive in time or are inaccurate when you receive them, you will have to use an alternative data source or [estimate](#) the supplies.

All these methods are acceptable. If you have multiple supply figures for the same meter, we recommend you use whichever figure you think is the most accurate.

Note that for the purposes of CRC, you should report the quantity of electricity consumed without the application of the average loss factor, that is, what you see on your meter is what you report.

If you don't have the supply data for the full compliance year available for all your supplies, you will need to complete your dataset by estimating the missing data. If the estimation techniques described in [Annex E](#) are not appropriate to your situation, you may use another

technique as long as you justify in your evidence pack why this technique is more appropriate.

If you have to estimate some supply data to complete your dataset for a compliance year, the period of time for which you have to estimate the supply determines whether you have to classify and report a supply as an 'estimate' under CRC. See [section 3.2.9](#) for details.

3.2.9 Is the supply classified as an actual or an estimated supply?

In the [Footprint Report](#), all supplies (whether estimated or actual readings) were reported together on the 'Energy supplies' screen. A 10% addition to the CRC emissions associated with an estimated reading was **not** applied in the Footprint Report for supplies classified as a 'CRC estimate'.

In annual reports, participants are required to specify whether the supply is classified as actual or an estimate under CRC on 'Report Energy Use By Type' screen – see page 13 of the screenshot guidance, *Annual Reporting Screenshots and Worked Example* (PDF, 1.42MB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0511BTXK-E-E.pdf>). (<http://publications.environment-agency.gov.uk/PDF/GEHO0511BTXK-E-E.pdf>).

It is in your interest to ensure you calculate correctly whether your supplies need to be classified as 'CRC estimates'. If a supply is classified as an 'estimate' under CRC and reported in the 'Estimated Supply' column in your Annual Report, the [CRC Registry](#) will automatically apply a 10% addition to the CRC emissions associated with that supply. You will therefore need to purchase and surrender more [allowances](#) than if the supply hadn't been estimated.

CRC definitions of estimated supply (see below) will be different from your suppliers' definitions of estimated supply. It is therefore vital that you review your supply records in accordance with the **rules below** to ascertain whether the supply counts as an estimate under the CRC scheme. For example, a supply which your energy supplier says is an estimate may not have to be classified as an 'estimate' under CRC.

The classification of a supply as 'actual' or 'estimate' under CRC is explained below.

Electricity and gas— actual and estimate classifications

The **entire** annual supply of electricity or gas for a specific meter will be [actual supply](#) if, during the applicable compliance year (April–March), there are at least two actual meter readings at least half a year apart (for example, 183 days apart).

Where a supply was only the responsibility of the participant for part of the year, then the principle can be applied proportionally. For example, for meter X owned between 1 April and 30 June (91 days), there must be two meter readings at least 46 days apart for the supply to be classified as 'actual'.

The **entire** annual supply of electricity or gas for a specific meter is defined as an [estimated supply](#) if, during the applicable compliance year (April–March), the amount of the supply is estimated by the supplier for at least half the year (that is, there are not two actual meter readings at least half a year apart).

If the annual supply is classified as an estimated supply, this supply figure must be entered in the 'Estimated Supply' column in the Annual Report. The [CRC Registry](#) will automatically add a 10% uplift to the emissions associated with that supply to account for the supply figure potentially being inaccurate.

It may be in your organisation's interest to ensure meter readings are taken so that you will not be required to classify any of your supplies as estimates.

4. Reporting requirements

This section summarises the information that needs to be entered into [Annual Reports](#). If you require further detail about any of the topics, please use the links to the annexes in this manual for additional information and examples. For step-by-step guides of exactly where to enter data see the [Annual Report screenshot guidance](#) (<http://publications.environment-agency.gov.uk/PDF/GEHO0511BTXK-E-E.pdf>).

For step-by-step guidance on exactly where to enter data see *Annual Reporting Screenshots and Worked Example* (PDF, 1.42MB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0511BTXK-E-E.pdf>).

4.1 Preparing to submit your Annual Report

Before submitting your annual report each year you need to ensure the following has happened.

- [You have told us](#) about any [designated changes](#) during the year.
- We have made the necessary changes to your CRC structure in your records held on the [CRC Registry](#).
- You have at least one [Authorised Contact](#) contact (the [Primary Contact](#) or [Secondary Contact](#) or [Account Representative](#)) who is able to enter the system to submit your Annual Report.
- You have at least one [Authorised Contact](#) who is able to enter the system to [order](#) and [surrender](#) the allowances applicable to the CRC emissions you will be reporting for the compliance year.

[Accessing your account](#) (section 8.1) explains what you need to do to ensure you can get into your account when you need to.

4.2 What supplies are entered in the Annual Report?

As part of the [Annual Report](#) you need to calculate and enter:

- the quantity of electricity you generate in your organisation for which you claim [feed-in tariff](#) (FIT) payments
- the quantity of electricity you generate in your organisation for which you are issued with a [Renewables Obligation Certificate](#) (ROC)
- the quantity of electricity you generate in your organisation for which you claim [FITs or ROCs and self supply](#)
- if applicable, the quantity of electricity you generate from renewable sources in your organisation that you [self supply and for which you are eligible to claim Electricity Generating Credits](#) (EGCs)
- your [supplies](#) (excluding electricity and gas supplies used for operating an EU ETS installation and electricity and gas supplies consumed for the purpose of operating a CCA facility detailed in a [specified facility certificate](#)) separated into supplies that count as [actual](#) and supplies that count as [estimated](#) under CRC rules
- if applicable, the quantity of [Electricity Generating Credits](#) you are eligible to claim from electricity that you generate from both renewable and non-renewable sources
- the total emissions associated with the supplies for each [Significant Group Undertaking](#) (SGU) in your [CRC structure](#) (any applicable EGCs need to be deducted from the SGU emissions before entry – if you don't use a database or spreadsheet that calculates this breakdown, you)* You may need to calculate the emissions

associated with each of your SGUs using the emissions calculator in your CRC account) if you do not use a database or spreadsheet which calculates this breakdown for you.

- if applicable, for 2010-2011 to 2011-2012, the emissions (in tonnes of CO₂) during the compliance year covered by an approved carbon management scheme – you can download a list (PDF, 11.5KB) from our website (www.environment-agency.gov.uk/static/documents/Business/CARBON_TRUST_EQUIVALENT_SCHEMES.pdf).

For the remainder of Phase 1, you are only required to report in your annual reports on electricity and gas that meet the [supply rules](#).

In the Annual Report you will need to put your [actual and estimated supplies](#) in separate columns. Supplies [classified as estimates](#) will be subject to a 10% [estimation uplift](#). The uplift is added automatically by the [CRC Registry](#), so please only enter the supplies classified as an estimate in the 'Estimated Supply' column.

There is separate step-by-step screenshot guidance, *Annual Reporting Screenshots and Worked Example* (PDF, 1.42MB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0511BTXK-E-E.pdf>), to help you submit your annual reports.

4.3 Electricity generated by your organisation

If you generate any electricity within your participant group, please read this section and [section 4.4](#). If not then please go to [section 4.9](#).

Electricity Generating Credits (EGCs) are only available when electricity is generated and exported or self supplied according to the CRC [supply rules](#). EGCs are **not** available where the supply/self supply criteria are not met.

EGCs are converted into tonnes of CO₂ (tCO₂) and the [CRC Registry](#) deducts these from the emissions associated with the energy supplies you have reported. EGCs can only be claimed if the generation meets the **five** criteria set out in [section 4.3.1](#).

4.3.1 Criteria for claiming Electricity Generating Credits

Note: The criteria for claiming EGCs have changed from 2012-2013 onwards. Previously you could claim EGCs provided criteria 1–4 below applied. Now criteria 5 below also applies.

An electricity generating process will be eligible for EGCs where **all the five criteria** below are met.

1. The electricity is generated by a CRC organisation.
2. No [ROCs](#) or [FITs](#) are issued in respect of the electricity generated.
3. The generation does not take place at an EU ETS electricity generating installation, a nuclear power station, a pumped storage hydroelectric power station or a large hydro-generating station that is ineligible for ROCs.
4. The generated electricity is supplied to another undertaking or public body, or is self supplied within the generating organisation for the generation, transmission or distribution of electricity.
5. The fuel used to generate the electricity is not gas or a fuel you reported as part of your Residual Measurement List in the first compliance year of Phase 1.

You'll need to convert the quantity of EGCs for which you qualify (based on the quantity of electricity generated by the eligible processes) to kWh for entry in your Annual Report.

The full quantity of EGCs you are eligible to claim should be entered in your Annual Report. You will also have to specify how many EGCs you are claiming for electricity [which you self supply](#).

The [CRC Registry](#) will calculate the emissions covered by your EGCs using the [grid average emissions factor](#) and deduct this from the emissions associated with the supplies entered in your Annual Report.

Time limitations

EGCs can only be claimed in the compliance year in which the electricity was generated. They cannot be retained and used in annual reports in later years.

Maximum claim limitations

If over the course of a year your organisation accrues EGCs, you still need to report your energy supply as the gross figure (that is, without EGCs deducted) and then enter the value of your EGCs separately in the CRC Registry.

Even if you are entitled to claim a large number of EGCs, which may effectively cancel out a large proportion or all of your energy supply emissions, you are still required to participate in CRC (that is, you still have to submit annual reports, if applicable purchase and surrender allowances, and pay the annual [subsistence fee](#)).

Note that because the CRC Registry is primarily designed to determine obligations to purchase and surrender allowances, the minimum number of emissions you can end up with as a result of the deduction of your EGCs is zero – even if your EGCs are greater than your CRC emissions.

4.3.2 Electricity generation from CHP plants

From 2012-2013 onwards the following rules apply to organisations that generate electricity from combined heat and power (CHP) plants.

- **Participants receiving supplies from CHP plants.** CRC participants receiving electricity generated by a CHP plant are responsible for reporting the supply of electricity they receive.
- **CHP plant operators who are participants.** Gas supplied to CHP plants is treated as being primarily used for electricity generating purposes and therefore outside the scope of the CRC. Therefore it doesn't need to be reported in your Annual Report.

Examples are provided in [Annex J](#).

4.4 Electricity generation from renewables

If you generate electricity from renewables you may be eligible for Electricity Generating Credits (EGCs) if you meet the [ECG criteria](#). You will not be eligible if you are claiming [ROCs](#) or [FITs](#) for the renewable electricity generation.

Any electricity for which you are responsible under CRC that is generated by renewables (whether your organisation generated it or you purchased it from a supplier) should have been reported with your other electricity supplies in your [Footprint Report](#) and be reported in your [Annual Reports](#) as appropriate. You **also** need to report the electricity you generate

from renewable sources separately in your Annual Report. This is reported in four different formats as described below.

See [Annex J.2](#) for further details relating to electricity generation from renewables.

4.4.1 Generation covered by Renewables Obligation Certificates

You must report the quantity of electricity in kWh you have generated for which you have been issued with a Renewables Obligation Certificate (ROC) on the 'Emissions associated with renewable electricity' screen at the beginning of each Annual Report. All generated electricity needs to be reported – both the electricity you export and the electricity you [self supply](#). You can leave the field blank or enter '0' if this isn't applicable to your organisation.

The quantity of electricity covered by ROCs that you enter on the 'Emissions associated with renewable electricity' screen at the beginning of each Annual Report is **not** included in the calculation of [CRC emissions](#). This is because it is simply for gathering information on electricity generated. The electricity which you use is reported as a [supply](#) and forms part of your CRC emissions.

The Renewables Obligation (RO) is currently the main mechanism for supporting large-scale generation of renewable electricity. RO works by placing an obligation on licensed electricity suppliers to source a specified and annually increasing proportion of their electricity sales from renewable sources, or pay a penalty. Suppliers meet their obligations by presenting sufficient Renewables Obligation Certificates (ROCs). Where suppliers do not have sufficient ROCs to meet their obligations, they must pay an equivalent amount into a fund, the proceeds of which are paid back on a pro-rata basis to those suppliers that have presented ROCs. The RO is administered by Ofgem, which issues the ROCs to renewable electricity generators.

4.4.2 Generation covered by feed-in tariffs

You must report the quantity of electricity in kWh that you have generated for which you have received a feed-in tariff (FIT) payment on the 'Emissions associated with renewable electricity' screen at the beginning of each Annual Report. All generated electricity needs to be reported (both the electricity you export and the electricity you [self supply](#)). You can leave the field blank or enter '0' if this isn't applicable to your organisation.

The quantity of electricity covered by FITs that you enter on the 'Emissions associated with renewable electricity' screen at the beginning of each Annual Report is **not** included in the calculation of [CRC emissions](#). This is because this section is simply for gathering information on electricity generated. The electricity which you use (whether or not it happens to be covered by a FIT) is reported as a [supply](#) on a different screen in your Annual Report and forms part of your CRC emissions.

The aim of the feed-in tariff (FIT) scheme is to encourage deployment of small-scale (less than 5MW) low-carbon electricity generation, particularly by organisations, businesses, communities and individuals that have not traditionally engaged in the electricity market. This will allow many people to invest in small-scale low-carbon electricity in return for a guaranteed payment for the electricity they generate and export. FITs work alongside the Renewables Obligation and the Renewable Heat Incentive.

4.4.3 Generation you self supply that is covered by ROCs and FITs

You need to report the total quantity of electricity in kWh you have generated and [self supplied](#) for which you have received a FIT payment or been issued with a Renewables Obligation Certificate (ROC) on the 'Emissions associated with renewable electricity' screen at the beginning of each Annual Report.

Note that:

- this excludes the electricity you export to third parties
- electricity generated by an undertaking within your organisation and supplied to a separate undertaking within your structure is not classified as self supply

You can leave this field blank or enter '0' if this isn't applicable to your organisation.

4.4.4 Generation you self supply that is eligible for EGCs

You need to report the total quantity of electricity in kWh that you have generated from renewable sources and [self supplied](#) for which you are eligible to claim [Electricity Generating Credits](#) (EGCs) on the 'Emissions associated with renewable electricity' screen at the beginning of each Annual Report. You can leave this field blank or enter '0' if this isn't applicable to your organisation.

4.5 Residual Measurement List requirements

We have removed the content of this section from the manual as you won't need to use your Residual Measurement List (RML) for the remainder of Phase 1 as the only fuels reportable under CRC in the future are electricity and gas.

Please note that you must keep records of your RML fuels used for the first two years of the CRC scheme in your [evidence pack](#).

4.6 Other fuels

We have removed the content this section from the manual as the only fuels reportable under CRC for the remainder of Phase 1 are electricity and gas.

4.7 Early Action Metric data

Information on the Early Action Metric is available in [Annex K](#). It only applies to Years 1 and 2 of Phase 1 (2010/2011 and 2011-2012).

4.8 Growth Metric Data: turnover/revenue expenditure

This section is for information only. Please see [Annex K](#).

4.9 Corporate responsibility questions

You will be asked to answer the following four questions in your [Annual Report](#).

1. Does your CRC organisation disclose carbon emission reduction targets in its annual reporting? 'Annual reporting' refers to any form of readily and clearly available information that is disclosed at least annually either via your organisation's annual report or its website.
2. Does your CRC organisation publicly disclose carbon emissions performance against these targets?
3. Does your CRC organisation have a named person with management control with responsibility for overseeing carbon performance in respect of its emissions reduction targets and performance against them?
4. Do you actively engage employees to reduce carbon emissions at work?

You can answer 'Yes', 'No' or 'No answer'.

You may respond with a 'Yes' to the employee engagement question (Question 4) if you meet **one** of the following criteria:

- Energy management training is offered to the majority of employees in your organisation.
- Your organisation has active employee working groups on energy management, which report to senior management and take forward initiatives to reduce the organisation's carbon emissions.
- Where an independent trade union is recognised for collective bargaining purposes, energy management issues are considered in these joint discussions and members actively take forward initiatives to reduce the organisation's carbon emissions.

It is important that your answer is correct (if you answer 'Yes' or 'No') and you keep records to back up your answer in your [evidence pack](#).

4.10 Report summary and data submission

When you have entered your data via the [CRC Registry](#) in an [Annual Report](#), you are given a chance to download a PDF summary of these data before submitting the report. (The same applied when you entered data in your [Footprint Report](#).)

If you need to amend any data before submitting, use the 'Previous' button on the screen to navigate back to the relevant page and input the correct data. Do not use the 'Back' button on your internet browser as this could cause you to lose your data.

Once you are confident you have entered the correct data please submit the report.

Once you have submitted the report, the PDF summary of your data will be sent as an attachment in emails to the [Senior Officer](#), [Primary Contact](#), [Secondary Contact](#) and [Account Representative\(s\)](#). All recipients should check this summary for errors. You are allowed to submit new reports until the deadline and the latest report is taken to be the final correct submission.

For an example of the summary you will be sent see pages 42–43 of the screenshot guidance, *Annual Reporting Screenshots and Worked Example* (PDF, 1.42MB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0511BTXK-E-E.pdf>).

5. CRC allowances

The guidance given in this section is based on:

- The CRC Energy Efficiency Scheme (Allocation of Allowances for Payment) Regulations 2012 – referred to in this manual as the ‘Allocation Regulations’
- the government response to its consultation on simplifying the CRC scheme
- discussions with DECC

For each compliance year from 2011-2012 onwards, participants must [order](#), [pay for](#) and [surrender](#) allowances to cover their annual [CRC emissions](#), as reported in their [Annual Report](#) for that year.

In Phase 1, participants are required to purchase allowances retrospectively for the annual compliance year that has just passed.

This section describes how participants can order and surrender [allowances](#) online via the [CRC Registry](#). Your ‘order’ is your request for allowances under the Allocation Regulations. One CRC allowance equals one tonne of carbon dioxide (tCO₂).

For the two remaining years of Phase 1 (2012-2013 and 2013-2014) the timetable for the sale, allocation and surrender of allowances has been amended so that allowances can be ordered between June and July, paid for between 2 and 20 September, and allocated and surrendered between September and October. [Table 5.1](#) shows these dates for 2012-2013 year and, for comparison the dates from 2011-2012.

Table 5.1: 2012-2013 and 2013-2014 deadlines for ordering, payment, allocation and surrender of allowances

Action required	2012-2013 deadline	2013-2014 deadline
Order CRC allowances	3 June to 31 July 2013	2 June 31 July 2014
Payment for CRC allowances	2–20 September 2013	1-19 September 2014
Allocation of CRC allowances	2 September to 15 October 2013	1 September to 15 October 2014
Surrender of allowances	31 October 2013	31 October 2014

*Primary allocation period

**Our CRC Regulatory Position Statement (2011/12 Surrender Obligation, v1 March 2012) extended this deadline to 28 September 2012 providing certain conditions were met.

† deadlines are subject to parliamentary approval.

5.1 Preparing to purchase

Before your organisation can order allowances, it needs to have at least two people authorised by the [senior officer](#) to access its [compliance account](#). For a sale of allowances this [authorised contact](#) can be a [primary contact](#), a [secondary contact](#) or an [account representative](#). A participant can appoint an agent to act on behalf of primary or secondary contact or account representative. Each participant organisation can choose to register up to

three account representatives in addition to the primary and secondary contact. The existing primary contact, secondary contact or senior officer can also be an account representative.

A participant may not have more than three authorised contacts at any time that are able to trade. This means that only three authorised contacts will be approved for a [One Time Passcode](#) (OTP) at any time.

Primary and secondary contacts, account representatives and their appointed agents are known as 'authorised contacts'. Authorised contacts can [order](#), [surrender](#) and transfer allowances as appropriate through the CRC [compliance account](#) on behalf of the [compliance account holder/primary member](#).

Authorised contacts are able to offer allowances for sale or purchase allowances from any other account holder in the CRC Registry.

Authorised contacts log onto the CRC compliance account using their Government Gateway User ID and the Government Gateway password they created the first time they accessed the Registry.

Authorised contacts will be able to transfer allowances to other CRC participants, but will require a One Time Passcode to do this.

5.1.1 One Time Passcodes

A One Time Passcode (OTP) is an additional security measure beyond the Government Gateway login which authenticates the identity of the [authorised contact](#) requesting the transfer of allowances. The OTP works by sending a passcode, that allows the user to perform the required actions, to a mobile phone whose number is recorded on the CRC Registry.

Before the OTP is used for the first time, the user needs to:

- Successfully undergo an ID check
- register their mobile phone number

If you have successfully enrolled as an account representative using a digital certificate you will automatically be marked as having successfully undergone an ID check.

When an authorised contact wishes to transfer allowances they request an OTP. The passcode sent to their mobile phone must be entered in the appropriate field on the Registry screen before the transfer can be confirmed. Details of the process are provided in the screenshot guidance.

5.2 Ordering and allocation of allowances

Each year an organisation must ensure it has sufficient allowances to at least equal the quantity of [CRC emissions](#) calculated in its [annual report](#) for the compliance year that has just ended.

These allowances can be purchased by any [authorised contact](#) from the government sale or from the open market via a trade. It is vital to ensure you buy allowances that are [valid](#) for the surrender period you need as allowances bought in different sales have different validities. All allowances bought in Phase 1 are valid for Phase 1. Please note however that allowances bought in 2014 as part of the [Forecast sale](#) for Phase 2 are not valid for Phase 1 compliance commitments.

If you don't have your finalised energy supply data by the time you need to order allowances, you may wish to order allowances to more than cover your estimated total for that

compliance year. Allowances bought in the buy to comply sale are valid retrospectively for the compliance year just ended (31 March). However please remember that Phase 1 allowances are not valid for any other Phase Any unused allowances from one year can be traded in the secondary market.

The CRC team will only allocate the allowances to your [CRC compliance account](#) once payment is received in full for your order within the payment period.

Find out more about the sale of allowances by downloading the screenshot guidance, [How to order allowances](#) (PowerPoint, 2.06MB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0312BWGB-E-E.pdf>).

5.2.1 Sale window

The [Allocation Regulations](#) provide for compliance sales. These sales enable you to:

- order allowances to meet your surrender obligation after the end of each compliance year
- offer allowances for sale to any other account holders in the [CRC Registry](#)
- purchase allowances from other account holders in the CRC Registry

Any [authorised contact](#) can order allowances.

The sale window for 2014 will be 2 June to 31 July 2014. During this period your [Authorised Contact\(s\)](#) can submit orders for allowances via the CRC Registry. You can make as many orders as you like within the sale window to enable you to buy sufficient allowances to meet your 2013-2014 surrender obligation.

An email to confirm that you have successfully completed an order will be sent to your [Authorised Contact\(s\)](#) and [Senior Officer](#). Attached to this email will be a [Memorandum of Account](#) to facilitate payment for your order through your accounts payable department.

5.2.2 Allowance price

Allowances will cost £12 each in the 2013 and 2014 sales.

5.2.3 Payment

Payments must be made to the DECC bank account specified in the [Memorandum of Account](#) and **not** to the Environment Agency's bank account. [Annex N](#) shows an example Memorandum of Account.

The government sale of allowances is not subject to Value Added Tax (VAT).

All payments must be:

- made by electronic transfer such as BACS or CHAPS or, with agreement of the Environment Agency, a credit or debit card
- from an account with a credit institution¹ such as a bank or building society
- accompanied by information which identifies the [compliance account holder](#) making the payment including your unique Allowance Payment Reference code*
- made in full in GB Pounds Sterling only

¹ In the Allocation Regulations, 'credit institution' means—

- (a) an institution which has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on the regulated activity of accepting deposits and persons authorised to carry on similar activities under the law of a country other than the United Kingdom, or
- (b) an electronic money institution as defined by article 2 of Directive 2009/110/EC of the European Parliament and of the Council on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC.

- for whole numbers of allowances

* This will be quoted on-screen in the [CRC Registry](#) when you request your allowances and in the Memorandum of Account. The code should be quoted in the format CRCFPXXXXXX on your electronic transfer payment.

Please ensure that your instruction to your bank guarantees that payment is made for the full amount and covers any additional charges associated with the bank transaction. The amount arriving in the payee account must be the full sum due without deduction in order for you to be allocated all of the allowances you have requested.

For any payment originating outside the UK, you will also need to instruct your bank to take account of the impact of any currency exchange to ensure the amount received in the payee account does not fall short. Payments in any currency other than GB Pounds Sterling will not be valid.

A valid order for allowances is one made during the sale window (that is, for 2014, between 2 June 2014 and 31 July 2014) and where payment of cleared funds is received no later than 19 September 2014. It is not possible to agree any other payment terms or dates with the Environment Agency.

Electronic payments may take several days to clear depending on your chosen payment method so please factor this in when paying for your allowances. Accordingly, credit or debit card payments can only be taken between 2 September and 15 September 2014.

If you have not ordered and paid for sufficient allowances by the 19 September deadline, you are likely to find you do not have sufficient allowances to meet your surrender obligation. There is no certainty that allowances will be available on the [secondary market](#). If you do not have sufficient allowances for surrender you could be at risk of enforcement action including [civil penalties](#).

5.2.4 Memorandum of Account

A Memorandum of Account (instead of an invoice) will be issued to the [Authorised Contact\(s\)](#) and [Senior Officer](#) for each allowance order submitted to the [CRC Registry](#). This document is in a form suitable for presentation to your accounts payable department. See [Annex N](#) for an example Memorandum of Account.

The allowance payment is a requirement under the [Allocation Regulations](#). It is not a payment for either goods or services. This is why a Memorandum of Account is issued rather than an invoice. Please note that neither the Environment Agency nor DECC will issue invoices for allowances.

5.2.5 Under or over payment

We will reconcile all payments received with allowance orders. The following will apply in the event of under or over payment.

Under payments

We will contact you if the total payment is less than your request. Either the balance can be paid for the full amount so that cleared funds are received by 19 September 2014, or we will allocate a whole number of allowances up to the value for which payment has been received. To enable the latter, you will be asked to revise your request in the [CRC Registry](#) to match the available funds. Any balance remaining (in cases where the payment doesn't divide exactly by the whole number of allowances) will be refunded by DECC as soon as reasonably practicable after the closure of the sale window.

We will contact you if the total payment is more than your request. We will allocate the number of allowances you requested in your original request unless you request additional allowances to match your payment before the 19 September deadline. Any balance remaining will be refunded by DECC as soon as reasonably practicable after the closure of the sale window.

5.2.6 Late payment

Any payments that clear into the receiving account after 19 September 2014 will be invalid.

5.2.7 Administration fee

The [Allocation Regulations](#) give the Environment Agency the power to recover administration costs in respect of allocating allowances.

We didn't charge an administration fee for the 2012 or 2013 sales and don't intend to charge one for the 2014 sale. We will consult before any such charge is made in the future.

5.2.8 Allocation period

The 2014 allocation period starts on 2 September 2014. Once you have your allowances you will need to surrender them by 31 October 2014.

You may make more than one order for allowances via the [CRC Registry](#), but payments must be cleared before we can allocate allowances. Your order is likely to be processed more quickly if you make an individual payment in full for each individual order placed because it will be straightforward to reconcile.

Providing a valid order is made, we will allocate allowances as soon as reasonably practicable in the allocation period. We will confirm by email to the [Authorised Contacts](#) and [Senior Officer](#) when allowances have been allocated to your [compliance account](#).

5.3 Surrendering allowances

To comply with the [CRC Order](#) you need to surrender [allowances](#) equal to the quantity of [CRC emissions](#) declared in your [Annual Report](#) for the compliance year that has just passed. If you don't do this you may incur [penalties](#) for not surrendering sufficient allowances to cover your CRC emissions.

Further details on surrendering your allowances are provided below. You can also download our screenshot guidance See also *How to surrender allowances* (PDF, 469KB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0312BWGC-E-E.pdf>)

5.3.1 2014 surrender deadline

The 2014 surrender deadline is 31 October 2014. We will treat participants as compliant with their 2013-2014 surrender obligation providing we receive a valid order for allowances by 31 July including payment of cleared funds by 19 September 2014 and sufficient allowances are surrendered by 31 October 2014.

5.3.2 Surrendering insufficient allowances

If you didn't purchase sufficient CRC allowances, you should surrender as many allowances as you have. This approach will help you to minimise your liability to [civil penalties](#).

5.3.3 Surrendering too many allowances

You only need to surrender allowances equal to your [CRC emissions](#) for the relevant compliance year and any commitment that may have been carried forward from previous years. If you do surrender too many allowances, the excess allowances will count towards the surrender obligation for your next compliance year provided it is in the same [phase](#). Alternatively you can make a request to the Secretary of State for repayment in relation to

the over surrendered allowances. This repayment will be minus any banking charges incurred.

5.4 Validity of allowances

The allowances that you purchase in each year of Phase 1 will be valid for all the [phase](#). For example, if you purchased allowances in 2013, you will be able to surrender them to meet your 2012-2013 or 2013-2014 obligations.

If you purchase too many allowances in one year, you can retain these allowances in your [CRC compliance account](#) for surrender in Phase 1. However, allowances issued in Phase 1 are not valid in respect of CRC emissions made in a subsequent phase. Once all Phase 1 surrender obligations have been met, any remaining unused allowances will become invalid. We therefore recommend that you reconcile the number of allowances you have by the end of the phase so that you don't lose the value of these allowances.

5.5 Special allocations

You can make a request for a special allocation if you are in receipt of an enforcement notice or civil penalty requiring you to purchase allowances. This type of allocation can be carried out at any time throughout the year. Contact the CRC Helpdesk (email: CRChelp@environment-agency.gov.uk or phone 03708 506 506) so that arrangements can be made for you to submit a request via the [CRC Registry](#).

5.6 Excess allowances

Please notify us immediately in the unlikely event that we by mistake issue you with more allowances than you have paid for. We will be carrying out checks to follow up on any cases where this arises. If we become aware that you have received such excess allowances, your [Account Representative](#) will need to move the excess allowances to the voluntary surrender account. If you have already sold or otherwise dealt with the allowances, we will require you to pay for those allowances in full.

5.7 Transfer of allowances to the secondary market

Unused allowances may be sold in the secondary market to any other account holder. This could be a compliance account holder or a third party (that is, not a participant in the scheme).

Secondary market transactions will be subject to VAT.

The [CRC Registry](#) has a notice-board facility designed to match buyers and sellers.

Please note that you will require a [One Time Passcode](#) to complete the transfer process.

For details on how to transfer allowances and place adverts on the notice-board download our screenshot guidance, *How to trade allowances* (PDF, 1.15MB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0312BWGD-E-E.pdf>).

5.8 Validating reporting data before allowance purchases

CRC is a self-certification scheme. It is not our role as the scheme's administrators to validate data reported by participants prior to submission.

Each participant is required to develop their own internal checks to ensure:

- data are reported in accordance with scheme requirements
- sufficient allowances are surrendered

5.9 Accounting and legal advice

If you require accounting or legal advice on matters not dealt with in this guidance, we recommend you seek independent expert advice on the CRC scheme and its implications for your organisation.

6. Evidence packs

This section provides overviews of:

- the information that needs to be kept in your evidence pack to comply with CRC
- the audit procedure
- when penalties could be applied

6.1 Evidence pack principles

6.1.1 Why is an evidence pack required?

To meet your record-keeping obligations in CRC, you need to maintain sufficient records to support and justify the information submitted to us during registration and in your [Footprint](#) and [Annual Reports](#). You also need to record any changes to the information submitted.

Your evidence will be audited and you should have a robust audit trail in place.

In general you will need to keep evidence relating to the following:

- [organisational information and responsibilities](#) (personnel and procedures)
- [qualification and registration](#)
- [reporting](#)
- [changes that affect your data](#), including organisational changes
- [exemptions and exclusions](#)

Details of what records should be kept for each of these key topics are provided in the checklists in [Annex M](#).

6.1.2 What should the evidence pack look like?

Although there is no set format that your evidence pack must follow, the checklist templates in [Annex M](#) are intended to help you collect the appropriate information about each topic for an audit (internal or by us).

It is not necessary for your evidence pack to hold all the information that may be requested in one place. If appropriate the evidence pack can just include links to, or the locations of, where the information is held.

6.1.3 When should my evidence pack be ready?

You should compile your evidence pack throughout each [phase](#) of the CRC scheme. You can be audited at any time during the phase and your evidence pack should be up-to-date at all times.

You should have started collecting information during the qualification year. You will need to retain information relating to:

- qualification
- registration
- the footprint year
- each annual reporting year

6.1.4 How long must information in the evidence pack be kept?

For the whole time you are part of the CRC scheme you need to keep:

- the records relating to your [Footprint Report](#)
- the records relating to your first [Annual Report](#)
- the records of what determined your position in the [Performance League Table](#) for the first year of the CRC scheme in which you took part

You must keep all other records for at least seven years after the end of the first phase..

6.1.5 What happens if adequate records are not kept?

If you fail to keep an evidence pack, or it is incomplete, we may take enforcement action. [Annex D](#) lists the penalties available under the [CRC Order](#). If we impose a financial penalty, we may also [publish](#) your failure to comply with the CRC Order.

6.1.6 Records of organisation information and responsibilities

It should be clear from your evidence pack who in your organisation is responsible for ensuring compliance with CRC and that you are collating data for the [correct undertakings](#) or related bodies/departments (where applicable) within your organisation.

You should therefore keep records of:

- who your contacts for CRC are (including the proof that the [Senior Officer](#), who bears the ultimate responsibility for ensuring compliance, exercises management control over the [primary member](#) organisation)
- what responsibilities for CRC your contacts have internally (that is, whose job is it to collate, submit and approve data)
- your group [CRC structure](#) (or other bodies that come under your CRC responsibility) to show that you have acknowledged responsibility (or otherwise) for all the applicable supplies from all undertakings in the group
- any [disaggregated Significant Group Undertakings](#)
- which organisation within the group is acting as the [primary member](#) for the group
- your written internal procedures for collecting, collating and auditing your CRC data

See [Annex M](#) for specific details of what records relating to organisational information and responsibilities you should retain and maintain in order to comply with CRC.

6.1.7 Qualification and registration

To ensure we can check you have assessed your organisation's qualification for Phase 1 of CRC correctly, you should keep records of:

- having at least one [settled half hourly meter](#) during 2008
- your total half-hourly meter and [dynamic](#) electricity supplies for the calendar year 2008
- your organisational structure on 31 December 2008
- your registration summary (as a PDF)

6.1.8 Reporting

To enable you to report the correct information for those undertakings for which you have CRC responsibility and enable us to verify this, you should keep:

- records and justification for the supplies you have not reported because they are classed as [excluded uses](#)
- details of your total [supplies](#) (every year) (excluding supplies to EU ETS installations, CCA facilities and subsidiaries with a CCA exemption)
- details of total supplies (2010/11) covered by [CCA member exemptions and/or supplies to non-exempt CCA facilities and/or EU ETS facilities](#)
- records of the non-core supplies you selected to be part of a [Residual Measurement List](#) (for the relevant years)
- records of your total supplies of any other fuels (2010-2011 only)
- records of meter types, locations and other meter-related information – where **meter accuracy** is requested in the checklists in [Annex M](#), this only needs to be specified if the electricity or gas is not provided by a licensed supplier (for example, you generate your own electricity and have installed a meter)

- records of the readings, bills or annual statements for each meter or supply (every year) used as [primary evidence](#)
- records of whether supplies are classed as [actual supplies](#) or [estimated supplies](#) under CRC and, if applicable, the methods and calculations you used to estimate them
- records of any [ROCs](#) and/or [FITs](#) you claim and the total supplies covered by these ROCs and/or FITs
- records of how you calculated any [Electricity Generating Credits](#) (EGCs) you are eligible to claim
- records of your total [mandatory](#) and [voluntary](#) automatic meter reading ([AMR](#)) electricity and gas supplies, and dynamic electricity supplies and how you calculated your voluntary AMR percentage (2010-2011 only) (if reported)
- copies of your carbon management scheme certificate and records of the calculations made to quantify the [CRC emissions](#) (in tCO₂) covered by the certificate (2010-2011 and 2011-2012 only)(if reported)
- evidence of your audited [turnover](#) figure (2010-2011 and 2011-2012 only) (if reported)
- evidence to support your answers to the [corporate responsibility questions](#) (if answered)
- your Footprint and Annual Report summary documents (PDFs)

[Annex M](#) gives specific details of what records you should retain and maintain to ensure we can check your [Footprint](#) and [Annual Reports](#) are correct.

6.1.9 Changes that affect your data

In order to demonstrate you have accounted correctly for changes and special events that may affect the data you report and how you comply with CRC, you should keep records of:

- changes to CRC personnel (for example, dates, names and transfer of responsibilities)
- changes to any data management tools you use
- changes to your organisational structure (dates and details for both designated changes and non-designated changes) and, if applicable, evidence that we have been notified and made the appropriate changes to your account
- any changes to CCA or EU ETS coverage
- any loss of CCA exemptions
- any meter faults that may affect the accuracy of your meter readings and hence reporting
- summary details of any major changes to your organisation that may account for significant changes in emissions (for example, rapid expansion or contraction, companies going into administration/liquidation)
- records of correspondence with us

[Annex M](#) gives specific details of what records you should retain and maintain to provide evidence of changes that affect your data.

Note that new meters acquired by a participant organisation don't need to be added to the [CRC Registry](#). You should just keep records of them in your evidence pack.

6.1.10 Exemptions

In order to prove you have claimed the correct CCA exemption, you will need to keep evidence of how you calculated your eligibility for a CCA exemption.

When claiming a [general](#) or [member](#) CCA exemption, you need to keep the following for each undertaking claiming an exemption:

- CCA target unit identifier(s) (TUI(s))
- emissions from each CCA (in tCO₂)
- [total emissions](#) (in tCO₂)
- total CCA emissions (in tCO₂) if you have more than one CCA
- CCA emissions as a percentage of total emissions.

When claiming a [group](#) CCA exemption, you need to keep the following information:

- CCA TUI(s)
- records of qualifying electricity supplied during the CCA target period ending in the qualification year or footprint year as appropriate (MWh)
- records of qualifying electricity supplied to each member satisfying the member exemption criteria
- total qualifying electricity supplied to the group
- total amount of qualifying electricity supplied to the participant once the total amount of qualifying electricity supplied to CCA exempt members has been deducted

Please retain any correspondence we have with you regarding your exemption.

[Annex M](#) gives specific details of what records you need to retain and maintain to demonstrate correct qualification for a CCA exemption.

6.2 Audits

Under the [CRC Order](#), the administrators have a duty to monitor compliance with the scheme. Therefore we will audit you to ensure you are keeping sufficient records within your evidence pack and that you have reported your emissions accurately.

You should expect to be audited during each [phase](#) of the CRC scheme.

The Environment Agency has adopted the Better Regulation approach for all its regulatory activities. This means being consistent and transparent with all our customers, using a risk-based approach to target our resources more efficiently. Our aim is to work with participants to rectify any issues and help them comply with the scheme. See our website for more information about Better Regulation (www.environment-agency.gov.uk/business/regulation/31993.aspx).

6.2.1 Who will carry out the compliance audit?

The audit will be carried out either by staff from the Environment Agency, SEPA or NIEA (and in the future by NRW) or by our trained and approved contractors. All our contractors are bound by confidentiality agreements as part of their contracts with us. They have appropriate powers under the [CRC Order](#) to carry out compliance audits on our behalf.

6.2.2 What are the selection criteria?

Organisations are selected for audit based on a number of criteria that help us to prioritise who we audit. Factors considered include:

- risk of non-compliance
- complexity of organisational structure
- any claimed exemptions
- compliance history

6.2.3 What is the compliance audit process?

We will email the [Primary Contact](#) and [Secondary Contact](#) to arrange a mutually convenient date and time to hold a [teleconference](#) or [meeting](#) with you. The scope of the audit and what we are trying to achieve will be explained and tailored to each participant.

Prior to the teleconference or meeting we may ask you for various pieces of information including:

- a summary of your evidence pack
- details of your energy usage
- a copy of your most recent [internal audit](#) report (if applicable)

All these documents can be sent to us electronically or by post within an agreed timescale.

The teleconference

This will be an approximately one hour teleconference or web-conference where you will be given the opportunity to give us an overview of how CRC responsibilities are being managed within your organisation. We will then discuss the following with you as appropriate to your organisation:

- [internal audit](#) (Has one been conducted? If so, is there a certificate and a report?)
- your organisational structure
- site arrangements (the sites you own or operate)
- supply arrangements (Who are your suppliers? How are supplies recorded?)
- [excluded use](#) (Is any energy used for activities classed as excluded uses?)
- [Annual](#) and [Footprint Reports](#)
- emissions associated with [core and non-core supplies](#) in the Footprint Report and core and [Residual Measurement List](#) supplies in the Annual Reports for auditing past years (2010-2011 and 2011-2012 only)
- [Significant Group Undertaking](#) emissions
- certification under the Carbon Trust Standard or an equivalent scheme (2010-2011 and 2011-2012 only)
- [automatic reading meters](#) (Have you reported any voluntary AMR percentage in the footprint year?) (2010-2011 only)
- special events (meter breakdowns and changes in supplier or ownership) annual [turnover](#) (private sector) or [revenue expenditure](#) (public sector) (2010-2011 and 2011-2012 only)

The discussion may bring to light the need for further information to support the data already provided. Evidence such as a written explanation, a statement of a method used to estimate supply figures, evidence of a CCA member exemption, primary data or other relevant information may be requested.

Follow-up email

Following the teleconference we will send an email summarising what was discussed and highlight any further actions that may be required. We may also request further information from you as discussed/agreed during the teleconference.

You will be given the opportunity to review the findings that were discussed and provide any feedback.

Ten business days will be allowed for you to provide us with any requested information. Please let us know as soon as possible if you feel it will take you longer to collate this information.

Information review

Once the requested information has been provided we will review the data and prepare an interim audit report. If you have provided us with the required information and we are satisfied that any outstanding issues have been resolved, we may [pass](#) the compliance audit at this stage. We will notify you of the outcome as soon as possible and provide you with a copy of our audit report.

Where there are unresolved issues we will continue with the audit process and request further information. There could be several reasons why we haven't been able to pass the audit at this stage. We will inform you of the outstanding issues and what evidence or information is required. Examples of possible issues include:

- errors in supplies
- incorrect organisational structure
- incorrectly claimed CCA member exemption

Site visit and meeting

Occasionally we may ask to hold an on-site meeting to discuss any outstanding matters or actions with you. Where we request a site visit, we can discuss any issues in person where the required documentation is available.

A copy of your [evidence pack](#) must be available at the site you have chosen for the meeting so we can inspect it. We will ask about specific documents related to any unresolved issues. You will be made aware of these issues before the meeting.

You should ensure the relevant contacts are available so that documents can be easily identified and located, as this may reduce the time taken for the site visit.

It is your responsibility to provide us with the required documents upon request.

What is an internal audit?

It is your responsibility to ensure you are complying with the CRC scheme. You should periodically review your internal procedures and 'quality check' your data relating to your CRC responsibilities. This review is called an internal audit.

You should keep a record of the checks you have undertaken in your evidence pack including:

- who carried the checks out and when
- any issues that were identified
- what corrective action was taken
- when any issues were resolved

The internal audit report should be signed off by the [Primary Contact](#), [Secondary Contact](#) or an [Account Representative](#) and a senior member of staff within the organisation such as a director or your [Senior Officer](#).

Frequency of internal audits

There is no formal statement of the required frequency of internal audits. You are expected to carry out regular internal audits of your compliance with CRC and to keep records for these in your evidence pack. It is advised that audits take place at least once a year.

Smaller scale audits that focus on a particular area may also be carried out more frequently than the main audit. An example might be checking whether your own in-house meter readings match the figures on the invoices from your energy suppliers. If they don't match you should investigate the matter further with the energy supplier until it is resolved. In this example you should keep a note of:

- all actions taken
- any relevant correspondence between you and the energy supplier
- when the matter was rectified
- overall outcome

We recommend that you visit the compliance audit page of our website (www.environment-agency.gov.uk/business/topics/pollution/127514.aspx) for further information on compliance audits.

6.2.4 Audit outcomes

An audit report will be prepared following the site visit and information review. A copy of this report will be sent to notify you of the outcome. There are two possible outcomes as described below.

Pass

The organisation has provided all the required evidence to successfully demonstrate it is complying with the CRC scheme at this time.

Further action required/non-compliance

Issues have been identified that may have resulted in a breach of the [CRC Order](#) and a non-compliance. We will request that corrective actions are taken and timescales are agreed for the improvements to be made. All non-compliances will be reviewed.

In some cases it may be necessary to refer the matter to our Enforcement Panel who will look at the evidence on a case-by-case basis. The Panel will consider the severity of the non-compliance(s) and any mitigating circumstances before deciding whether to take enforcement action which may include civil penalties. Enforcement action will be issued in line with:

- our Offence Response Options (PDF, 1.74MB) (www.environment-agency.gov.uk/static/documents/Business/1430_10_External.pdf)
- statutory guidance provided by DECC

6.3 Penalties

You could be liable to civil penalties if your organisation does not comply with the requirements of the [CRC Order](#).

[Annex D](#) contains a list of the civil penalties we could apply. If we impose a financial penalty, we may also [publish](#) your failure to comply with the CRC Order.

7. Performance tables

This section is no longer relevant as the 2011-2012 Performance League Table was the last PLT to be published. If you require any information on performance tables please contact the CRC Helpdesk and we will provide you with details.

From November 2013 the PLT has been replaced by the Annual reporting Publication (ARP). Each year the Environment Agency will publish a table showing the total emissions of each participant in the CRC scheme. For the compliance year it relates to, the table will contain the following information:

- registration number
- organisation name
- trading name
- regulator
- disaggregation information
- number of designated changes
- organisation type
- sector code and description
- 2012 to 2013 CRC emissions (tCO₂)
- 2012 to 2013 Electricity Generating Credits emissions (tCO₂)
- 2012 to 2013 Renewable Obligation Certificates (ROCs) emissions (tCO₂)
- 2012 to 2013 Feed In Tariffs (FITs) emissions (tCO₂)
- 2012 to 2013 self-supply ROCs and FITs emissions (tCO₂)
- participant responses to corporate responsibility questions
- participant report comments

8. Account maintenance

Much of the reporting and other requirements of CRC are fulfilled using the participant's online account in the [CRC Registry](http://www.environment-agency.gov.uk/business/127571.aspx) accessed via a dedicated page (www.environment-agency.gov.uk/business/127571.aspx) on the Environment Agency website. From this web page you can access several screenshot guidance presentations on how to use your account.

This section explains:

- how to access your online CRC account
- how to notify us of changes to your account and/or organisation
- how to appoint an agent

8.1 Accessing your account

Different names are given to the different access levels which various roles have to an organisation's CRC account. Personnel with the ability to enter the CRC account are termed:

- [Primary Contact](#) (one per account)
- [Secondary Contact](#) (one per account)
- [Account Representative](#) (up to three per account)

The [Senior Officer](#) for the account does not have access to the account unless they are also named in one of the roles above. However, they are the person with ultimate responsibility for ensuring the participant complies with the CRC scheme.

Consultants can be appointed as agents to act on the behalf of participants. Following appointment to act as the Primary/Secondary Contact and/or Account Representatives, agents can then access your Registry account and undertake the appointed roles. See: [Appointing an Agent](#).

8.1.1 Changing contacts/adding new contacts

Any existing Primary/Secondary Contact or Account Representative can:

- add new contacts to their account
- assign them a role as Primary/Secondary Contact or Account Representative

Simply enter your account and click on the 'Manage Contacts' button on the homepage.

Please ensure that you enter the organisation name for each contact you add so that the reference and PIN letters are sent to the correct place.

Note that:

- If you add a new contact and then assign to them the role you are currently in, you will no longer be able to enter the account.
- When adding [new contacts](#), you must click 'Add New Contact'. Do not just edit an existing person's details – otherwise a reference and personal identification number (PIN) won't be issued to the new contact.
- The account doesn't have to be unlocked to manage contacts.
- You can only have one Primary Contact and one Secondary Contact, so if a new one is added the other one will be deleted.

[New contacts](#)

If you have been added as a new contact for your organisation's CRC account, we will send you a letter containing your [CRC Registry](#) number. Your [Senior Officer](#) will be sent a PIN letter. You will need both letters the first time you log in to the CRC Registry.

If you are a Primary or Secondary Contact, to enter your CRC account you need to do the following.

1. Go to the CRC Registry login page (<https://crc.environment-agency.gov.uk/crcregistry/web/login?execution=e1s1>).
2. Click 'Register New Account'. This is to register a new Government Gateway ID account for CRC purposes.
3. Select account type 'Participant' and authentication method 'Primary or Secondary Contact'.
4. Enter your details and make up a password that you will remember. **Keep this password safe.**
5. The system will then give you an ID number. On the screen it says 'Your new Government Gateway account ID is: XXXXXXXXXXXXX'. **Keep this ID number safe – you will need it every time you log in to your CRC account.**
6. Use the ID number and password to log in.
7. You will see a screen with a link at the bottom labelled 'Complete Registration with CRC > Use my Known Facts Letters to Complete Enrolment'. Click on this link.
8. Enter the reference number you received in the letter posted to you. This is also the **CRC number** for your account. Make sure you enter it in the following format, CRCXXXXXX.
9. Enter the PIN sent to your Senior Officer. You will now be in your account.

Steps 8 and 9 above are what we term 'enrolling'.

From then on, all you need to do to access your CRC account is enter the 12-digit Government Gateway ID and the password you made up on the CRC Registry login page and it will take you straight into your account. You won't need to use the reference number or PIN for future logins.

If you are an Account Representative please see: [Enrolling as an Account Representative](#).

8.1.2 Existing Primary and Secondary Contacts who have enrolled

Enrolment is a one-off process using your CRC reference number and the PIN received. Once enrolment is complete (that is, you have used the reference number on the letter we sent to you and PIN in the letter we sent to your [Senior Officer](#) to access the account), then to access your account all you need is the 12-digit Government Gateway ID number created for you when you registered and the password you made up.

See [section 8.1.6](#) for what to do if you lose your Government Gateway ID or password.

8.1.3 Existing Primary and Secondary Contacts who have not enrolled

If you haven't 'enrolled' (that is, you have **not** used the reference number on the letter we sent to you and PIN in the letter we sent to your [Senior Officer](#) to get into your account) and you don't have a Government Gateway ID and password, you will need to complete the steps outlined in [New contacts](#).

If you already have a CRC Government Gateway ID and password, then you need to take the following steps.

1. Go to the CRC Registry login page (<https://crc.environment-agency.gov.uk/crcregistry/web/login?execution=e1s1>).
2. Enter the 12-digit Government Gateway ID number created for you when you registered and the password you made up yourself. You will now see a screen with a link at the bottom that says 'Complete Registration with CRC > Use my Known Facts Letters to Complete Enrolment'. Click on this link.
3. Enter the reference number in the letter posted to you. This is also the **CRC number** for your account. Make sure you use the following format CRCXXXXXXX.
4. Enter the nine-digit PIN sent to your Senior Officer.

This process will enrol you so that you can access your CRC account.

From then on, all you need to do to access your CRC account is enter the 12-digit Government Gateway ID and the password you made up on the CRC Registry login page and it will take you straight into your account. You won't need to use the reference number or PIN for future logins.

If you have lost your PIN to enrol, contact the CRC Helpdesk (email: CRChelp@environment-agency.gov.uk or phone 03708 506 506) to ask for it to be re-sent.

8.1.4 Nominating an Account Representative

To add an [Account Representative](#) to your CRC account, the [Primary](#) or [Secondary Contact](#) needs to access the account and click on the 'Manage Contacts' button on the homepage.

If you want your Account Representative(s) to be someone who is already on your contacts list (this can be yourself) then:

- Click 'Next'.

- Select the name of the person you want to be an account representative from the dropdown list.
- Click next again. You will be presented with a summary of the changes you have made.
- Click 'OK' to complete.

If you want your Account Representative(s) to be somebody who isn't named on the contact list then:

- Click 'Add new contact'.
- Enter all their details.
- Click 'OK'.
- Follow the four steps above.

Please ensure that you enter the organisation name for each new contact you add so that the reference and PIN letters are sent to the correct place.

8.1.5 Enrolling as an Account Representative

Once you have nominated the [Account Representative\(s\)](#), they need to enrol before they can purchase, transfer or surrender [allowances](#).

To be able to enrol, Account Representatives must: have the appropriate security clearance. We are reviewing the security arrangements for account representatives. When this review is completed this section will be updated.

- be in possession of the PIN number contained in the letter sent to the [Senior Officer](#)
- know the reference number contained in the letter sent to them

View step-by-step instructions in the screenshot guidance [Enrolling and logging in as an Account Representative \(PDF, 1.27MB\)](#) (<http://publications.environment-agency.gov.uk/PDF/GEHO0312BWFY-E-E.pdf>).

Instructions on how to enrol are also contained in the reference letter we send to the Account Representative once they have been nominated.

8.1.6 Lost your login ID or password?

If you are an existing contact and have lost your ID or password then you have three options as outlined below.

Please check you have access to the [CRC Registry](#) well before any deadlines so that you are able to comply with scheme requirements.

Option 1

If you are an existing contact and have enrolled for your CRC account and consequently lost your username or password, you can contact the CRC Helpdesk (crchelp@environment-agency.gov.uk) and request a reminder of your ID or password. You will need to provide our staff with your CRC reference number/account number and the PIN number which you used to enrol. It takes 2–7 days to receive your reminder letter for your username or password from the Government Gateway and will take an additional three days if both the username and password are requested. This is because we have to leave three days between requesting each reminder.

If you are using a Government Gateway account that is not registered in your name we won't be able to re-issue a username and password for security reasons. In this instance you will have to adopt option 2 or 3 below and set up a new Government Gateway account (see the steps outlined in [New contacts](#)).

Option 2

If another contact for your account can access the account then you could ask them to:

- log-in and click 'Manage contacts'
- remove you as a contact
- click 'Add new contact' and add you again

This will trigger generation of a new reference and PIN letter. You should then follow the steps in [Changing contacts/new contacts](#) to access your account. It may take several days to receive your new PIN letter.

Option 3

If no-one can get into your account from your organisation and you are unable to follow option 1, then you will need to contact the CRC Helpdesk (crchelp@environment-agency.gov.uk). We will take the steps outlined in option 2 on your behalf to enable you to enter the account. We will request authorisation from your [Senior Officer](#) to conduct these changes.

8.2 Notification of designated changes

8.2.1 What is a designated change?

Private sector

You are required to notify us if your organisation undergoes one of the following organisational changes:

- A participant or [Significant Group Undertaking](#) (SGU) is purchased by a non-participant.
- A participant or SGU is purchased by, or merges with, another participant.
- An SGU leaves its parent group to become a standalone organisation.

For a minor organisational change you just need to keep a record of this in your [evidence pack](#) and report the energy supplies (as appropriate) until or from the date of the change. This applies to a range of situations including:

- a transfer of assets only
- small changes (that is, selling/purchasing subsidiaries that are not SGUs)
- creation of a new undertaking since the qualification year
- any change that is not a designated change such as restructuring of an undertaking, outsourcing to a third party or a name change
- cessation of trading

If your organisation goes into administration, ceases trading or is dissolved, please read [section 8.4.1](#).

Public sector other than government departments

The merger of your organisation with another public body is classified as a designated change.

We don't need to be informed of any other types of change, for example, if a new public body is formed (the public body will not participate in the phase unless there is a government decision that they must, but they must evaluate their qualification for the next phase) or there is a transfer of part of a public body to another (the participants involved report the energy supplies until or from the date of the change).

If your organisation is closing down, please notify us via the CRC Helpdesk (email: CRChelp@environment-agency.gov.uk or phone 03708 506 506). Once all necessary compliance activities have been undertaken, we will close your account.

Government department

We must be informed if one of the following organisational changes occurs within a government department:

- creation of a new department from parts of existing departments
- transfer of part of a department to another department
- merger of two departments to create a new department
- there is a government decision that a part of a department must participate as a separate participant

Further details and examples of designated changes are provided in [Annex H](#).

8.2.2 Notifying us of the designated change

If your organisation undergoes a [designated change](#) during the compliance year you are required to inform us of the change within **three months** of the change occurring. To do this:

- Log into your CRC account on the [CRC Registry](#).
- Click on 'Phase 1'.
- Click on 'Inform of Designated Change' and then submit the data requested.

Once you have informed us via the Registry we will change your structure and historic emissions, and provide you with details of how the changes will affect your organisation. You won't be able to submit your [Annual Report](#) for the compliance year until these changes are made.

8.2.3 Reporting supplies after a designated change has happened

For details of how to report supplies after a non-designated change please see: [Dealing with new supplies and loss of supplies](#). For details of how to report supplies after a designated change please see below.

Private sector

If you have purchased a participant/SGU, you will need to report the CRC energy supplies associated with the participant/SGU for the full year in which the change occurred. Even if you have only owned it for a short period of time (for example, three months) you will need to report the full year's energy supplies in your [Annual Report](#).

If you have sold a participant/SGU, you do not need to report its energy supplies for the compliance year in which the change occurred.

See [Annex L.2](#) for more information on how a designated change affects your historic emissions and thus your position in the [Performance League Table](#) (2010-2011 and 2011-2012 only).

Public sector

If your organisation merges with another public body to form a new body, then the new body must report as if it had existed for the full year in which the change took place.

Government department

The reporting of supplies after a government department change is subject to specific reporting rules. See [Annex H](#) for further details.

8.2.4 Designated change and small organisational change checklist

When an organisational change occurs, please check and, if appropriate, carry out the actions detailed below.

Do you need to change your primary member?

The [primary member](#) is the [undertaking](#) in the group responsible for compliance on behalf of the group. You will need to consider whether a change of primary member is appropriate. We will carry out due diligence checks on the primary member if it is an organisation we haven't checked before.

You will need to ensure the [Senior Officer](#) is a director or equivalent of the primary member (see [section 8.5](#) for details).

Do you need to change your contacts or Account Representative(s)?

If you change your [compliance account holder/primary member](#), you do not necessarily need to change your contacts or [Account Representative\(s\)](#). Only the [Senior Officer](#) officially needs to be part of the primary member organisation, so provided the Senior Officer still approves the named contacts and Account Representative(s) to work on behalf of the organisation then this is acceptable. If you wish to change your contacts or account representatives, see [section 8.1](#).

Does the change affect the coverage of any certification under the Carbon Trust Standard (CTS) or equivalent scheme?

If an organisation is partly or wholly covered by the Carbon Trust Standard (CTS) or an equivalent scheme and undergoes structural changes between the start date of the CTS certificate and the end of the CRC compliance year, this may need to be accounted for in an adjustment to the coverage reported in your [Annual Report](#) (2010-2011 and 2011-2012 only).

Is there an impact on your evidence pack?

You must retain details of the change in your [evidence pack](#) to support the information provided in your notification. You should also keep copies of correspondence or exchanges with us in connection with the notification.

Responsibility for surrendering allowances

For a designated change, the responsibility for reporting [CRC supplies](#) and the [purchasing](#) and [surrendering](#) allowances for the compliance year in which a change occurs lies with the owner at the end of the compliance year.

For other changes the responsibility for reporting CRC supplies and purchasing and surrendering allowances rests with the selling organisation in relation to the supplies received up to the time of sale and with the purchasing organisation (if a CRC participant) in relation to the supplies received from the time of purchase. See: [Dealing with supplies and loss of supplies](#).

Changes affecting coverage by climate change agreement(s)

Please [notify us](#) if your organisation undergoes changes that involve the loss or gain of an undertaking that is covered by a climate change agreement (CCA).

8.2.5 Actions we will take when a designated change occurs

Amending your structure and historical emissions

We will update your structure on the [CRC Registry](#). This will automatically move to the new owner the emissions (from the previous years of the scheme) associated with the SGUs/participant involved.

Further details on the effect of the changes on your emissions are given in [Annex L](#).

8.3 Notifying changes to CCA coverage

You must notify us if any part of your organisation that was subject to a CCA target at the time of registration or submission of the [Footprint Report](#) is no longer specified in your sector's reduced rate certificate. You can use the [CRC Registry](#) to inform us.

To do this:

- Enter your account.
- Click on 'Phase 1' in the box named 'Phase' on the account home page.
- Click on 'Changes to CCA Status' in the box named 'Registration'.

We will contact you if the change affects what supplies your organisation needs to include in its [Annual Report](#) or results in your organisation having to start submitting an Annual Report. Please see [Annex B](#) for details of new revisions to CCA exemptions.

8.4 Changing SGU/parent details

The contacts and Account Representative for the account can update the name, trading name, address, SIC code for the SGU, and highest UK parent in their structure. They can also update the name and address of any overseas parent.

To do this:

- Click on 'Phase 1' in the box named 'Phase' on the account home page.
- Click on 'Change Parent and/or Significant Group Undertaking' in the box named 'Registration'.

To amend a particular SGU/parent, click on their name on your CRC structure.

8.4.1 Companies in insolvency situations

If your organisation as a whole, the primary member or one of the SGUs goes into administration, liquidation or receivership you need to inform us of this change by emailing the CRC Helpdesk (CRChelp@environment-agency.gov.uk). We will advise you on a case-by-case basis what you need to do to ensure your organisation is compliant with CRC.

8.5 Changing a primary member/compliance account holder

The [primary member](#) in a participant group is the [undertaking](#) nominated to manage the group's compliance with the CRC scheme.

Although it is likely that the [Primary](#) and [Secondary Contacts](#) and the [Account Representative\(s\)](#) will be from the primary member organisation, this isn't a mandatory requirement.

The [Senior Officer](#) for your CRC account should be someone who exercises management control over your primary member. So when you change your primary member, you need to consider whether you also need to change your Senior Officer.

- If your new primary member is a company, the new Senior Officer should be a director.
- If it is a partnership, the new Senior Officer should be a partner of the partnership.
- If it is a limited liability partnership (LLP), the Senior Officer should be a member of the LLP.

- If you are a public sector organisation, then the Senior Officer should be someone typically at a director level.

The Senior Officer plays an important role in approving the appointment of Primary/Secondary Contacts and Account Representatives. There is no need to change your Senior Officer if they exercise management control over both the old and new primary members.

To change your primary member:

- Enter your account.
- Click on 'Phase 1' in the box named 'Phase' on the account home page.
- Click on 'Change Primary Member/Compliance Account Holder' in the box named 'Registration'.
- Select from the dropdown list which SGU/parent you would like to be the new primary member and then click 'Next'.

If you wish to select an entity that is not an SGU/parent to be your new primary member, select 'Other' and then click 'Next'. You will have the option to enter the details of the entity within the group that you would like to be your primary member. We will carry out due diligence checks against the new primary member if they haven't been carried out previously within the phase.

8.6 Appointing an agent

If you employ a consultant or third party and you would like them to be able to access your CRC account, then the [Primary](#) or [Secondary Contact](#) or an [Account Representative](#) is able to 'Nominate an Agent' in the [CRC Registry](#). This allows the person nominated to enter your account and to act on behalf of the person/role that appointed them. As such the agent will be able to undertake all the role functions of the person that appointed them.

To successfully nominate an agent, the agent needs to have registered and enrolled in the CRC Registry. The agent then needs to provide you with their Agent ID number to allow you to select them to act on your behalf. If the agent hasn't enrolled (that is, used their PIN and reference number to enrol following registration), you won't be able to nominate them. Agents who want to transfer allowances will be required to obtain an [One Time Passcode](#) (OTP)

To appoint an agent:

- Enter your account.
- Click on 'Appoint/Remove An Agent' in the box named 'My Profile' on the account home page.
- Click on 'Select Agent'.
- Enter their 'Agent ID' number and press 'Search'.
- Click on the underlined Agent ID number.
- Click 'Next'.
- Enter the password that you use to enter your CRC account.
- Click 'Close'.

Note that if you appoint an agent to act on your behalf and your details are subsequently removed from the CRC Registry, the agent will no longer be able to access your CRC account. If your organisation still wishes this agent to undertake work for it in the CRC Registry, another named person on the account must appoint the agent to act on their behalf

or alternatively the consultant/third party could become the actual Primary/Secondary contact or an Account Representative if authorised by your organisation to do so.

For further detail on how an agent should register and enrol when acting on behalf of a Primary or Secondary Contact, download the screenshot guidance, *Agents in CRC* (PDF, 1.02MB) (www.environment-agency.gov.uk/static/documents/Business/Being_An_Agent_-_External.pdf).

For further detail on how an agent should register and enrol when acting on behalf of an Account Representative, download the screenshot guidance, *Registering and enrolling as an agent to act on behalf of an Account Representative* (PDF, 1.54MB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0312BWGA-E-E.pdf>).

For further detail on registering as an agent to act on behalf of an Account Representative, download the guidance, *Agents who want to be account representatives for participants* (PDF, 19KB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0412BWHL-E-E.pdf>).

List of abbreviations

AMR	automatic meter reading
ARP	Annual Report Publication
CCA	climate change agreement
CHP	combined heat and power
CO₂	carbon dioxide
CRC	CRC Energy Efficiency Scheme
CTS	Carbon Trust Standard
CV	calorific value
DECC	Department of Energy and Climate Change
Defra	Department for Environment, Food and Rural Affairs
EAM	Early Action Metric
EfW	energy from waste
EGC	Electricity Generating Credit
EU ETS	European Union Emissions Trading System
FIT	feed-in tariff
FM	facilities management
FOIA	Freedom of Information Act 2000
GHG	greenhouse gas
HHM	half hourly meter
kWh	kilowatt hour
kVA	kilovolt-ampere
LLP	limited liability partnership
MPAN	Meter Point Administration Number
MPRN	Meter Point Reference Number
MSID	Metering System Identifier
MWh	megawatt hour
NIEA	Northern Ireland Environment Agency
PDF	portable document format
PFI	private finance initiative
PIN	personal identification number
PLT	Performance League Table
RHI	Renewable Heat Incentive
RML	Residual Measurement List
RO	Renewables Obligation

ROC	Renewables Obligation Certificate
SEPA	Scottish Environment Protection Agency
SGU	Significant Group Undertaking
SPV	special purpose vehicle
tCO₂	tonnes of carbon dioxide
TUI	Target Unit Identifier [CCA]

Glossary of terms

Please note we have left descriptions in the Glossary for obsolete aspects of the scheme such as the Residual Measurement List for reference, but have amended definitions for those aspects of the scheme that are still in use but which have changed.

Term	Description
90% rule	If a participant's total regulated emissions do not constitute $\geq 90\%$ of their total footprint emissions, then the 90% rule has not been met. The 90% rule is calculated in the Footprint Report .
Absolute Metric	This term represents the annual percentage change in CRC emissions for a participant compared with their historic average . From 2012-2013 this metric is no longer in use.
Achievement tables	Tables ranking the performance of each participant, in each metric, against one another. They are no longer used from 2012-2013 onwards.
Actual supply	For electricity or gas, if during the applicable compliance year (April–March), there are at least two actual meter readings at least half a year apart, the supply is classified as an 'actual' supply. For non-core fuels, if the supply quantity of the fuel type is known (for example, via invoices) then this is counted as actual supply.
Allocation Regulations	The CRC Energy Efficiency Scheme (Allocation of Allowances for Payment) Regulations 2012 (www.legislation.gov.uk/ukxi/2012/1386/contents/made) (referred to as the Allocation Regulations) sets out the requirements for the government sale and allocation of CRC allowances .
Allowance	An allowance is equal to one tonne of carbon dioxide. From 2011-2012 onwards, allowances must be purchased and surrendered to cover a participant's total CRC emissions .
Annual Report	The report is a summary of an organisation's CRC supplies . Unless otherwise agreed by the administrators, the report must be provided using the online CRC Registry by the last working day in July after the end of the annual reporting year. The online submission of the data detailed in section 4.2 constitutes the Annual Report.
Annul Report Publication	Each year the Environment Agency will publish a table showing the total emissions of each participant in the CRC scheme. For the compliance year it relates to, the table will contain the following information: <ul style="list-style-type: none"> • registration number • organisation name • trading name • regulator • disaggregation information • number of designated changes • organisation type

Term	Description
	<ul style="list-style-type: none"> • sector code and description • 2012 to 2013 CRC emissions (tCO₂) • 2012 to 2013 Electricity Generating Credits emissions (tCO₂) • 2012 to 2013 Renewable Obligation Certificates (ROCs) emissions (tCO₂) • 2012 to 2013 Feed In Tariffs (FITs) emissions (tCO₂) • 2012 to 2013 self-supply ROCs and FITs emissions (tCO₂) • participant responses to corporate responsibility questions • participant report comments
Authorised contact	A primary or secondary contact , account representative or appointed agent for a participant.
Automatic meter reading meters	<p>In CRC a meter is classified as an electric AMR meter if it meets the following criteria:</p> <ol style="list-style-type: none"> 1. The meter is capable of capturing supply data on at least a half hourly (HH) basis. 2. The meter must be the 'metering device that measures the electricity supply for charging purposes'. (For electricity meters, it cannot be a clip-on or sub metering device.) 3. The meter is read remotely. ('Read remotely' means that the data are not accessed at the meter itself – the remote reading may be made by the customer or a third party acting on its behalf.) 4. The electricity supply data is made available to the customer. (Data from AMR meters do not necessarily need to be received directly by the customer but must be available to them if requested.) <p>In CRC a meter is classified as a gas AMR meter if it meets the following criteria:</p> <ol style="list-style-type: none"> 1. The meter (together with an ancillary device) is capable of capturing supply data on at least an hourly basis. 2. The meter must be the 'metering device that measures the gas supply for charging purposes'. (For gas, an ancillary device used for charging purposes would count.) 3. The meter is read remotely. (Read remotely means that the data are not accessed at the meter itself – the remote reading may be made by the customer or a third party acting on its behalf.) 4. The gas supply data is made available to the customer. (Data from AMR meters do not necessarily need to be received directly by the customer but must be available to them if requested.)
BACS/CHAPS	BACS (originally termed Bankers' Automated Clearing Services) is an electronic system that is used to process direct debits, direct credits and standing orders for UK banks. BACS payments will take approximately three days to clear. CHAPS is a same day UK electronic transfer.
Blocking	To prevent or restrict the operation of a participant's account.

Term	Description
Buy to comply sale	A buy to comply sale takes place after the end of a compliance year and allows participants to purchase allowances so that they can comply with their surrender obligation. Allowances purchased in a buy to comply sale will typically cost more than those sold in a forecast sale . Allowances purchased in a buy to comply sale will be valid for the remainder of the phase in which they are purchased.
Compliance account	This is the name given to an organisation's CRC account once registration is complete, the contacts and Account Representative(s) have been validated, and the scheme's administrators have carried out due diligence checks on the organisation. The compliance account is where allowances can be ordered, traded and surrendered by the Account Representative(s). Account Representatives can only enter the compliance account to undertake allowance activities once they have enrolled .
Compliance account holder	This is the organisation nominated to act for the participant to ensure compliance with CRC. The compliance account holder is also commonly referred to as the primary member .
Compliance Account Representative	An Account Representative is a named individual who, like the Primary Contact and Secondary Contact , is authorised by the Senior Officer to act on behalf of the participant organisation. In addition to having the same access rights to the CRC Registry as the Primary and Secondary Contact, an Account Representative can also order, transfer and surrender allowances as appropriate.
Core supplies	Please note that the distinction between core and non-core supplies ceased from the compliance year 2012-2013 onwards. Core supplies are supplies of: <ul style="list-style-type: none"> • Electricity measured by any of: <ul style="list-style-type: none"> – settled half hourly meter – non-settled half hourly meter – non-domestic meter – dynamic supply – non-domestic meter in Northern Ireland • Gas measured by any of: <ul style="list-style-type: none"> – daily meter – hourly meter – large gas point meter
CRC emissions	CRC emissions = Emissions from CRC supplies (applying any applicable estimation uplift) With the exception of Year 1, participants must purchase and surrender allowances equal to their annual CRC emissions.
CRC Order	The UK legislation that sets out the rules of the CRC Energy Efficiency Scheme. The term 'CRC Order' is used in this manual to refer to the CRC Energy Efficiency Scheme Order 2010, the CRC Energy Efficiency Scheme (Amendment) Order 2011 and the CRC Energy Efficiency Scheme Order 2013.

Term	Description
CRC Registry	<p>This is the online system where contacts for participants log in to:</p> <ul style="list-style-type: none"> • update contact details • update organisational details • change their primary member • notify the administrators of designated changes or changes to CCA status • submit Footprint and Annual Reports • order and surrender CRC allowances • use the emissions calculator • appoint agents
CRC supplies	<p>From compliance year 2012-2013, CRC supplies are electricity supplied through profile 03 to 08 and 00 meters and gas supplied through daily, hourly or large gas point meters (excluding excluded uses, supplies to CCA exempt members, supplies of gas covered by EU ETS and supplies of electricity and gas covered by CCAs where no exemption applies) plus 10% uplift for estimates but minus emissions associated with Electricity Generating Credits.</p> <p>Previously CRC supplies consisted of core and residual supplies (excluding excluded uses, supplies to CCA exempt members, supplies of gas covered by EU ETS and supplies of electricity and gas covered by CCAs where no exemption applies) plus 10% uplift for estimates but minus emissions associated with Electricity Generating Credits.</p>
Daily gas meter	<p>A daily meter is able to measure gas supplied at least daily and is read in Great Britain by an authorised supplier or an authorised transporter under section 48(1) of the Gas Act 1986(50) or in Northern Ireland by a licence holder under Article 3(1) of the Gas (Northern Ireland) Order 1996(51).</p>
Designated change	<p>An organisational change of a scale defined in section 8.2.1 of this manual.</p>
Determination of an Annual or Footprint Report	<p>The scheme's administrators have the power to determine a participant's Footprint or Annual Report if they have not submitted the report by 40 working days after the reporting deadline. These determinations will be made on the basis of a methodology designed by the administrators if no data have been provided by the participants. Participants who have had their report determined have the right to appeal against that determination.</p>

Term	Description
Digital certificate	<p>This is no longer a part of the CRC Registry. It has been left here for reference only. A digital certificate is a cryptographically protected data construct on your computer which uses a digital signature to prove identity and enabling secure access to web-based services via the Government Gateway (www.gateway.gov.uk). It provides higher security than conventional passwords and is used in the CRC Registry by those able to buy and surrender allowances (Account Representatives) so that the CRC Registry can verify that a user is who they claim to be. Obtaining a digital certificate involves having identity checks undertaken.</p> <p>Find out how to purchase a digital certificate (www.simplysign.co.uk)</p> <p>We are reviewing the use of digital certificates and the Government Gateway level 2 service. We will update this guidance as soon as possible to confirm the security arrangements for access to compliance accounts for the 2013 sale, allocation and surrender of allowances.</p>
Disaggregation	<p>Where a participant is a group of undertakings, it is able to nominate a Significant Group Undertaking (SGU) to participate independently provided the remainder of the group would still qualify as a participant. Where disaggregation has occurred, there is no joint and several liability between the parent group and the disaggregated SGU.</p>
Dynamic supply	<p>Dynamic supply is a technique for calculating half hourly electricity supply where the supply is unmetered. These data are used for settlement purposes and so, in CRC, are counted as a half hourly meter (HHM) settled on the half hourly (HH) market.</p> <p>Dynamic supply is characterised by:</p> <ul style="list-style-type: none"> • a set of equipment that is fixed to land which performs a common function (for example, street lighting) • electricity supply to one of the set (for example, a lamp post) is recorded daily by a device that is not a metering device • use of that record as a benchmark to determine the overall supply to the entire set of equipment over a given period
Early Action Metric	<p>This is the term given to the early actions participants took to improve their energy management and efficiency before the CRC scheme started and in its initial years. From 2012-2013 this metric is no longer in use.</p>
Electricity Generating Credit (EGC)	<p>The term given to the quantity of electricity in kWh which organisations have generated that meets specific criteria. Electricity Generating Credits are deducted from the CRC supplies reported in the Annual Report to determine CRC emissions and the associated obligation to surrender allowances.</p>
Emission factors	<p>Emission factors are the standard conversion factors used to convert the supplies into carbon dioxide (CO₂) emitted. Electricity and gas (and fuels in compliance years 2010-2011 and 2011-2012) in CRC each have a standard conversion emission factor, applied per unit of CRC supply. Emission factors table in Annexe C.</p> <p>From 2012-2013 onwards the emissions factor list is reduced to just gas and electricity supplies.</p>

Term	Description
Estimated supply	<p>For electricity or gas, the entire annual supply of electricity or gas for a specific meter is defined as an estimated supply if, during the applicable compliance year (April–March), there are not at least two actual meter readings at least half a year apart.</p> <p>For compliance years 2010-2011 and 2011-2012, a residual fuel supply was classified as an estimate if, for at least half the year in which the supply was made, the amount used was estimated. In this instance, only the amount that had been estimated was classified as an estimate in CRC.</p> <p>See section 3.2.9 for further details of estimated supplies.</p>
Estimation uplift	<p>Where a supply is classified as a CRC estimated supply, it must be recorded in the ‘estimated supply’ column in the Annual Report and an uplift that equates to a 10% addition to the CRC emissions associated with that supply will be applied by the CRC Registry.</p>
Evidence pack	<p>This is the collation of data which participants must keep as a record to:</p> <ul style="list-style-type: none"> • substantiate the information: <ul style="list-style-type: none"> – provided at registration – provided in their Footprint and Annual Reports • detail information: <ul style="list-style-type: none"> – about their company structure – about any significant events or changes that would affect their emissions or performance in the scheme
Excluded uses	<p>These include:</p> <ul style="list-style-type: none"> • domestic accommodation • caravan sites • emergency and temporary accommodation • transport • public lighting in Northern Ireland
Fiduciary capacity	<p>A person legally appointed and authorised to hold assets in trust for another person, often with the legal authority and duty to make decisions.</p>
Footprint emissions	<p>Footprint emissions = EU ETS emissions + non-exempt CCA emissions + emissions from footprint supplies minus any Electricity Generating Credits</p> <p>The lowest value of footprint emissions is zero.</p>
Footprint Report	<p>The report summarised all the energy supplies for which an organisation was responsible during the footprint year apart from energy to CRC excluded uses. The report had to be provided using the online CRC Registry unless otherwise agreed by the administrators by the last working day of July after the end of the footprint year.</p>
Footprint supplies	<p>Footprint supplies = All supplies of electricity, gas and non-core fuel (excluding excluded uses and supplies to CCA exempt subsidiaries) minus supplies to EU ETS installations or to CCA facilities to which a member CCA exemption did not apply.</p>
Footprint year (Phase 1)	<p>1 April 2010 to 31 March 2011</p>

Term	Description
Forecast sale	From Phase 2 onwards a forecast sale allows participants to purchase allowances against emissions that they predict will be produced in the current or future compliance years. Forecast sales will be at a lower cost per allowance than their respective buy to comply sales . Allowances purchased in forecast sales will be valid for the current compliance year and all remaining compliance years to the end of the phase .
Gas meter (2012-2013 onwards)	From 2012-2013 onwards, a gas meter in the CRC scheme is a gas meter that measures 73,200kWh or more during any given compliance year. During a compliance year when the meter measures 73,200kWh or more it is a gas meter for that year. If during a given compliance year a meter measures less than 73,200kWh it will not be a gas meter for that year.
Grid average emission factor	The carbon dioxide (CO ₂) emissions associated with the generation of a unit of electricity, purchased from the national grid. This is the emission factor for all electricity in CRC. See Annex C for emission factors .
Growth Metric	This term represents the annual percentage change in CRC emissions per unit of turnover (private sector) or revenue expenditure (public sector) for a participant compared to its historic average . From 2012-2013 this metric is no longer in use.
Hard facilities management provider	A facilities management organisation that typically provides construction design and maintenance as well as energy management. See also soft facilities management provider .
Historic average	For the purpose of the Absolute Metric , the average CRC emissions from the previous years of the scheme (up to a maximum of five years previously). For the purpose of the Growth Metric , the average CRC emissions per unit turnover (private sector) or revenue expenditure (public sector) from the previous years of the scheme (up to a maximum of five years previously).
Half hourly (HH) light meter (smart meters)	Half hourly (HH) light meters (smart meters) were introduced in April 2009 and are designed to be an alternative to traditional half hourly settled meters (HHMs), as they are able to provide HH data at a lower cost. The data recorded by HH light meters can be, but is not necessarily, used for settlement purposes.
Hourly meter	An hourly meter is able to measure gas at least hourly and in respect of the phase year has been read remotely .
Inaccurate Footprint or Annual Report (so as to attract penalty)	'Inaccurate' in this sense means where any of the supplies of emissions reported differ by more than 5% from the supplies or emissions that should have been reported, ignoring any estimation uplift .

Term	Description
Information declarer	<p>An organisation that was required to register certain information concerning qualifying electricity meters and supplies from 2008 but does not have any other compliance requirements.</p> <p>Information declarers are registered as such in the CRC Registry.</p> <p>See Annex A for the qualification criteria for an information declarer.</p>
Large gas point meter	<p>For first two years of Phase 1, large gas point meter means a (non-daily/non-hourly gas) meter which, during a footprint year of a phase, measured more than 73,200kWh of gas supplied.</p> <p>Note: Where a (non-daily/non-hourly) gas meter that measured more than 73,200kWh in the footprint year consequently reduces its measured supply below the 73,200kWh threshold, the supply will still be classified as being measured through a large gas point meter.</p> <p>For 2012-2013 onwards please see gas meter above.</p>
Mandated participant	<p>Mandated participants are organisations to whom the qualification criteria do not apply, or apply differently. They are required to register as participants.</p> <p>There are two types of mandated participant:</p> <ul style="list-style-type: none"> • all UK government departments • local government organisations mandated by the Secretary of State
Mandatory meters (that is, those required to be installed)	<p>These are half hourly meters (HHM) supplying electricity settled on the half hourly market and are required to be installed in situations where the average peak electricity demand over the three months of highest consumption within a year exceeds 100kW over the previous 12 months.</p> <p>Note: Not all half hourly meters settled on the half hourly market are classed as mandatory. Liaise with your electricity supplier to confirm which meters (if any) are mandatory meters.</p> <p>Daily meters are mandatorily required where the annual supply of gas to sites is 58.6MWh or more. These meters are billed based on measured consumption using a meter that provides daily readings. Liaise with your gas supplier to confirm which meters (if any) are mandatory meters.</p>
Non-core supplies	<p>The distinction between core and non-core supplies is not valid from the compliance year 2012-2013 onwards.</p>

Term	Description
Non-domestic meter	<p>A non-domestic meter is a meter that:</p> <ul style="list-style-type: none"> • is designed to measure electricity supplies to non-domestic premises • measures such supplies • is capable of measuring maximum electricity demand <p>Such meters are typically profile type 03 to 08 in Great Britain, meaning that the profile type displayed on the meter label will be 03, 04, 05, 06, 07 or 08.</p> <p>Please see Annex I Table I.2 for descriptions of non-domestic meters in Northern Ireland.</p>
Non-mandatory meters	<p>These are meters that are not classed as mandatory meters. They are installed because an organisation wants its electricity settled on the half hourly (HH) market or because it wants to collect data on its electricity consumption for energy management purposes.</p> <p>As of 1 April 2009, a mandate was introduced for energy suppliers to roll out automatic meter reading (AMR) metering to electricity meters with profile class 05 to 08 sites and gas sites consuming more than 73,200kWh per year. This mandate applies to Great Britain. For the purpose of CRC, AMR meters installed under this rollout are classed as non-mandatory/voluntary meters.</p>
Non-settled half hourly meter	<p>A meter able to measure electricity supplied at least every half hour and in respect of the phase has been read remotely. See also the AMR definition.</p>
Other fuels	<p>Fuels not previously specified in the CRC Order as a 'fuel', that is, those fuels not included in the list of fuel types in Annex C. These 'other fuels' are not included in CRC from 2012-2013 onwards.</p>
Participant	<p>An organisation that qualifies or is otherwise required to participate, and must register under CRC. A participant must comply with all requirements of the scheme such as reporting emissions, and purchasing and surrendering allowances.</p> <p>See Annex A for the qualification criteria for a participant.</p>
Participant Scorecard	<p>This is a collation of information relating to each participant and their performance in the performance tables for the year (2010-2011 and 2011-2012 only). The information can be accessed by clicking on a participant's name on the overall Performance League Table and by clicking on the Participant Scorecard link from their Participant Summary.</p> <p>From 2012/13 onwards the collation of information relating to each participant's performance will be published without ranking participants in performance tables.</p>

Term	Description
Participant Summary	<p>This is a collation of information relating to each participant and their performance in the performance tables for the year (2010/11 and 2011/12 only). The information can be accessed by clicking on a participant's name on the overall Performance League Table.</p> <p>From 2012/13 onwards the collation of information relating to each participant's performance will be published without ranking participants in performance tables.</p>
Passive supply	<p>An unmetered electricity supply where the allocation of the unmetered supply is divided across half-hourly periods through a mathematical relationship. Passive supplies are excluded from CRC.</p>
Performance League Table	<p>A table produced for 2010-2011 and 2011-2012 ranking organisations participating in the CRC scheme on their relative performance in the Early Action Metric, Absolute Metric and Growth Metric. Each metric had a weighting, which changed each year. Details of how a participant's position in the Performance League Table was calculated are given in Annex L.</p>
Phase	<p>The CRC Energy Efficiency Scheme is split into phases. Each phase is a specified time period within which an organisation that qualifies for that phase must participate in the scheme. Phase 1 is from 1 April 2010 to 31 March 2014 and Phase 2 is from 1 April 2014 to 31 March 2019.</p>
Primary allocation	<p>The allocation of CRC allowances during a set period each year as outlined in the Allocation Regulations. These Regulations will be amended to reflect the government decision to revise the timetable for the sale, allocation and surrender of allowances.</p>
Primary Contact	<p>The Primary Contact can access the CRC Registry and perform the following actions:</p> <ul style="list-style-type: none"> • register a CRC account • submit Footprint and Annual Reports • notify a designated change • notify a change in CCA status • change SGU details • change primary member/compliance account holder details • appoint an agent to act on their behalf <p>The Primary Contact has the same access rights to the CRC Registry as the Secondary Contact.</p> <p>The Primary Contact can be anyone as long as they have authority to act on behalf of the participant (given by the Senior Officer).</p>

Term	Description
Primary evidence	<p>For CRC purposes, primary evidence of energy usage (electricity, gas and fuels) will be considered to be the information – as provided by the supplier of the energy or from readings of meters or estimates taken by the participant or by a person acting on their behalf – from which the CRC energy usage is determined. Where the original is stored in an electronic format this should be PDF or another format that is write protected.</p> <p>Any spreadsheets or other compilation of energy usage where the data are transferred from the original records will not be considered to be primary evidence.</p> <p>Where a participant uses its own readings, estimates supplies or documents special events such as meter failures, the process must be defined and internally approved and be subject to a monitoring process. The method should include all requirements for recording and transfer of the data including the management of the relevant personnel. The monitoring may use existing auditing methods or be defined in the CRC internal audit.</p> <p>Note: It is not necessary for the evidence pack to contain the actual original copies of supporting documentation but it must reference where the originals are stored and they must be retrievable in the case of an audit.</p>
Primary member	<p>The organisation that has been nominated to act for the participant to ensure compliance with CRC. The primary member may also be referred to as the compliance account holder.</p>
Publication	<p>To publish on a part of the CRC Registry accessible to the public the name of the participant, details of the failure in respect of which a civil penalty has been imposed and details of the civil penalty incurred.</p>
Qualifying electricity for Phase 1	<p>All electricity supplies during the qualification year for which your organisation/organisational group is responsible that are (i) measured through a settled half hourly meter; (ii) measured through a non-settled half hourly meter that can take measurements every half hour and has been read remotely; or (iii) dynamic supply except for those supplies to excluded uses.</p>
Read remotely	<p>Means where the meter is read remotely by the public body or undertaking to which the supply is made (or by a person acting on its behalf) at any time during the qualification year for a phase or a year of that phase.</p>
Regulated emissions	<p>Please note this only applies to the first two years of Phase 1.</p> <p>Regulated emissions (prior to selection of a Residual Measurement List if required) = Core emissions (excluding excluded uses, and core supplies of electricity and gas made to a CCA facility to which a member CCA exemption does not apply and core supplies of gas to EU ETS installations) + EU ETS emissions + non-exempt CCA emissions</p> <p>Regulated emissions (if RML is required) = Core emissions (excluding excluded uses, and core emissions from CCA exempt subsidiaries, non-exempt CCA facilities and EUETS installations) + EU ETS emissions + non-exempt CCA emissions + RML emissions</p>

Term	Description
Relevant decision	Where the Secretary of State for a government department has made a decision (and communicated this decision to the administrators) that a part of the department (for example, non-departmental government body, executive agency, government-owned company) should participate separately to the government department in the CRC scheme or that a local government public body or group should participate in CRC.
Residual Measurement List	The Residual Measurement List (RML) is a list of selected non-core supplies. Participants not meeting the 90% rule are required to select supplies from selected sites to be part of a RML (in their Footprint Report) in order to ensure at least 90% of their emissions end up being regulated under CRC, CCAs or EU ETS. Participants could also voluntarily select a RML in their Footprint Report. The RML is no longer used from 2012-2013 onwards.
Revenue expenditure	Public sector organisations do not generally have a turnover figure and so should use their revenue expenditure for the UK for the purposes of CRC. This is sometimes referred to as an operating expenditure. This figure should include the total expenditure for the participant's UK operations but exclude any capital expenditure. If an organisation is designated a public body under CRC but has a turnover and not revenue expenditure, it should record information based on its turnover. The revenue expenditure figure will not be collected from 2012-2013 onwards.
Secondary Contact	The Secondary Contact can access the CRC Registry and perform the following actions: <ul style="list-style-type: none"> • register a CRC account • submit Footprint and Annual Reports • notify a designated change • notify a change in CCA status • change SGU details • change primary member/compliance account holder details • appoint an agent to act on their behalf <p>The Secondary Contact has the same access rights to the CRC Registry as the Primary Contact.</p> <p>The Secondary Contact can be anyone as long as they have authority to act on behalf of the participant (given by the Senior Officer).</p> <p>The Primary and Secondary Contact cannot order or surrender allowances.</p>
Self supply	Where certain public bodies or undertakings supply electricity to themselves. For details see section 3.2.2 .

Term	Description
Senior Officer	<p>The Senior Officer must be somebody who exercises management control over the primary member for the participant.</p> <p>The Senior Officer has responsibility for the participant's compliance with CRC. This means that:</p> <ul style="list-style-type: none"> • enforcement and civil penalty notices will be sent to the Senior Officer • they authorise the Primary and Secondary Contacts and Account Representative(s) to act on behalf of the organisation • they receive notifications of the submission of Footprint and Annual Reports, and the order, allocation and surrender of allowancesallowances • they receive emails from the administrators with information about the scheme <p>The Senior Officer is not able to access the CRC account unless they are also named as the Primary or Secondary Contact or as an Account Representative.</p>
Settled half hourly meter (sHHM)	<p>A meter that is able to measure electricity supplied at least every half hour and which enables the supplier to comply with provisions of its licence to determine charges between that supplier and another licence holder in respect of the transmission and trading of wholesale electricity.</p> <p>The definition of a settled half hourly meter (HHM) is based on the technical characteristics of settled half hourly meters and on the function they perform. Electricity suppliers use energy usage data from the settled half hourly meters to calculate your bill.</p> <p>In Great Britain the half hourly market acts like an energy stock market, so the prices per unit of electricity fluctuate based on supply and demand.</p> <p>There are three types of metering that can be, but aren't always necessarily, settled on the half-hourly market. These are:</p> <ul style="list-style-type: none"> • mandatory HHMs (which are HHMs required to be installed in certain situations) • voluntary HHMs • half hourly (HH) light meters <p>In Northern Ireland settled half hourly meters are meters on premises where supply is greater than or equal to 70 kilovolt-amperes (kVA) and which meet the definition of a half hourly meter.</p> <p>From 2012-2013 onwards:</p> <p>For Northern Ireland a settled half hourly meter is one that is capable of measuring at least every half hour and in relation to Article 10(1) of the Electricity (Northern Ireland) Order 1992 enables the supplier to determine the charge between supplier and another licence holder in respect of transmission and trading of wholesale electricity.</p>
Significant Group Undertaking (SGU)	<p>Any individual undertaking or group of undertakings within an organisation that would have met the qualification criteria for participating in CRC in their own right had they not been part of a larger organisation. See section 3.1.</p>

Term	Description
Single entity	The undertaking is not a parent undertaking or subsidiary undertaking (as defined by the Companies Act 2006) of any other undertaking either in the UK or elsewhere.
Soft facilities management provider	A facilities management organisation that typically provides energy supplies and other services such as cleaning and general facilities provision. See also hard facilities management provider .
Special purpose vehicle	An entity created solely for the purpose of a specified financial transaction, for example, acquiring selected assets.
Specified facility certificate	A certificate given by the Secretary of State or the Environment Agency to the Commissioners under paragraph 44(1)(a) of Schedule 6 to the Finance Act 2000. Paragraph 44(1)(a) was substituted by section 207(a) and paragraphs 1 and 2 of Schedule 31 to the Finance Act 2012 (c. 14). Within the CCA scheme the facilities within a particular sector covered by an agreement are listed for this purpose on the reduced rate certificate for that sector.
Subsistence fee	<p>This is an annual fee payable to the administrators to cover our costs including:</p> <ul style="list-style-type: none"> • dealing with enquiries and provision of the CRC Helpdesk • administrative changes to accounts • IT system maintenance and hosting • compliance audits, visits and tracking • receipt of evidence packs • Government Gateway costs • communication with participants, UK administrators and DECC • administration costs, including annual billing <p>The fee payable by participants each year is detailed in the CRC charges guidance available to download from our website (www.environment-agency.gov.uk/business/regulation/115485.aspx).</p> <p>Participants who are exempt from CRC because they have a climate change agreement will not need to pay this charge (although the fee was payable in Year 1 if the exemption was not claimed until the footprint year). If only part of the organisation is exempt, the charge is payable in full.</p>
Total emissions	Sum of EU ETS emissions and CCA emissions and all energy use emissions (excluding supplies to excluded uses) minus Electricity Generating Credits .

Term	Description
Turnover	<p>This should be the organisation's annual turnover taken from the latest audited published accounts and be the turnover irrespective of exemptions/exclusions. Even if an organisation has a number of exempt undertakings, it must still use the total turnover figure for the organisation as a whole.</p> <p>Where a Significant Group Undertaking (SGU) has disaggregated from its parent and has registered as a separate participant, it should use the turnover figure for the undertakings that form part of its own participant group, not that of its ultimate UK parent. Similarly, the turnover figure reported by the parent organisation should not include the turnover of the disaggregated SGU(s).</p> <p>The turnover figure will not be collected from 2012-2013 onwards.</p>
Undertaking	<p>An undertaking as defined in section 1161(1) of the Companies Act 2006. It includes an unincorporated association that carries on a charitable activity.</p>
Year	<p>1 April to the following 31 March inclusive (except for the qualification year in Phase 1).</p>

Annex A: Qualification criteria for Phase 1

Qualification for CRC is determined on the basis of your qualifying supplies of electricity over the course of the qualification year. For Phase 1 this was the calendar year 2008.

Qualification for CRC is based on electricity supply across organisations and groups of undertakings rather than at an individual site basis.

- Organisations that are a single entity (that is, they are not part of a group) will need to establish qualification for CRC on the basis of the electricity supplies to all the sites that are part of that organisation.
- Groups need to establish qualification on the basis of the electricity supplies to the whole group. In the [public sector](#), specific rules apply as to when public bodies should participate alone or as a group.

Qualification for phase 1 is assessed on the basis of two criteria.

First criterion

If you had at least one half hourly electricity meter (HHM) settled on the half hourly market within your organisation in the qualification year 2008 you were required to take action to comply with CRC.

If you had a settled half hourly electricity meter, please go to the second criterion.

If you did not have a settled half hourly electricity meter you did not need to take any action unless you are a [mandated participant](#).

Second criterion

Qualification as a participant is based on total supplies of [qualifying electricity](#) measured by a settled half hourly meter, non-settled half-hourly meter that had been read remotely or dynamic supply during the qualification period. If you meet the first criterion and the total qualifying supplies matched the qualification threshold (6,000MWh) or more, you should have registered as a [participant](#) in CRC. Some uses of electricity are [excluded](#) from CRC. You should make sure that you have taken these excluded uses into account in your assessment.

If you met the first criterion and the total qualifying supply of electricity across your organisation was less than 6,000MWh during the qualification year, you should have made an information disclosure (that is, provided information on all settled HHMs and the amount of half hourly measured electricity supplies via settled and non-settled half hourly meters you had in 2008). In this instance you would be termed an [information declarer](#). Information declarers have no further obligations under the CRC scheme.

Annex B: CCAs and EU ETS

If your organisation does not have a CCA, you do not need to read the first section. Please go to [section B.3](#) on supplies covered by EU ETS.

B.1 Introduction to CCAs

The Climate Change Levy (CCL) is a charge on energy consumption by business and the public sector introduced by government to encourage increased energy efficiency in the UK non-domestic sector. It came into effect in 2001. Recognising that the Levy could adversely affect certain energy-intensive industries exposed to international competition, the government negotiated climate change agreements (www.gov.uk/climate-change-agreements) with various industrial sectors. These agreements give participating organisations a discount on the Climate Change Levy provided they meet challenging energy efficiency targets.

To avoid double regulation, emissions from a CCA facility detailed in a current [specified facility certificate](#) do not need to be reported in CRC [Annual Reports](#).

B.2 CCA exemptions and non-exempt CCA covered facilities

B.2.1 CCA overview

As a general rule, any supplies that are covered by a climate change agreement do not need to be included in your [Annual Report](#).

If a significant proportion of the emissions from your organisation's or group's supplies are covered by a CCA, you may have claimed an exemption from CRC altogether.

Where a full (general or group) CCA exemption does not apply, you will need to participate in CRC and should have reported on emissions from CCA facilities in your [Footprint Report](#). You do not have to report the supplies to these CCA facilities in your Annual Reports.

CCA exemptions need to have been claimed either at registration or when the Footprint Report was submitted. Organisations should have assessed whether they qualified for an exemption during the qualification year for the phase (2008) and claimed exemption in their registration, or the [footprint year](#) for the phase (2010-2011) and claimed exemption in their Footprint Report.

There are three types of CCA exemption: [general](#), [member](#) and [group](#).

B.2.2 General CCA exemptions

If you are a [single entity participant](#) and more than 25% of your [total emissions](#) are covered by a CCA, you could have claimed an exemption from CRC for all your emissions.

- If you claimed your general CCA exemption in your registration, so long as you still operate a facility that is named in a [specified facility certificate](#), you are not required to take any further action under CRC for Phase 1. You do not need to submit a Footprint Report or any Annual Reports and do not need to pay [subsistence fees](#).
- If you claimed your general CCA exemption in your Footprint Report, so long as you still operate a facility detailed in a [specified facility certificate](#), you are not required to submit any Annual Reports or take any further action under CRC for the [phase](#). You will not need to pay subsistence fees for 2011-2012 onwards.

A general CCA exemption will no longer apply if the entity to which it relates did not operate a facility that is named in a [specified facility certificate](#) in the previous year.

You will be required to assess your participation again for Phase 2.

B.2.3 Member CCA exemptions

A member of a group qualifies for a member CCA exemption from CRC if it is part of an [organisational group in CRC](#) and the group member has more than 25% of its [total emissions](#) covered by a CCA.

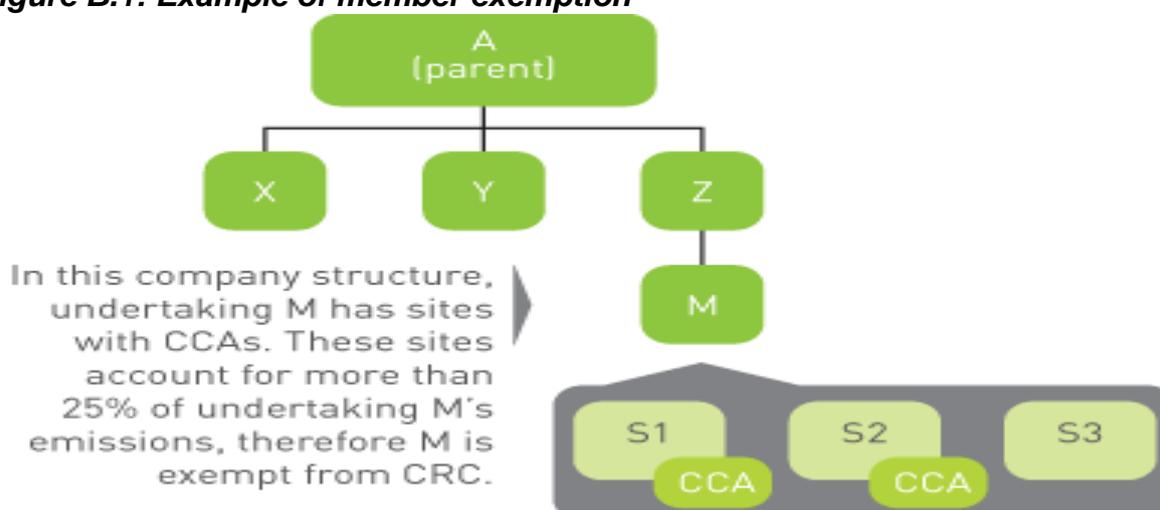
The [supplies](#) for the individual organisation with the member CCA exemption do not need to be reported in the [Annual Report](#), but the remainder of the group will still have to participate in CRC. This includes any subsidiaries of the organisation with the member exemption.

Reporting requirements:

- If you claimed your member exemption at registration, you were required to submit a [Footprint Report](#) and are required to submit Annual Reports for Phase 1.
- If you claimed your member exemption in your Footprint Report, you are required to submit Annual Reports for the phase.

[Figure B.1](#) gives an example of a member exemption; as explained above, the group as a whole would not be exempt just because it has a member CCA exemption. Your group as a whole would only be exempt if you met the conditions for a [group exemption](#).

Figure B.1: Example of member exemption



A member exemption will no longer apply if the member to which it relates did not operate a facility detailed in a [specified facility certificate](#) in the previous year.

B.2.4 Group CCA exemptions

If after deducting the [qualifying electricity](#) supplies of group members that have a [member CCA exemption](#), the remaining parts of your organisation were supplied with less than 1,000MWh of qualifying electricity supplies, then you qualify for a group CCA exemption and your entire organisation is exempt from CRC.

The relevant time period for assessing qualifying supply in this context was the period being used for assessing CCA exemption. This was the 2008 calendar year if claiming the exemption at registration or 2010-2011 if claiming the exemption in the [footprint year](#).

Reporting requirements:

- If you claimed your group exemption at registration, you are not required to take any further action under CRC for Phase 1, so long as you still operate a facility detailed on a [specified facility certificate](#).
- If you claimed your group exemption in your [Footprint Report](#), you are not required to submit any Annual Reports or take any further action under CRC for the [phase](#), so long as you still operate a facility detailed on a specified facility certificate.

B.2.5 Calculating whether you have a CCA exemption

Target period

It is recognised that the target period for CCA does not align with the financial year on which the CRC compliance years are based (April to March). In determining whether or not you qualified for a CCA exemption, you should have therefore used the emissions required to be reported under the CCA for facilities subject to a CCA target period.

- If seeking an exemption at registration, you should have used the emissions required to be reported during the CCA target period ending in the qualification period (1 January to 31 December 2008 for Phase 1).
- If seeking an exemption when submitting your [Footprint Report](#), you should have used the emissions required to be reported during the CCA target period ending in the footprint year (1 April 2010 to 31 March 2011 for Phase 1).

You should have used emissions data for the whole participant organisation from the same period as your target period to calculate whether sufficient emissions were covered by the CCA to claim a CCA exemption.

Example of aligning CCA target year and CRC qualification or footprint year

Organisation A is covered by a CCA. Its CCA target period is 1 October 2009 to 30 September 2010. It wants to claim a CCA exemption as part of its Footprint Report. The CCA target period ends in the [footprint year](#).

Organisation A needs to collate emissions data for the whole organisation covering the period 1 October 2009 to the end of September 2010 and to compare this figure with the emissions covered by the CCA during the same period to calculate its CCA percentage coverage and thus determine whether it can claim a CCA exemption.

Calculating total emissions

To work out the total emissions for each undertaking:

1. Calculate the emissions (A) from the energy supplies/fuels covered by your CCA. For this step you can use the emissions factors as used in either CRC or CCA.
2. Calculate the emissions (B) from the energy supplies/fuels covered by EU ETS. For this step you can use the emissions factors as used in either CRC or EU ETS.
3. Calculate the emissions (C) associated with all other energy supplies to the organisation (excluding excluded supplies as detailed in [section 3.2.5](#)).
4. Sum the emissions from (1) to (3), that is, $A + B + C = D$.
5. Deduct any emissions associated with Electricity Generating Credits (E) which you are eligible to claim, that is, $D - E = F$.

General exemption

If you are a single undertaking, use the following formula to calculate whether you qualify for a general exemption:

$$(A / F) \times 100 = G\%$$

If G is greater than 25%, then you qualify for an exemption

Member exemption

Each undertaking needs to calculate whether they qualify for a member exemption using the formula given above.

Group exemption

Having calculated which undertakings qualify for member exemptions, you need to calculate whether the [qualifying electricity](#) supply (that is, the qualifying electricity in 2008 or in the footprint year, depending on when the exemption is claimed) for the remaining undertakings in the group is less than 1,000MWh. If this is the case the group as a whole qualifies for a group exemption.

Choice of emissions dataset

When calculating whether you qualify for an exemption in Phase 1 and reporting the emissions covered by the exemptions in the [Footprint Report](#) (if required), you had a choice of two options.

You could have used the emissions data required to be reported under CCA for CCA facilities where those facilities are subject to a CCA target period ending in the qualifying year (2008) if claiming at registration, or in the footprint year (1 April 2010 to 31 March 2011 for Phase 1) if claiming in the Footprint Report (that is, as shown in the [example](#) above).

Alternatively you could have used the emissions data in respect of the amount of energy supplies to the CCA facilities during the qualifying year (2008) if claiming at registration, or in the footprint year (April 2010 to March 2011) if claiming in the Footprint Report, calculated in accordance with Schedule 1 of the [CRC Order](#).

B.2.6 Claiming your exemption

If you qualified for a CCA exemption, you should have either claimed this as part of your registration or as part of your [Footprint Report](#).

To claim an exemption, you should have selected the relevant exemption type when prompted and entered details of the CCA (for example, TUI emissions covered by CCA, emissions of the undertaking to which the CCA belongs, and name of the undertaking to which the CCA belongs).

Note that if a member exemption is being claimed for a subsidiary that is not listed in your [CRC structure](#) (because it is not a [Significant Group Undertaking](#) or the highest parent), the member exemption should be claimed under the SGU in whose group the subsidiary belongs (or the highest parent if the subsidiary is not part of any of the SGUs). Also note that each member exemption applies only to the individual subsidiary meeting the criteria for the exemption.

If you claim a [general](#) or [group](#) exemption, we will ask you for information to verify that you have claimed the correct exemption.

B.2.7 Reporting your CCA exempt emissions in the Footprint Report

The emissions you should have reported in your [Footprint Report](#) are the sum of the total emissions of each exempt member (calculated as outlined in [section B.2.5](#)). These should

have been entered in your Footprint Report on the 'EU ETS, CCAs and EGC emissions coverage' screen in the box entitled 'Emissions covered by CCA Exempt Undertakings'.

B.2.8 Reporting of CCA non-exempt supplies

Emissions covered by a CCA but for which the organisation does not qualify for a CCA exemption should have been included in your [Footprint Report](#) on the 'EU ETS, CCAs and EGC emissions coverage' screen. However, you do not need to report these emissions as part of your [Annual Reports](#), or purchase or surrender [allowances](#) for the emissions associated with the supplies directly covered by the CCA. This is because emissions already covered under the CCA regime are not subject to an annual reporting obligation under CRC.

B.2.9 Changes to CCA status

An organisation that signs a CCA after submitting its [Footprint Report](#) will not be able to claim an exemption until the next [phase](#). However, it will not have to report the supplies directly covered by the CCA in its annual reports for the rest of the phase.

If a group has a [member](#) CCA exemption and the member concerned either ceases to be a member or ceases to meet the conditions for the exemption to apply, the group will lose its member exemption in the following years of the phase.

If a participant holds a [general](#) or a [group](#) exemption and the conditions for the exemption cease to apply, the participant will lose their exemption in the following years of the phase.

If you have had any changes involving CCA coverage, you must notify us using the [Inform of CCA status change](#) function in the [CRC Registry](#) within three months of the change.

B.2.10 Treatment of CCAs in landlord tenant situations

Where a landlord has the supply responsibility under the rules of the CRC scheme and the tenant holds a CCA for a facility on the landlord's site, the landlord can exclude these supplies from their CRC [Annual Reports](#).

The landlord should have reported the emissions from the supplies to this CCA facility in box 4 or 5 on the 'EU ETS, CCAs and EGC emissions coverage' screen in the [Footprint Report](#). The landlord will not then need to report the supplies to this CCA facility in their annual reports. Note that the landlord **cannot** claim any type of CCA exemption on the basis of their tenant's CCA.

Please also note the following regarding CCAs and landlord tenant situations. Where a tenant is part of an organisation that is a CRC participant **and** holds a CCA exemption which covers the subsidiary to which this tenant belongs (for example, because the participant has a group or general exemption, or the subsidiary to which the tenant belongs has a member exemption) **but** there is no CCA facility at the specific site occupied by the tenant, the landlord will **not** be able to benefit from the CCA exemption held by the tenant's organisation and as such **will** have to report the tenant's energy supplies in their CRC reports.

B.2.11 CCA target units involving multiple undertakings

The first phase of the CCA scheme consists of an agreement between DECC and the operator, with an overarching agreement between DECC and the relevant sector association.² Therefore, a CCA will ordinarily cover some or all of the operations of particular facilities or sites (known as the target unit) rather than covering the entirety of an organisation's activities, with the exception of single site undertakings in particular cases.

² For the second phase from 1 April 2013, both underlying and umbrella agreements will be signed by the Environment Agency as administrator rather than by DECC.

The situation may arise where more than one legally distinct [undertaking](#) is included within a single CCA. The four examples presented below describe possible scenarios involving two legally distinct undertakings (A and B) located on the same site and covered by the same CCA (that is, the same target unit). The examples assume that both A and B qualify separately for CRC in their own right outside this CCA relationship and are not part of the same group.

The examples show each undertaking's CCA coverage (emissions that can be excluded or exempt – provided they meet the CCA exemption criteria) and CRC liability (supply they must report under CRC).

Please note:

In scenarios where one party is responsible for the supply/supplies of energy to the whole target unit, whichever party is the 'CCA operator' **does not** affect either your CRC liability for reporting supplies for which you are responsible or your CCA coverage under CRC. **What does matter is which emissions are covered by the climate change agreement.**

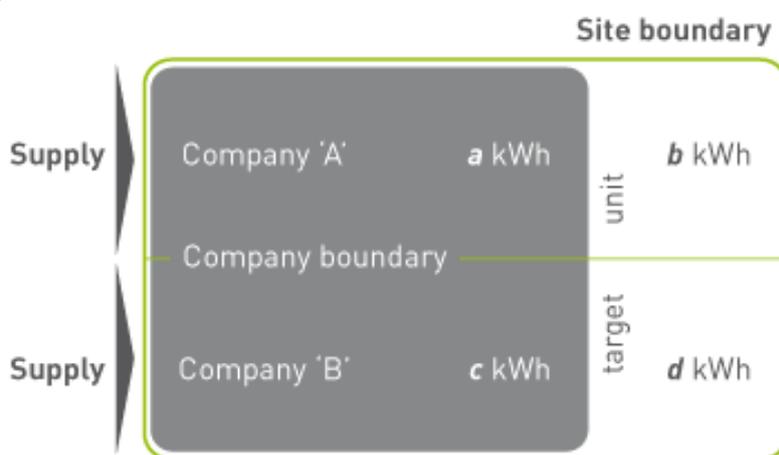
In the examples that follow:

- Company A and company B occupy a site that is divided into four supplies (a, b, c and d). A single CCA exists that covers the operations of A and B.
- A landlord tenant relationship is determined by one party (the tenant) occupying premises with the other party's (the landlord's) permission.
- It is assumed that neither company qualifies for a general, member or group CCA exemption.
- The examples show a single supply (for example, just electricity). Where there is more than one supply (that is, electricity and gas), you should consider each supply in isolation to determine the CRC liability and CCA coverage for that supply based on the example that fits your specific situation.
- References to a 'metering device' relate to a device that measures electricity or gas supply (such as a fiscal meter).

Example 1: Independent supplies

Both company A and company B have agreements to receive their respective supplies (as defined under CRC) directly from an energy supplier independently of one another: company A (which has supplies a + b) and company B (which has supplies c + d) (Figure B.2). They are both independent CRC participants but have just one CCA.

Figure B.2: Example 1 – Company A and company B receive their supplies independently



The CRC liability and CCA coverage of companies A and B do not change when company A or company B is the CCA operator (Table B.1).

Table B.1: Obligations and responsibilities – Company A and company B receive their supplies independently

Operator	A		B	
Reporting obligation	Footprint Report	Annual Report	Footprint Report	Annual Report
Supply responsibility	a + b	b	c + d	d

Note: If company A was the landlord of company B, this would not affect the CRC reporting liability of either company as each company is responsible for reporting its independent supplies.

Example 2: Landlord and tenant relationship – where one party receives the supply

Company A is the landlord and company B is the tenant. Company A has an agreement with the energy supplier to receive the supply of electricity to the entire site (supplies: a + b + c + d) (Figure B.3). The CCA covers some of the operations of both A and B on the site (a + c) – the target unit. Company A has an agreement with company B to supply electricity to company B (c + d) but, for CRC purposes, this supply remains the responsibility of company A under the landlord and tenant provision (Table B.2).

Note: The physical supply arrangements between companies A and B (such as sub-metered or not sub-metered) do not affect the CRC liability of either party (landlord or tenant).

Figure B.3: Example 2 – landlord receives the supply

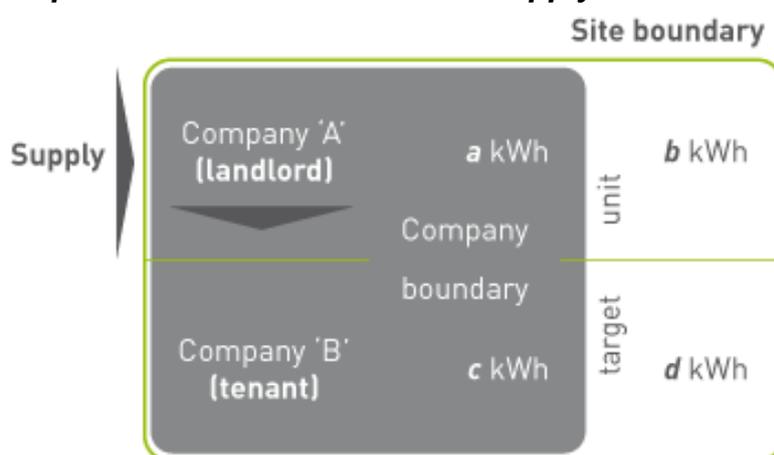


Table B.2: Obligations and responsibilities – landlord receives the supply

Operator	A		B	
Reporting obligation	Footprint Report	Annual Report	Footprint Report	Annual Report
Supply responsibility	a + b + c + d	b + d	None	None

In summary, where a landlord has the supply responsibility under CRC rules and the tenant holds a CCA for the site, the landlord qualifies for a CCA exclusion for the supplies directly covered by the CCA. This means the landlord should have reported the emissions from the supplies to this site, including the CCA facility, in box 4 or 5 on the 'EU ETS, CCAs and Electricity Generating Credits' screen in the Footprint Report. The landlord will not need to report the supplies to the CCA facility in its Annual Reports. The landlord **cannot** claim any type of CCA exemption under CRC on the basis of the CCA.

Example 3: Landlord and tenant relationship – other supply arrangements

Company A is the landlord and company B is the tenant. Company A receives the supply for all of the operations included in the CCA (supplies: a + c) plus the supply for all its non-CCA covered operations (b). Company B receives its CCA energy (c) through the landlord (so the landlord and tenant rule applies) but receives a separate supply for its non-CCA covered operations (d) (Figure B.4). The reporting obligations in this instance are detailed in Table B.3.

Figure B.4: Example 3 – other supply arrangements

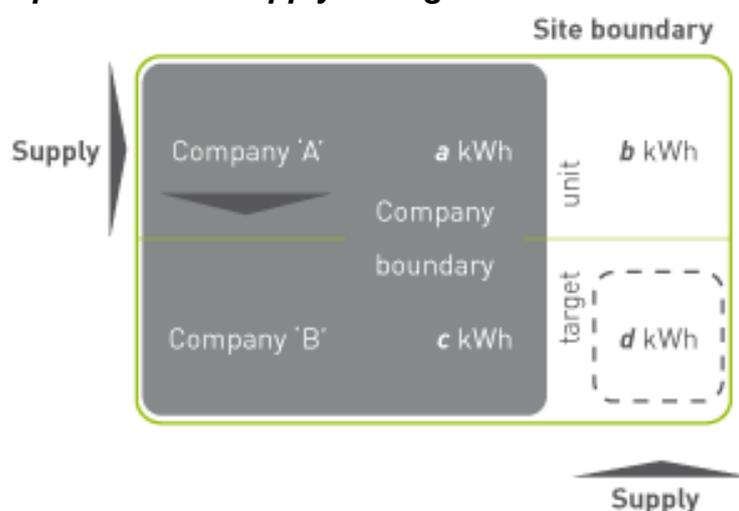


Table B.3: Obligations and responsibilities – other supply arrangements

Operator	A		B	
Reporting obligation	Footprint Report	Annual Report	Footprint Report	Annual Report
Supply responsibility	a + b + c	b	d	d

Example 4: On-site electricity generation – no landlord and tenant relationship

Company A operates a non-EU ETS electricity generating facility that supplies electricity to company B. Companies A and B occupy their own premises. Company A has an agreement with the energy supplier to receive the supply of primary input fuel (f) to the electricity generating facility. The CCA covers some of the operations of both companies A and B on the site (a + c). Company A has an agreement with company B to supply it with electricity (c + d) through a metering device from the electricity generating facility (Figure B.5). The reporting obligations in this instance are detailed in Table B.4.

Figure B.5: Example 4 – Company A operates a non-EU ETS electricity generating facility and supplies electricity to Company B



EGF = Electricity generating facility

Table B.4: Obligations and responsibilities – Company A operates a non-EU ETS electricity generating facility and supplies electricity to Company B

Operator	A		B	
Reporting obligation	Footprint report	Annual report	Footprint report	Annual report
Supply responsibility	$f + a + b$	$f^* + b$	$c + d$	d

f = fuel supply (see Figure B.5)

*If the fuel is a core supply or included on A's Residual Measurement List.

Company A may be able to claim [Electricity Generating Credits](#) (EGCs) for the amount of electricity generated and self-supplied (that is, $a + b$) provided the supply arrangements meet the [EGC eligibility criteria](#).

B.3 Introduction to EU ETS

If your organisation does not have installations covered by EU ETS you do not need to read this section.

The European Union Emissions Trading System (EU ETS) is a Europe-wide cap and trade system. The overall amount of greenhouse gases that can be emitted each year by installations covered by the system is subject to a cap set at EU level. Within this cap companies receive or buy emission allowances, which they can trade if they wish.

EU ETS limits greenhouse gases from more than 11,000 heavy energy-using installations in power generation and manufacturing industry. In addition it covers operators of flights, primarily to and from the EU.

At the end of each year, installations are required to surrender allowances to account for their actual emissions.

To avoid double regulation of emissions from energy use, the CO₂ emissions covered by EU ETS do not need to be reported in CRC annual reports.

B.3.1 Calculating and reporting your EU ETS emissions

EU ETS installations are defined in the EU ETS Directive and are identified in individual EU ETS permits.

You are not required to report any supplies of gas – or for 2010-2011 and 2011-2012 other non-core fuel (other than electricity) – made to an EU ETS installation in your [Annual Report](#) or surrender [allowances](#) for the emissions from these supplies.

Example of a change in site circumstances

A site belonging to a national organisation emits 30,000 tonnes of CO₂ between 1 January and 31 December 2011. The site has an EU ETS permit and is an EU ETS installation, and so the emissions are not captured as part of that participant's [CRC emissions](#).

The site scales back its operations and some of the production plant is removed so that, from 1 September 2012, the site no longer meets the threshold for inclusion in EU ETS. In the period from 1 January 2012 to 1 September 2012, the site emits 18,000 tonnes of CO₂.

Under EU ETS, the permit holder is required to report its emissions up to 1 September 2012 and to surrender an equivalent number of EU ETS allowances. When these outstanding obligations are met, the EU ETS permit is removed by the regulator. The remainder of the installed plant continues to operate at a much reduced capacity.

The participant will need to include the emissions from **gas** supplies previously made to an EU ETS Installation as part of CRC from the point at which emissions ceased to be reported under EU ETS (that is, from 1 September 2012).

Electricity supplies to EU ETS installations

You need to report **electricity** supplies to EU ETS installations (except [self supply](#) where used for the purpose of electricity generation, transmission and distribution).

You need to enter these supply data as part of your reporting requirements. You should have entered the information in your [Footprint Report](#) on the 'Energy Supplies' screen. You should enter them in your [Annual Reports](#) (where applicable) on the 'Record Energy Use by Type' screen.

If you are required to report the electricity in your Annual Report, you will also be required to purchase and surrender [allowances](#) for the associated emissions.

B.3.3 Loss of EU ETS coverage

If during a CRC compliance year your supplies are no longer covered by EU ETS for any reason, the supplies that were previously not reported in your [Annual Reports](#) (that is, not part of your [CRC emissions](#)) can no longer be omitted from your Annual Reports.

You need to notify us of the change within three months of its occurrence. Please do this by emailing the CRC Helpdesk (crchelp@environment-agency.gov.uk).

You will need to start reporting the supplies as part of your Annual Report from the time at which the supplies stopped being covered under EU ETS.

Annex C: Emission conversion factors and unit conversions

C.1 Emission conversion factors

Please note that emission factors for electricity and gas will remain fixed for the whole of Phase 1.

Emission factors for Phase 2 will be set each year in line with national greenhouse gas emission factors and a separate emission factor will be set for self-supplied electricity.

Table C.1 has been retained as reference for previous years in Phase 1.

Table C.1 Emission conversion factors

Converting fuel types to CO ₂	Gross calorific value (CV) basis	
Fuel type*	Measurement unit	Emissions factor kgCO ₂ per measurement unit
Aviation spirit	tonnes	3,128
Aviation turbine fuel	tonnes	3,150
Basic oxygen steel (BOS) gas	kWh	0.996
Blast furnace gas	kWh	0.996
Burning oil/kerosene/paraffin	litres	2.532
Cement industry coal	tonnes	2,373
Coke oven gas	kWh	0.146
Commercial/public sector coal	tonnes	2,577
Coking coal	tonnes	2,932
Colliery methane	kWh	0.184
Diesel	litres	2.639
Electricity	kWh	0.541
Fuel oil	tonnes	3,216
Gas oil	litres	2.762
Industrial coal	tonnes	2,314
Lignite	tonnes	1,203
Liquid petroleum gas (LPG)	litres	1.495
Peat	tonnes	1,357
Naphtha	tonnes	3,131
Natural gas**	kWh	0.1836
Other petroleum gas	kWh	0.2057
Petrol	litres	2.3035
Petroleum coke	tonnes	2,981
Scrap tyres	tonnes	1,669
Solid smokeless fuel	tonnes	2,810
Sour gas	kWh	0.2397
Waste (other than waste oil or waste solvents)	tonnes	275.0
Waste oils	tonnes	3,026
Waste solvents	tonnes	1,613

Source: CRC Energy Efficiency Scheme Order: Table of Conversion Factors, Version 1, published by DECC on 22 January 2010.

*DECC does not provide descriptions of each fuel type. You should classify the fuels you use into the most appropriate category.

** Use this conversion factor for any gas supplied through the national gas network.

To calculate the tonnes of CO₂ associated with each unit of fuel, the [CRC Registry](#) makes the following calculation:

$$\text{Emissions (tCO}_2\text{)} = \text{Quantity of fuel supply} \times \text{Emission factor} \times 0.001$$

The emission factors used in CRC derive from a number of reliable sources. The majority come from the *2009 Guidelines to Defra/DECC's Greenhouse Gas (GHG) Conversion Factors for Company Reporting*

(<http://archive.defra.gov.uk/environment/business/reporting/older-ghg-conversion-factors.htm>). The greenhouse gas (GHG) conversion factors published by the Department for Environment, Food and Rural Affairs (Defra) were chosen as the preferred source because they are derived from the UK Greenhouse Gas Inventory and the measurement units are more widely used than other sources.

Four sources were used to produce the final CRC fuels table. These are listed below:

- *2009 Guidelines to Defra/DECC's Greenhouse Gas (GHG) Conversion Factors for Company Reporting*
- latest UK country-specific factors table prepared for the EU ETS (based on the 2008 UK GHG Inventory)
- UK Greenhouse Gas Inventory 2009
- EU ETS default emission factors from Commission Decision (2007/589/EC)

Emission conversion factors are fixed for the duration of a single CRC [phase](#). This is to allow direct comparison of the emissions emitted by your organisation or group in one annual reporting year with the emissions emitted in another annual reporting year. This was important when assessing performance in the three metrics ([Early Action](#), [Growth](#) and [Absolute](#)) that formed the basis of the [performance tables](#).

Emission factors are not provided for blended fuel types. However, it was still necessary to report the blended fuel by estimating the quantity of each constituent part.

C.2 Converting your fuel supplies into the correct units for reporting

C.2.1 Electricity

Organisations that are large consumers of electricity may be used to receiving their bills using one of the following abbreviations:

kilo (k) = 1,000 or 10³
mega (M) = 1,000,000 or 10⁶
giga (G) = 1,000,000,000 or 10⁹
tera (T) = 1,000,000,000,000 or 10¹²
peta (P) = 1,000,000,000,000,000 or 10¹⁵

The fuel measurement unit for electricity supply under CRC is kilowatt hours (kWh). You should therefore convert all supplies of electricity that you are responsible for into units of kWh.

C.2.2 Gas and non-core fuels

Energy conversions

In most cases, your energy bills will be quoted by your energy supplier in an order of magnitude of watt hours. Where a supply is not measured in watt hours, you should multiply

your quantity of supply by the appropriate conversion factor from [Table C.2](#) to state your energy supply in kWh.

Table C.2: Energy conversion table

<i>From/to – multiply by</i>	GJ	kWh	therm	toe	kcal
Gigajoule, GJ	1	277.78	9.47817	0.02388	238,903
Kilowatt hour, kWh	0.0036	1	0.03412	0.00009	860.05
Therm	0.10551	29.307	1	0.00252	25,206
Tonne oil equivalent, toe	41.868	11,630	396.83	1	10,002,389
Kilocalorie, kcal	0.000004186	0.0011627	0.000039674	0.000000100	1

Source: Table 12a, 2009 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting

Volume conversions

Many gas supplies are measured in either cubic feet (cu. ft) or cubic metres (m³). Like electricity, the fuel measurement unit for gas supply under CRC is kilowatt hours (kWh). If your gas readings are in either cu. ft or m³, you will need to convert these readings into kWh. See the [example](#) below.

Example conversion of m³ to kWh

Participant B's gas supply reading for 1 April 2010 to 31 June 2010 was 1,500 cu. ft.

Step 1: Multiply your units used by 0.02832 to give you the number of cubic metres of gas used.

$$1,500 \times 0.02832 = 42.48\text{m}^3$$

Step 2: Multiply this value by the temperature and pressure correction figure printed on your gas bill (example standard value = 1.02264). If not given, contact your energy supplier.

$$42.48 \times 1.02264 = 43.44\text{m}^3$$

Step 3: Multiply this value by the calorific value of the gas given on your bill (example value = 39.25MJ/m³):

$$43.44 \times 39.25 = 1,705.09\text{MJ or } 1.70509\text{GJ}$$

Step 4: Multiply this value (in GJ) by 277.78 (see Table C.2) to obtain the number of kilowatt hours (kWh):

$$1.70509 \times 277.78 = 473.63\text{kWh}$$

Annex D: CRC penalties

The table below details the civil penalties that can be applied for non-compliance with the CRC Order.

Non-compliance	CRC Order	Penalties
Failure to register	Article 95	<ul style="list-style-type: none"> • Immediate fine of £5,000 for failure to register by the deadline • Further £500 per working day for each subsequent working day of delay up to a maximum of 80 working days • Publication of non-compliance
Failure to disclose information on registration	Article 95	<ul style="list-style-type: none"> • £500 per meter not reported in the registration • Publication of non-compliance
Failure to submit a Footprint Report on time	Article 96	<ul style="list-style-type: none"> • Immediate fine of £5,000 for failure to report by the deadline • Publication of the non-compliance <p>Where the report was provided no more than 40 working days late, also a fine of £500 per working day for each subsequent working day of delay up to a maximum of 40 working days.</p> <p>Where report was more than 40 working days late, also a fine of £40,000.</p>
Failure to submit an Annual Report on time	Article 97	<ul style="list-style-type: none"> • Immediate fine of £5,000 for failure to report by the deadline • Publication of non-compliance <p>Where the report is provided no more than 40 working days late, also a fine of £500 per working day for each subsequent working day of delay up to a maximum of 40 working days.</p> <p>Where report is more than 40 working days late also:</p> <ul style="list-style-type: none"> • fine of £40,000 • CRC emissions to which the Annual Report relates are double the CRC emissions reported in the previous year's report, or where no such report exists, double the CRC emissions determined by the administrator • participant must immediately purchase and surrender allowances equal to the CRC emissions (including the doubling) • £40 per tCO₂ penalty for each allowance not surrendered by the deadline (penalty is only applicable to the CRC emissions before the

Non-compliance	CRC Order	Penalties
		<p>figure is doubled)</p> <ul style="list-style-type: none"> • performance tables transfer of any allowances to third parties is blocked • if the participant fails to comply with the penalty requirement to purchase and surrender allowances by 31 March after the Annual Report was due and continues in the scheme, the un-surrendered allowances will be added to the surrender requirement for the next year • participant was ranked bottom of the performance tables (in 2010-2011 and 2011-2012 only)
Failure to provide accurate information or notifications (in relation to CCA status changes and designated change)	Article 98	<ul style="list-style-type: none"> • £5,000 fine • Publication of non-compliance
Inaccurate Footprint and Annual Reports (that is, supplies or emissions differ by more than 5% to those which should have been reported)	Article 99	<ul style="list-style-type: none"> • £40 per tCO₂ of so much of those supplies or emissions that were inaccurately reported • Publication of non-compliance <p>Note: Where the provision of an inaccurate Footprint Report causes a participant to provide an inaccurate Annual Report, a penalty can only be applied in respect of the Footprint Report.</p>
Failure to surrender allowances	Article 100	<ul style="list-style-type: none"> • Participant must immediately acquire allowances equal to the allowances that should have been surrendered. • Participant must surrender the shortfall in allowances. • £40 per tCO₂ penalty per emissions reported by shortfall allowances • Publication of non-compliance • Transfer of any allowances to third parties is blocked. • If the participant fails to comply with the penalty requirement to surrender sufficient allowances and continues in the scheme, the shortfall allowances will be added to the surrender requirement for the next year.

Non-compliance	CRC Order	Penalties
Later discovered failures to surrender allowances (within 5 years date compliance was required)	Article 101	<ul style="list-style-type: none"> • Shortfall allowances will be added to the quantity of allowances required to be surrendered in the next reporting year. • Publication of the non-compliance • Where the non-compliant organisation is no longer a participant, a fine is imposed that represents the value of the shortfall allowances (value means the value of the allowances in the sale of allowances immediately before the shortfall was found).
Failure to comply with an information notice served under Article 90	Article 102	<ul style="list-style-type: none"> • £40 per tCO₂ of CRC emissions of the participant in the annual reporting year immediately preceding the year in which the non-compliance is discovered
Failure to keep records of residual measurement list or public disclosure	Article 102	<ul style="list-style-type: none"> • Immediate fine of £5,000 • Publication of the non-compliance

Annex E: Estimation techniques

E.1 Introduction

In general, where there are gaps in energy supply data it is acceptable for you to apply an estimation technique.

There are five basic steps you should follow in applying an estimation technique:

- Step 1 – Identify gaps in energy supply data
- Step 2 – Identify a suitable technique to address these gaps
- Step 3 – Quantify the missing data using the technique
- Step 4 – Use the data to complete the footprint or annual report
- Step 5 – Retain records in the CRC evidence pack

To decide whether an approach is 'reasonable' or not you should consider which technique will be the most accurate, that is, you should select the technique on the basis that it is limited to the data gaps identified **and** maximises the use of primary source data in the scheme year.

You must ensure that the reasons for your choice of technique and the steps in your estimation process are documented in your [evidence pack](#) to provide an audit trail.

E.2 What are the estimation techniques?

The four techniques available to you are:

- 1 [Estimated energy bills](#)
- 2 [Pro-rata calculation](#)
- 3 [Direct comparison](#)
- 4 [Price settlement](#)

The ways in which you can apply these techniques are described in turn below with examples.

Other techniques, for example benchmarking, are not valid as estimation techniques under CRC. This is because establishing benchmark data and then measuring estimated data against them would make effective verification (either by the participant or the administrator) too complex.

You should ensure the estimate resulting from your chosen method does not underestimate supply.

E.2.1 Technique 1: Estimated energy bills

You can use estimated bills from suppliers to establish energy supply for electricity or gas (in most cases this will be for natural gas). Suppliers may send these because they are unable to provide bills based on actual supply data for the entire CRC reporting year.

All evidence for estimated bills should be kept within your evidence pack to provide an audit trail.

Example – Participant A

Step 1: Some time after the billing period, an invoice for natural gas supply to Participant A is identified as being estimated.

- Estimates are used where bills are issued more frequently than actual meter readings are recorded.
- Estimates are usually based on past supply and/or a meter profile.

Step 2: Actual meter readings have not been taken for the billing period, so Participant A uses estimated bills to cover that period.

- Participant A should check that the billed estimate is proportionally consistent with the supply actually recorded by the meter. For example, if you normally consume Xm^3 of gas per month and you are reading the meter two months after the end of the estimated period, the current reading should be greater than the billed estimate by approximately $2Xm^3$.
- If there is a large difference between estimated and actual supply then let your supplier know.

Step 3: Calculate the amount of energy supplied for the period.

- Supply data are taken from the estimated bills.

Step 4: Reporting.

- Participant A should report the estimated supply for the period.

Step 5: Participant A should keep auditable records of the estimated bills as part of the evidence pack. These are:

- supplier invoices for CRC reporting period giving estimated supply
- actual meter readings taken for comparison with estimated bills and recorded on meter log sheets
- correspondence notifying the suppliers of large discrepancies (where applicable)

E.2.2 Technique 2: Pro rata calculation

The pro rata estimation technique involves quantifying the missing data for a data gap using a proportional method based on actual readings from another similar period.

The energy supply for a CRC compliance year may be estimated pro rata against the supply for a similar, but shorter period. Actual meter readings should be used to derive a daily supply rate that is then used to fill in any data gaps.

This method is less useful where seasonal effects come into play (for example, where there is a supply peak during one part of a year due to an external factor) or where long shutdowns occur within the period (for example, over the summer holidays in school buildings).

To ensure that the data used to fill the supply gap remain relevant, the data must cover at least three months and be no more than 12 months outside the period to be estimated. You should keep all evidence in your evidence pack to provide an audit trail.

Example – Participant B

Step 1: Participant B is missing natural gas data for the final two months of an annual reporting year due to meter failure.

Step 2: Participant B has chosen to use the pro rata method based on actual meter readings for the 10 months before the meter failure.

Step 3: Participant B calculates the amount of energy supplied for the period.

- Actual meter reads (corrected): 1 April 2009: 2,090,658 hundred cubic feet (HCF); 1 February 2010: 2,240,658HCF
- Supply between 1 April 2009 and 1 February 2010 = 2,240,658 – 2,090,658 = 150,000HCF
- Metered period: 306 days, missing 59 days at the end of the period.
- Supply in period: 150,000HCF converted to kilowatt hours (kWh): 4,706,226kWh (see [Annex C.2](#)). Conversion factors used in this example calculation are as follows:
 - temperature and pressure correction factor = 1.02264 (usually the figures for temperature/pressure correction and calorific value are printed on the gas bill)
 - HCF (corrected) × 2.832 to convert to cubic metres (m³)
 - m³ × CV of 39.0000MJ/m³ to convert to megajoules (MJ)
 - MJ divided by 1,000 to convert to GJ
 - GJ × 277.78 (1GJ = 277.78kWh) to convert to kWh
- Pro rata for the annual reporting year =
[(daily supply rate) × data gap in days] + rest of year supply = total year supply
= [(4,706,226 / 306) × 59] + 4,706,226 = 5,613,636kWh

Step 4: Participant B reports the supply in its Annual Report.

- Reported supply for the year: 5,613,636kWh.

Step 5: Participant B records all meter readings and conversion factors used and keeps these in its evidence pack. The pack should also contain details of monthly gas supply and calorific values (CVs) for the reporting period. CVs can be obtained monthly from supplier's invoices or daily from the National Grid website (www.nationalgrid.com/uk)

E.2.3 Technique 3: Direct comparison

The direct comparison method uses data that correspond with a similar period of supply. The advantage of this method is that it accommodates variability in energy demand (for example, due to annual weather patterns or periodic closure of buildings such as schools). For industry, it works best where production runs are long and constant and similar production levels are recorded in both periods.

To ensure the data are applicable and are not used repeatedly for an extended period, the data must be no more than 12 months from the period to be estimated. You should keep all evidence in your evidence pack to provide an audit trail.

Example – Participant C

Step 1: Participant C has inaccurate natural gas supply data caused by a meter fault.

Step 2: Subsequent analysis by Participant C or the supplier shows that natural gas supply was under-reported over a three-month period before the fault was noticed and rectified.

Step 3: Participant C should calculate the amount of energy supplied in the period.

- The fault related to a manufacturing operation which uses natural gas for the drying of a product.
- Participant C notes that shift patterns and production volumes are similar to the previous year.
- Participant C selects best fit data for three months from the previous year with similar production volumes.
- Adjustment to supply is made on straight-line basis for slight difference in production volumes (similarly could be for temperature, for example using degree days).

Step 4: Participant C will report the supply in its Annual Report.

- Reported supply in CRC year: nine months' actual data and three months' adjusted data.

Step 5: Participant C should record the following:

- evidence that a fault affected the gas meter and, if available, that it was repaired
- analyses showing the fault had affected the previous three months' data
- the three months' actual data selected from previous year for direct comparison
- adjustments – the basis for these as applied to the direct comparison data for example degree day corrections, production volumes and so on

E.2.4 Technique 4: Price settlement

As a last resort, you may use a price settlement (energy cost data) with suppliers as the basis for CRC reporting. However, this must be as the final backstop in the hierarchy of estimation techniques and **must** only be used if you are unable to use techniques 1, 2 or 3.

In cases of a simple price settlement the onus is on you, as the participant, to justify a reasonable unit price figure is used to convert this into a supply figure. You should keep all evidence in your evidence pack to provide an audit trail. You should expect an auditor to pay particular attention to this aspect of your evidence pack.

This technique would allow you to use aggregate cost data rather than requiring individual metered supply, which would be beneficial in cases of a large number of small consuming meters. For this method you need to demonstrate the use of an actual price figure (using the unit price shown on an earlier bill for this billing period) or an average price per unit (based on a set of price figures) to convert this aggregate cost into an aggregate supply figure.

Example – Participant D

Step 1: Participant D has data available from a supplier on an aggregate cost basis but actual supply data cannot be accurately confirmed in the reporting period.

Step 2: Participant D can take the aggregated cost data and convert this into supply data using the unit price shown on an earlier bill for this billing period (pence per kWh).

Step 3: Participant D should calculate the amount of energy supplied in the period:

- Take the energy cost data provided by supplier (for example, £150,000).
- Use an average price per unit figure to convert aggregated cost into kWh (for example, 6.87p/kWh (see Step 5: Records)).
- Then calculate energy supply = $\text{£}150,000 / 0.0687 = 2,183,406\text{kWh}$.

Step 4: Participant D will report the supply for the purpose of the Annual Report.

- Reported supply in period: 2,183,406kWh

Step 5: Participant D should record the following in its evidence pack:

- Supplier statements giving aggregated cost and other relevant data
- Unit price calculations and the basis for any weighting of unit price. Electricity may need to be weighted for weekend units, night units and other time units. Example unit costs Participant D might use are as follows:
 - weekend units: 8.69p/kWh, estimated as 35.6% supply
 - night units: 4.78p/kWh, estimated as 7.4% supply
 - other time units: 6.00p/kWh, estimated as 57% supply
 - average unit price = $(8.69 \times 35.6) + (4.78 \times 7.4) + (6.00 \times 57)/100 = 6.87\text{p} = \text{£}0.0687$

E.3 Treatment of errors

If you report supplies of emissions as part of your [Footprint](#) or [Annual Reports](#) that differ by more than 5% from the supplies or emissions that should have been reported, you may be liable for civil penalties of £40 per tonne of CO₂ for the emissions or supplies inaccurately reported and publication (see [Annex D](#)).

Please notify us (by emailing crchelp@environment-agency.gov.uk) as soon as possible if you spot an error in your reports. We will then advise you accordingly.

Note: An accurate estimate is not considered to be an error.

Examples of two types of error are given below.

E.3.1 Example 1: Inaccurate estimation

<u>Reporting</u>	<u>Error in reporting</u>
<p>Participant A receives 20,000 litres (xx) of diesel in a single delivery. Participant A chooses to estimate the consumption.</p> <p>The emissions associated with the supply consumed are 53 tonnes of CO₂ (yy). The uplift that will be applied by the CRC Registry will be 5tCO₂ (zz) (that is, 5.3tCO₂ rounded down to the nearest tonne).</p>	<p>Participant A reported consumption of 20,000 litres during the annual reporting year, but actually consumed 21,500 litres (vv), failing to declare a supply of 1,500 litres during the same period.</p>
<u>Calculating the error</u>	
<p>The discrepancy between what Participant A reported and actually consumed is calculated as follows:</p> <p>Percentage error = $[(xx - vv) / xx] \times 100$ = $[(20,000 - 21,500) / 20,000] \times 100 = 7.5\%$</p> <p>This error is above the 5% error threshold and so Participant A may be liable for civil penalties.</p>	
<p>The penalty would be calculated as follows: This is a maximum penalty that can be applied and would subject to any mitigating factors there may be.</p>	

Supply error = 1,500 litres
 Associated emissions (tCO₂) = (1,500 × 'emission factor') / 1,000 = 3.95tCO₂
 Penalty = 3.95 × £40 per tCO₂ = £158
 (plus [publication](#))

E.3.2 Example 2: 'Reporting omission' error

<u>Reporting</u>	<u>Error in reporting</u>
<p>Participant B reports that the total supply of gas to the participant group was 6,200,000kWh (xx) over the annual reporting year.</p>	<p>During a compliance audit it is found that Participant B failed to report the supply of gas to B Construction Ltd, a member of the participant group. The supply of gas omitted was 2,300,000kWh. The total supply of gas for the period was actually 8,500,000kWh (vv).</p>
<u>Calculating the error</u>	
<p>The discrepancy between what Participant B reported and actually consumed is calculated as follows:</p> <p>Percentage error = [(xx – vv) / xx] × 100 = [(6,200,000 – 8,500,000) / 6,200,000] × 100 = 37%</p> <p>This error is above the 5% error threshold and so Participant B may be liable for civil penalties.</p>	
<p>The <u>penalty</u> would be calculated as follows: This is a maximum penalty that can be applied and would subject to any mitigating factors there may be.</p> <p>Supply error = 2,300,000kWh Associated emissions (tCO₂) = [2,300,000 × 'emission factor' (0.541)] / 1,000 = 1,245tCO₂ Penalty = 1,245 × £40 per tCO₂ = £49,772 (plus publication)</p>	

E.4 Mixed usage

If you are responsible for the supply to a mixed use building, the electricity supplied for domestic accommodation should be calculated and removed from your total half hourly supplies for the purposes of assessing qualification and all future reporting.

This can be done using a sub-meter where there is one in place. If there is no sub-metering, an estimation technique can be used. However, a 10% [estimation uplift](#) will apply to the remaining quantity in these circumstances.

Non-domestic tenants in mixed use buildings will not be required to apply the mixed use estimation technique regardless of whether they hold the agreement to receive the supply or not. If the non-domestic tenant holds the supply agreement, this should be reported as a

supply without the application of estimation. If the landlord holds the supply agreement(s) for the building, it will be the landlord's responsibility to estimate the proportion of domestic and non-domestic supply for the building (Table E.1).

Table E.1: Landlord's responsibilities under CRC in mixed use buildings

Arrangement	Sub-metering in place	No sub-metering in place
Landlord has the agreement to receive the supply/supplies.	<ul style="list-style-type: none"> Use the sub-metering to calculate and remove energy supplies associated with domestic accommodation from the total of each supply. 	<ul style="list-style-type: none"> Use an estimation technique based on the relative floor areas for domestic and non-domestic use in the building to determine the non-domestic supplies for the building. Decide whether to include or exclude supplies related to communal areas (for example, hallways) from the supply you report as part of CRC (see Supply associated with communal areas in mixed use buildings).

E.4.1 Supply associated with communal areas in mixed use buildings

Energy supplied for communal areas of a property solely used for domestic accommodation is excluded from CRC. It is up to you and other organisations sharing communal areas in mixed use buildings to decide whether or not you treat them as part of the domestic accommodation.

You have two options. You can treat them as part of the domestic accommodation and remove the energy supplies used for communal areas when you are calculating your qualifying electricity (default position). Alternatively, to avoid the need to include or remove supplies, you can decide that all energy supplied for communal areas is not treated as domestic accommodation and is therefore included for qualification.

Whatever decision you make must be applied for the entire [phase](#). You must keep a record of the decision in your [evidence pack](#).

E.4.2 District heating and benchmarks

Where there is a need to estimate the percentage of fuel input used to heat domestic and non-domestic properties, benchmarks given on Display Energy Certificates (DEGs) can be used where these are adjusted for degree days and benchmarks are available for **all** the district heating customers for a given installation.

E.4.3 More than one undertaking sharing the same premises

Where sub-metering is in place between [undertakings/ Significant Group Undertakings](#) (SGUs) in the same premises (for example, a building or site), the supply is not considered to be estimated and the [estimation uplift](#) will **not** apply.

The 10% estimation uplift will **only** apply in circumstances where the supply is initially procured on your behalf by a facilities management company that uses a proportion of that supply for its own uses where that proportion is not sub-metered. [Table E.2](#) shows scenarios where the estimation uplift would and would not need to be applied to the supply figure reported in the [Annual Report](#).

Table E.2: Reporting obligations for supply arrangement scenarios involving more than one undertaking sharing the same premises where there is no sub-metering in place

Supply arrangement: 	An energy supplier supplies B. B supplies A	A facilities management (FM) company supplies B. B supplies A
Tenancy arrangement: 	A pays or does not pay B for the supply	A pays or does not pay B for the supply
Landlord/tenant relationship (B is the landlord and A is the tenant)	B reports all supply (B+A) [In this scenario, the estimation uplift would not need to be applied]	FM company reports any of its own supply (FM) B reports all remaining supply [that is, (B + A) – FM]

The reporting obligations shown in Table E.2 will apply equally if undertaking A and undertaking B were part of the same CRC participant group or if they were unrelated undertakings.

In the scenarios above, the facilities management company supplies B, B pays for this supply subject to an agreement and the supply is measured by a metering device for electricity or gas (that is, it meets the supply criteria under CRC).

In both scenarios above, the supply from B to A is not sub-metered.

The [estimation uplift](#) applies only if the facilities management company uses some of the supply for its own uses in the absence of a sub-meter.

Below is an example of one of the supply/tenancy scenarios shown in Table E.2 where the landlord has the agreement with the energy supplier to receive the supply. The landlord subsequently supplies the tenants and bills the tenants for their respective supplies.

Example

Parent company A-A UK owns a large office building of 100,000 square feet (ft²). A-A UK is the landlord. The building is shared by:

- A-A UK (parent company) – 20,000ft²
- A-B Limited (undertaking of the parent company) – 20,000ft²
- A-C LLP (undertaking) – 15,000ft²
- A-D UK Limited (undertaking of the parent company) – 40,000ft²
- FacMan Limited (facilities management company contracted by A-A UK) – 5,000ft²

FacMan manages the building on behalf of the other occupants. FacMan has the agreement with the energy supplier to receive the supplies of electricity and gas to the building, and uses some of the supplies for its own uses.

FacMan needs to report the supplies made to itself but does not need to report the supplies to A-A UK, A-B Limited, A-C LLP and A-D UK Limited as these are unconsumed supplies in respect of FacMan. FacMan and A-A UK need to estimate the supplies to themselves.

FacMan can use the proportion of the total floor space it occupies to estimate the supplies. FacMan occupies 5,000ft² out of 100,000ft², that is, 5% of the total floor space. Therefore,

FacMan estimates its supplies of electricity and gas as 5% of the total supply figures. The 10% [estimation uplift](#) will be applied by the [CRC Registry](#) to the figure reported in FacMan's [Annual Report](#) when FacMan indicates that the supply figure is estimated by entering the supply in the estimated supply column.

A-A UK (the landlord) estimates its supplies using the same method – reporting 95% of the supply in its Annual Report based on the proportion of the floor space occupied. The 10% estimation uplift also applies to these supplies.

Annex F: Organisational structures for qualification and registration

F.1 Private sector structures

In CRC, undertakings such as companies, partnerships and unincorporated associations are grouped together using the tests in the Companies Act 2006 which determine whether the entities are legally treated as subsidiaries of one another.

Where an undertaking is ultimately owned by an overseas organisation, all the UK undertakings owned by that overseas highest parent organisation should have assessed their qualification for the scheme together and will participate together unless they qualified and applied for [disaggregation](#). This may mean that you are participating in the CRC scheme with organisations that do not have day-to-day links with your business.

Where you are part of a group of undertakings participating in the CRC scheme, you will have had to nominate a [primary member](#) to manage the CRC requirements on behalf of the group. All members of participant groups are jointly and severally liable for compliance with the [CRC Order](#).

If your organisation owns shares in other companies, you should have assessed whether you are responsible for the companies in which you own these shares under the definition provided in section 1159 of Companies Act 2006. Broadly speaking, you will be responsible for an organisation under CRC (by virtue of it being classed as your subsidiary) if **one** of the following applies:

- You hold a majority share of the voting rights in the organisation.
- You are a member of the organisation and have the right to appoint or remove a majority of the board of directors.
- You are a member of the organisation and control alone, pursuant to an agreement with other members, a majority of the voting rights in the organisation.

If you (as the parent of the organisation) are responsible for any other organisation by virtue of it being classified as your subsidiary, you will also be responsible for all the organisations underneath this subsidiary (by virtue of the same rules).

Further details on organisations owned or covered by [franchises](#), [PFI arrangements](#), [private equity funds](#) and [trusts](#) are provided in [Annex G](#), as determining CRC responsibility in these instances is more complex.

Where an organisation is a joint venture, the responsibility for the organisation under CRC is determined based on the Companies Act tests above. If the joint venture does not have any higher parent by virtue of these tests, they should have assessed their qualification for the scheme on their own and registered appropriately if applicable.

Having determined the organisations which form part of your group, you should have analysed each organisation within the group and determined whether they had any [settled half hourly meters](#) and ascertained their electricity consumption in 2008 through half hourly meters. This information would have allowed you to determine how you had to record your structure in CRC by virtue of identifying any [Significant Group Undertakings](#) (SGUs).

F.2 Public sector structures

In CRC, public sector organisations are generally those that are designated as a public authority under section 3(1)(a) of the Freedom of Information Act 2000 (FOIA) or a Scottish public authority under section 3(1)(a) of the Freedom of Information (Scotland) Act 2002.

Organisations that are legally part of another public body will participate with the parent public body for the purpose of the CRC scheme (for example, fire authorities may be part of the local authority).

A body corporate will be considered a public body where one of the following applies:

- A public body holds a majority share of the voting rights;
- A public body has the right to appoint or remove a majority of the board of directors; or
- A public body is a member of the body corporate and controls alone, pursuant to an agreement with other members, a majority of the voting rights in the organisation.

Where a body corporate is a public body and the majority member is a Government Department, Scottish Ministers, the Welsh Ministers, First Minister for Wales, the Counsel General or a relevant Northern Ireland Department, the body corporate is a member of the majority member and must participate with them for purposes of CRC unless a government decision specifies otherwise. If a body corporate has a majority member not listed above it must assess its qualification for the scheme in its own right and, if necessary, participate on its own.

When public bodies register on the [CRC Registry](#), they should not register any [Significant Group Undertakings](#) (that is, no subsidiaries should be on its structure). This applies even if one of the departments, schools or other associated organisations would have qualified in its own right.

F.2.1 State funded schools

In CRC, state funded schools and academies in England and Wales are the responsibility of the local authority in whose boundary they are geographically located.

Scottish state funded schools will participate with the local authority. Scottish grant aided schools will participate where they qualify (or the organisation of which they are a part of) qualifies.

Grant aided schools in Northern Ireland will participate with their funding Education and Library Board and will transfer to the Education Skills Authority once established.

To determine who is responsible for PFI schools please see the [PFI rules](#).

F.2.2 NHS

Each type of NHS organisation as described in FOIA has separate legal status and will therefore have been obliged to assess its participation in CRC separately.

NHS organisations that are not legally distinct entities must act with the NHS organisation to which they legally belong.

F.2.3 Police and Fire Service

If the service is legally a part of the local authority under FOIA, then the local authority should have assessed their qualification for the CRC scheme including these organisations.

If the service is a legally separate entity under FOIA, then the service should have assessed their qualification for the scheme independently.

F.3 Government departments

Government departments are required to participate fully in the CRC scheme whether or not they meet the qualification criteria. They are termed mandatory participants. Any executive agencies or non-departmental government bodies that do not have a separate legal identity are required to participate with the government department to which they belong unless the Secretary of State for that department writes to inform us that they want a body to participate separately. This is termed making a 'relevant decision'.

In instances where government departments wholly or partly own companies, the CRC responsibility should be determined in the same way as with private sector rules by assessing whether the department (or part of the department) meets one of the following criteria:

- It holds a majority share of the voting rights in the organisation.
- It is a member of the organisation and has the right to appoint or remove a majority of the board of directors.
- It is a member of the organisation and controls alone, pursuant to an agreement with other members, a majority of the voting rights in the organisation.

If the department is responsible for the organisation, then this organisation will be part of the department for the purpose of the CRC scheme and data for this organisation need to be included in the department's reporting.

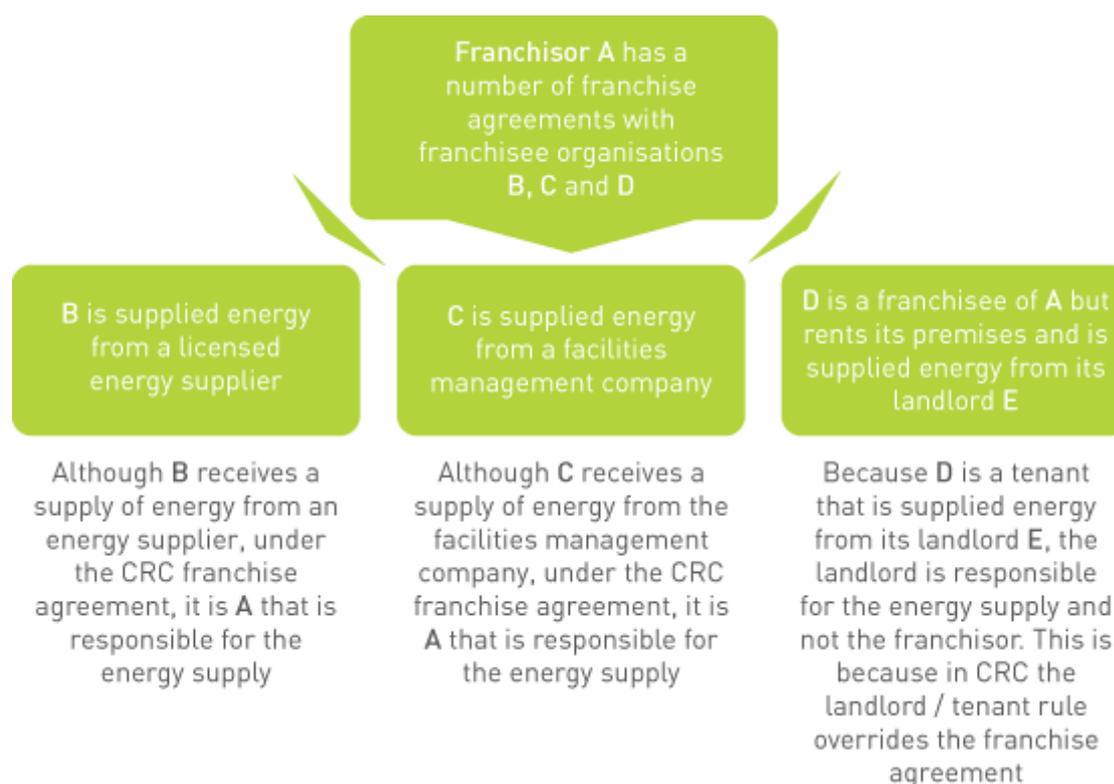
As with public bodies, government departments should not register any [Significant Group Undertakings](#) (that is, no subsidiaries should be on its structure). This applies even if one of the associated non-departmental government bodies or executive agencies would have qualified in its own right.

Annex G: Complex structure and supply responsibilities

G.1 Franchises

If you are a franchisor you are responsible for the energy supplies of your franchisees (Figure G.1).

Figure G.1: Supply rules for franchise agreements



G.1.1 CRC franchise definition rules

Franchises that satisfy **all** four of the rules below are required to participate in CRC as a group, if they meet the qualification criteria as a group. In order to comply with the rules of the CRC scheme, franchisees are required to collect energy consumption data for their organisation and send them to their franchisor.

Rule 1: An agreement (whether or not in writing) between two undertakings (the 'franchisee' and 'the franchisor') for the sale or distribution of goods, or the provision of services.

Rule 2: The franchisee carries out business using the name provided by the franchisor in the agreement.

Rule 3: The premises where the franchisee carries out the franchise business are used exclusively for that business.

Rule 4: The presentation of those premises must have an internal or external appearance agreed by the franchisor and it must be similar to that of other premises operating a franchise business under an agreement with the franchisor.

Where a franchise does not satisfy **all** four of the rules given above, the relevant franchisee(s) will not be required to participate with the franchisor group and must assess whether they qualify for CRC in their own right.

Although overall responsibility for compliance with the requirements of CRC lies with the franchisor, franchisees are required to provide such information and assistance as the franchisor might reasonably require in order to enable the franchisor to register for, and comply with, CRC.

Examples

A series of examples of when the franchisor is responsible for supplies used by the franchisee or not are provided below for each of the four rules. In these examples, 'A' is the franchisee and 'B' is the franchisor.

Rule 1: An agreement between two undertakings (the 'franchisee' and 'the franchisor') for the sale or distribution of goods, or the provision of services.

Type of work	Example	Description	Responsibility for emissions lies with franchisor?
Any	1	Company A has entered into a franchise agreement with Company B.	YES
	2	A has entered into a franchise agreement with the Company B but A operates as a sole trader.	NO

Note: 'A' is the franchisee and 'B' is the franchisor.

Rule 2: The franchisee carries out business using the name provided by the franchisor in the agreement.

Type of work	Example	Example	Responsibility for emissions lies with franchisor?
Restaurant	3	A's registered company name and trading name is 'Brand X Restaurants Manchester Ltd' (where Brand X is the name of B's brand/company). The Brand X name and imagery are clearly visible throughout A's restaurant/store.	YES
	4	A's registered company name and trading name is 'Fast Food Outlets Manchester Ltd'. A operates multiple restaurants/stores under the Brand X, and the Brand X name and imagery are clearly visible throughout each of the restaurants/stores.	YES (see note 1 below)
	5	Like example 4, A's registered company name and trading name is 'Fast Food Outlets Manchester Ltd'. However, A operates multiple Brand X stores. A is not using B's name as part of its trading name but is using a name and imagery provided/agreed by the franchisor.	YES

Type of work	Example	Example	Responsibility for emissions lies with franchisor?
Service station	6	A owns and operates motorway service stations. As well as acting as landlord to various tenants of units at the service stations, it also acts as franchisee in respect of several franchises located in other units on the same premises. It therefore has several agreements with different franchisors. Each franchise business has a similar appearance to other stores of its kind and also displays the franchisor's name and trademark logo in the unit. However, A's address/logo appears on receipts and so on. For example, a motorway service station logo appears with the HQ address.	MAY BE (see note 3 below)
Car dealership	7	In B's dealership agreement with A, there is a requirement for A's company to present itself to the public as, for example, 'B of Leeds'.	YES
	8	Despite there being no requirement to do so in B's dealership agreement with A, A nevertheless chooses to present itself to the public using just B's brand name, for example, as 'B of Leeds'.	YES (see note 2 below)
	8A	Despite displaying B's name and/or brand insignia on its forecourt alongside its own, A presents itself to the public as an independent business from B, the only self-evident connection between B and A being that A sells B's cars on its premises. Examples of such presentation are dealers called 'A', 'A B' or 'A B of Leeds'.	NO

Note: 'A' is the franchisee and 'B' is the franchisor.

Note 1: A key factor is what is meant by 'carries out business using the name'. The registered company name of the franchisee is not relevant: only the trading name and the logo used by the franchisee (whether on the exterior or interior of premises or on a letterhead) are relevant in determining whether the franchisee carries out business 'using a name provided by the franchisor'.

Note 2: It is not necessary for the franchisor to **require** the franchisee to use its name and/or logo in this way, but if the franchisee opts to do so and the franchisor acquiesces in this use, then this rule will be satisfied. This is because in practice B will have given A permission (either explicitly or implicitly) to use its brand name in this way.

Note 3: This scenario ultimately has little to do with the use of the franchisor's name, depending as it does on whether the units which A operates as franchisee have a separate electricity supply. If they do, then the supply to each such unit will need to be aggregated with that of the relevant franchisor. If not, then A will assume responsibility for the supplies as landlord in the usual way. The use of the franchisee's name rather than the franchisor's name on till receipts is not sufficient to mean that the franchisee is not 'using a name provided by the franchisor'.

Note 4: Car dealerships (unlike, for example, supermarkets) are necessarily limited as to the brands which they stock. Whether a dealership satisfies this rule or not will depend on whether it markets itself to the public just under the brand name of the manufacturer(s) whose cars it stocks or an independent brand name which is recognisable to the public. It will usually also be the case that, where a dealership markets itself as an independent brand, the premises from which it operates will be unlikely to meet [Rule 4](#) below.

Rule 3: The premises where the franchisee carries out the franchise business are used exclusively for that business.

Type of work	Example	Example	Responsibility for emissions lies with franchisor?
Shop	9	A has entered into a franchise agreement with B to exclusively stock B's product in their store, for example, a branded high street store that solely sells products from that brand.	YES
	10	A is operating as a franchisee for a large franchisor group B and operates solely for the franchisor (for example a grocery store) with the exception of selling lottery tickets or a service for paying utility bills over the counter under a separate operating agreement with the lottery company/post office.	MAY BE (see note 1 below)
	11	A has entered into a franchise agreement with B. A is selling a product not manufactured by B (that is not one of A's products either) but which has been purchased through B.	YES (see note 2 below)
	12	A has entered into a franchise agreement with B. A is selling a product not manufactured by the franchisor (that is, not one of A's products either). The product has been purchased outside of the franchise agreement with B.	MAY BE (see note 2 below)
Car dealership	13	Car dealership A has entered into a franchise agreement with B to deal exclusively in B's model of cars and is therefore using B's trademark	YES
	14	Car dealership A has entered into a franchise agreement with B. However A does not deal exclusively in B's model of cars on the premises. It may have other franchise agreements with separate suppliers or simply sell products not covered by a franchise agreement at all (for example, part-exchange cars).	NO
	15	Car dealership A has entered into a franchise agreement with B to deal exclusively in B's model of cars. However A also hosts a service centre independently run by	MAY BE (see note 3 below)

Type of work	Example	Example	Responsibility for emissions lies with franchisor?
		organisation C on the premises. C could either be a tenant of A or operate on A's premises under an agreement with A; A's agreement with B makes no reference to the service centre.	
Service station	16	At motorway service stations which it owns and operates, A also acts as franchisee in respect of multiple franchise agreements with other franchisor companies (see example 5 above). All these franchisee businesses are run by A and all of the outlets are located on the same premises.	MAY BE (see note 3 to Rule 2 above)
Hotel	17	A has entered into a franchise agreement with hotel group B and provides services solely according to the franchisor's requirements.	YES
	18	A has entered into a franchise agreement with hotel group B. However, there is also a restaurant on site which is run separately from A's franchise agreement with B. The restaurant has a different name to the franchisor.	YES (see note 3 below)
	19	A has entered into a franchise agreement with a hotel group B and provides services solely according to the franchisor's requirements. Within the premises, however, A rents out space to a number of retail outlets, also providing the electricity, independently of its agreement with B.	MAY BE (see note 3 below)
Restaurant	20	Restaurant A has entered into a franchise agreement with B to sell exclusively B's food product, as well as having the same interior/exterior décor as requested by B; for example, a fast food sandwich shop.	YES
	21	Restaurant A has entered into a franchise agreement with B to sell B's food product, as well as having the same interior/exterior décor as requested by B. However, A also sources drinks from company C (independent from B), for example, fast food sandwich shop that independently sources a drinks machine from a well-known drinks manufacturer.	MAY BE (see note 3 below)

Note: 'A' is the franchisee and 'B' is the franchisor.

Note 1: A key factor in determining exclusivity is whether the franchisor benefits financially from any ancillary activities carried on on-site by the franchisee. If it does, the ancillary activities will not break the exclusivity. However, if such activities are ones from which the franchisee alone benefits financially, the exclusivity link is likely to be broken.

Note 2: The origin of specific products sold by a franchisee is usually irrelevant. The important consideration is the use of the premises exclusively for the carrying out of the franchise business (for example, a grocery store). However, if a franchisee sells products from which the franchisor does not benefit financially, then the exclusivity link may well be broken – see note 1 above.

Note 3: The presence of other businesses/brands on a site owned or occupied by A will not necessarily break the exclusivity of the franchise agreement between A and B, so long as either (a) a finite area can be said to be used only for the purposes of A’s franchise business (for example, that part of a hotel which is not occupied by a restaurant run by a third party) or (b) although such an area cannot be identified, B benefits financially from the presence of the other businesses (for example, by way of share of rent or service charge).

Rule 4: The presentation of those premises must have an internal or external appearance agreed by the franchisor and it must be similar to that of other premises operating a franchise business under an agreement with the franchisor.

Type of work	Example	Example	Grouped with franchisor
Any	22	A has entered into a franchise agreement with B. As part of the agreement, the design of the exterior/interior (or both) of the premises occupied by A has been specified by B.	YES
Any	23	A has entered into a franchise agreement with B. As part of the agreement, the interior equipment of the premises occupied by A has been provided by B, but the appearance of this equipment is not specified in the agreement and it does not reflect B’s corporate branding.	NO

Note: ‘A’ is the franchisee and ‘B’ is the franchisor.

G.2 Public private partnership and private finance initiatives

A public private partnership (PPP) is a venture between the public sector and private sector companies to deliver policies, services and infrastructure. There are a range of possible models but the private finance initiative (PFI) approach is the most common, being widely used to deliver infrastructure and facilities primarily across the hospital, school, housing, transport, and waste management sectors.

The PFI contract is normally awarded to a consortium of private sector companies which establish a dedicated company, termed a special purpose vehicle (SPV), to deliver the specified services. The public authority pays the SPV in predefined instalments (unitary charge) to cover the use of the assets and provision of services over the lifetime of the contract.

You will need to determine if the PFI’s special purpose vehicle is grouped with one of the consortium members on the basis of the tests under section 1159 of the Companies Act. The SPV would be deemed to be a group undertaking where one of the consortium members fulfils **one** of the following criteria:

- It holds a majority of voting rights in the SPV (this will usually be the case where one consortium member owns more than 50% of the shares in the SPV).
- It is a shareholder in the SPV and has the right to appoint or remove a majority of its board of directors.

- It has the right to exercise a dominant influence over the SPV, either by virtue of provisions contained in the undertaking's articles or by virtue of a control contract.
- It is a shareholder in the SPV and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the SPV.

Where the SPV is not deemed to be part of a group according to these tests, the SPV must participate separately from the consortium members in CRC where it meets the qualification criteria.

The [supply rules](#) are the same for PFIs as all other situations in CRC.

G.2.1 Determining supply responsibility

The basic position for supply responsibility in PFI arrangements is the same as for other organisations in that you have to determine whether the supply contract is between you either directly with a utility company or via a third party facilities management organisation or directly from your landlord. See: [Landlord tenant rule](#).

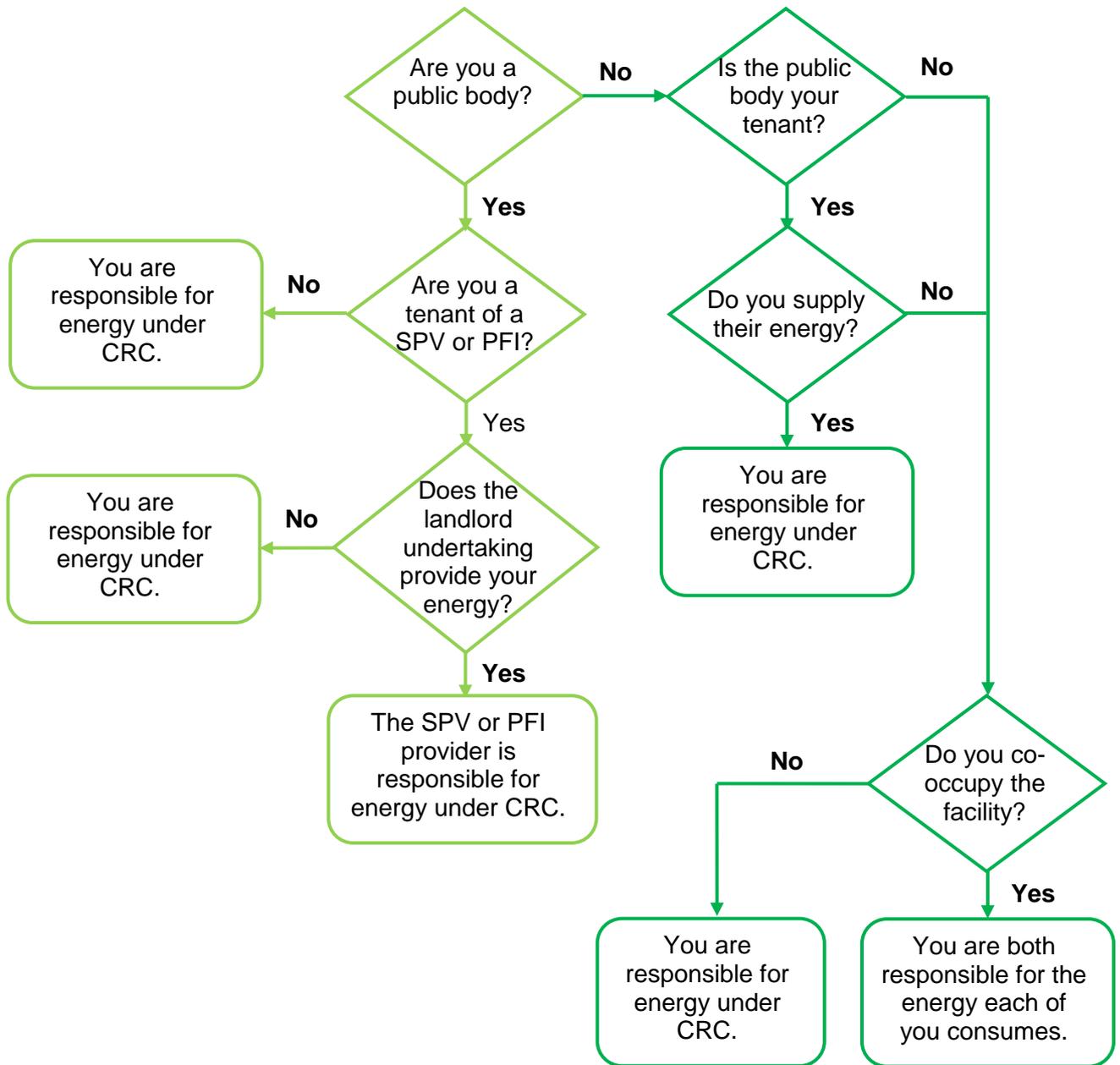
The detail below may also assist you when determining the supply responsibility in PFI scenarios:

Where a chain of tenants is involved, it is the final lease in the chain that is relevant for CRC purposes. For instance when a public body owns land and leases it to a SPV to build a facility and the SPV leases this building to a PFI provider which in turn leases it to the public body to carry out its functions, then for CRC purposes the landlord is the PFI provider and the tenant is the public body. Based on the landlord tenant rule, the PFI provider would have supply responsibility if it was the entity that had the contract with the energy supplier and the public body would have supply responsibility if it had the contract with the energy supplier or via a third party.

Where the landlord and tenant both occupy the premises and their energy is not metered separately, arrangements in the unitary charge will define the percentage responsibility for the supply.

The decision tree in [Figure G.2](#) should help you decide on responsibility for supply in PFI situations.

Figure G2: Decision tree for PFI situations



G.2.2 Energy supply scenarios

Given the variety of arrangements in the PFI sector, various energy supply scenarios are examined below to provide guidance as to the application of the supply rules.

Scenario 1: Builder/soft facilities management provider receives and pays utility company for energy supplies (default scenario)

In PFI projects, the energy supply contracts with the utility companies are usually entered into by the builder (during the build phase) and the [soft facilities management](#) (FM) provider³ (during the services phase) and the builder or the soft FM provider, as appropriate, pays the energy bills.

In the build phase, the builder will be consuming all the energy supplies for its own use (that is, the construction of the facility) and so, during such phase, the builder should account for all such supplies in CRC.

In the services phase, the public authority occupies the premises and the soft FM provider will be required to procure (and pay for) energy supplies for delivery to the public authority, although some of these supplies may also be used by the SPV, the soft FM provider and the [hard facilities management](#) provider.

The authority will usually reimburse the soft FM provider for 100% of these supplies (either as part of the unitary charge or as a separate payment) with payment flows usually passing through the SPV and the SPV passing payment on to the soft FM provider.

Where the project documents provide for reimbursement to be made by the public authority in respect of 100% of the metered supplies, such supplies will (even where some of these supplies are used by the soft FM provider, the hard FM provider and/or the SPV to fulfil their contractual obligations to the public authority) be deemed to be supplies to the public authority and the public authority should account for them in CRC. As regards both the soft FM provider and the SPV, these supplies will be 'unconsumed'.⁴

Where the project documents provide for reimbursement to be made in respect of a lesser percentage of the metered supplies (either because the soft FM provider and/or the SPV are deemed to be using some of the supplies or otherwise), the public authority should account in CRC only for that percentage of the supplies that is reimbursed. Assuming that the reimbursement of the soft FM provider by the SPV is in respect of the same percentage, the soft FM provider should account for the residual percentage of supplies in CRC. For example, where reimbursement is in respect of 90% of supplies (both as between the authority/SPV and the SPV/soft FM provider), then the soft FM provider should account for 10% of the supplies in CRC.

³ Under this scenario, contractual responsibility for utilities management has been assigned to the soft FM provider, when in practice this responsibility may lie with either the soft or hard FM provider. Where a hard FM provider has responsibility for utilities management, the references to the soft and hard FM provider should be swapped.

⁴ Under the CRC supply rules, an organisation may claim that all or some of its supplies of electricity, gas or fuel are not consumed for their own use (termed 'unconsumed supply'). Any energy supply that is not consumed for 'own use' is not the organisation's responsibility under CRC but may, where the onward supply is measured by a metering device, or (in the case of electricity) is a dynamic supply, be the responsibility of the end recipient of the supply. If the onward supply to the end recipient is determined or invoiced on the basis of a fixed percentage of a meter reading, such supply will still be treated as having been measured by a metering device. For fuels, it should be noted that (unlike gas and electricity) a supply does not have to be metered in order to constitute a 'supply' for the purposes of CRC.

Where the soft FM provider is reimbursed a different percentage to that made to the SPV, the SPV should account in CRC for the differential reimbursement to it. For example, where the authority reimburses the SPV in respect of 90% of supplies but the SPV reimburses the soft FM provider in respect of 94% of supplies, then the SPV should account for 4% of supplies in CRC and the soft FM provider should account for 6%.

We are aware that many PFI contracts incorporate complex mechanisms for the sharing of risk in relation to energy price and volume fluctuations or energy efficiency targets. To make administration as easy as possible, such mechanisms should be ignored for the purposes of evaluating responsibility for energy supplies in CRC.

Scenario 2: SPV receives and pays utility company for energy supplies (shared building scenario)

In some types of PFI project (understood to be rare), the energy supply contracts with the utility companies in the services phase are entered into by the SPV, which also pays the energy bills. The project documents will require the SPV to procure (and pay for) the delivery of energy supplies to the public authority even though some of these supplies may also be used by the soft FM provider, the hard FM provider and the SPV itself.

Scenario 2(a): SPV occupies land and buildings under licence from the public authority

The public authority will usually reimburse the SPV for 100% of these supplies, whether as part of the unitary charge or as a separate payment. Where the project documents provide for reimbursement to be made in respect of 100% of the metered supplies, the public authority should account for all the supplies in CRC. For the SPV, these supplies will be 'unconsumed'.

Where the project documents provide for reimbursement to be made in respect of a lesser percentage of the metered supplies (either because the SPV is deemed to be using some of the supplies or otherwise), the public authority should account in CRC only for such percentage of the supplies as is reimbursed and the SPV should account for the residual percentage. For example, where reimbursement is in respect of 90% of supplies, then the SPV should account for 10% of the supplies in CRC.

Scenario 2(b): SPV has granted a lease to the public authority to occupy the land

In circumstances where the SPV receives the energy supplies and has granted the public authority a lease or sub-lease of the land and buildings (and is therefore the public authority's 'landlord'), the exception to the 'unconsumed supply' rule⁵ applies. In such circumstances, the SPV will not be able to claim 'unconsumed supply' in respect of the energy supplies and should account for all such supplies in CRC.

Scenario 3: Public authority receives and pays utility company for energy supplies

Where the energy supplies are made direct to the public authority and the authority pays for such supplies, the authority should account for such supplies in CRC.

Scenario 4: PFI provider that is sole occupant of a premises receives and pays for energy supplies

Where the energy supplies are made to a PFI provider who has sole occupancy of a premises, and who receives and pays for these supplies, the PFI provider should account for such supplies in CRC.

⁵ The exception to the unconsumed supply rule is where a supply is made to a party with control of premises ('the controlling party'), which is then passed to a party that occupies those premises with the permission of the controlling party ('the occupying party') (either directly or through a facilities management company). Even though the controlling party passes the supply onto the occupying party and does not actually consume the supply itself, for the purposes of CRC, the energy is deemed to be a supply to the controlling party. The controlling party and occupying party may not contract out of this provision.

Scenario 5: PFI arrangements that do not involve occupation of premises (for example, street lighting, road/bridge toll projects)

Where the SPV/FM provider receives and pays for energy supplies, the public authority will usually reimburse the SPV/FM provider for 100% of these supplies, whether as part of the unitary charge or as a separate payment. Where there is provision for reimbursement to be made in respect of 100% of the metered supplies, the public authority should account for all the supplies in CRC. For the SPV/FM provider, these supplies will be 'unconsumed'.

Where there is provision for reimbursement to be made in respect of a lesser percentage of the metered supplies (either because the SPV/FM provider is deemed to be using some of the supplies or otherwise), the public authority should account in CRC only for such percentage of the supplies as is reimbursed and the SPV should account for the residual percentage. For example, where reimbursement is in respect of 90% of supplies, then the SPV/FM provider should account for 10% of the supplies in CRC.

Where the public authority contracts directly with the energy supplier for the energy supplies, the public authority will be responsible for these energy supplies in CRC.

G.3 Private equity funds

This section explains how to determine which entities of a private equity fund are deemed to be part of the same group for participation in the CRC scheme. Having determined which entities are required to participate as a group, the [supply](#) and [self supply](#) criteria apply as with other participants in the scheme.

G.3.1 Which entities might form a group for the purposes of CRC?

The limited partnership

A limited partnership is a type of partnership and so falls within the Companies Act 2006 definition of an 'undertaking'. It is therefore capable of being a parent undertaking or a subsidiary undertaking. Consequently, a limited partnership may be a [participant](#) in the CRC scheme.

The portfolio companies, the general partner, the fund manager (if separate from the general partner) and the limited partners may also be undertakings and therefore may also be participants in the scheme as part of a group with the limited partnership.

To determine which entities will be grouped together with the limited partnership for the purposes of the scheme, you should analyse each of the entities separately as described in the following paragraphs.

The portfolio companies as subsidiaries of the limited partnership

Where held by the general partner

If the general partner legally holds the partnership's investments and assets, it will do so for the benefit of the limited partnership. The general partner therefore holds the partnership investments and assets in a [fiduciary capacity](#). The partnership's investments and assets usually consist of shares and other similar investments, which have voting and other rights in UK companies attached to them. Paragraph 6 of Schedule 7 to the Companies Act 2006 states that rights held by a person in a fiduciary capacity shall be treated as not held by him. Consequently, those rights will be treated as being held by the limited partnership for the purposes of CRC.

Where held by a nominee company

Similarly, if a nominee company legally holds the partnership investments and assets on behalf of the limited partnership, any voting or other rights attached to the investments will be treated as being held by the limited partnership for the purposes of CRC due to Paragraph 7 of Schedule 7 to the Companies Act 2006.

The limited partnership will form a group (for the purposes of CRC) with any of its portfolio companies that are classed as its subsidiary undertakings under section 1162 of the Companies Act 2006 (for example, if the limited partnership has majority voting rights in the portfolio company or has the right to appoint or remove a majority of the portfolio company's board of directors or has the right to exercise a dominant influence over the portfolio company).

The general partner as parent of the limited partnership

As described above, if the general partner legally holds the partnership investments and assets, it does so for the benefit of the limited partnership and so the limited partnership will be treated as holding those investments and assets. Consequently, the portfolio companies will not be considered to be direct subsidiary undertakings of the general partner.

However, as the general partner will commonly be set up as an undertaking (either as a company or a limited liability partnership, LLP), it may form a group (for the purposes of CRC) with the limited partnership (and any of the limited partnership's subsidiary undertakings) if the limited partnership is classed as the general partner's subsidiary undertaking for the purposes of section 1162 of the Companies Act 2006. The limited partnership may be classed as the general partner's subsidiary undertaking if the general partner has sufficient control over the limited partnership through its management powers for it to be considered as having the right to exercise a dominant influence over the limited partnership.

You should also carry out an analysis of the general partner's owners to see if there are any higher parent undertakings.

The fund manager as parent of the limited partnership

If the fund is managed by an entity other than the general partner (such as by an LLP which acts as a dedicated fund manager), then the analysis of that fund manager will be the same as that described above for the general partner and potentially the fund manager, rather than the general partner, will be treated as the limited partnership's parent undertaking.

You should also carry out an analysis of the general partner's owners to see if there are any higher parent undertakings.

The limited partners as parent of the limited partnership

It is very unlikely that any of the limited partners will form a group (for the purposes of CRC) with the limited partnership (and any of the limited partnership's subsidiary undertakings). The limited partners by their very nature will not take part in the management of the limited partnership and will therefore not usually satisfy any of the tests set out in section 1162 of the Companies Act 2006.

However, if there is one limited partner who has made a significant investment in the limited partnership and has significant influence over the fund, without actually taking part in its management, it is possible that such a limited partner might satisfy some of the tests set out in section 1162 of the Companies Act 2006. Consequently, the limited partners should still be considered when determining which entities form a group with the limited partnership.

Such a limited partner would only be capable of being classed as a parent undertaking if it is an undertaking itself (rather than individual investors).

This analysis applies equally to all limited partners including the carried interest partner.

G.3.2 Application of CRC scheme concept of SGUs

The CRC concept of [Significant Group Undertakings](#) (SGUs) applies to private equity funds in exactly the same way as it would apply to any other group that contains SGUs. This means that, where the private equity fund structure group includes SGUs, those SGUs may be disaggregated from the private equity fund, provided the [disaggregation](#) does not result in the limited partnership ceasing to qualify for CRC.

G.3.3 Applicability of this guidance

Limited partnerships in England and Wales

This guidance on limited partnerships is intended for use in conjunction with limited partnerships established under the laws of England and Wales. However, it should not be interpreted as legal advice and all potential participants should take independent legal advice regarding the applicability of the CRC scheme to their organisation.

Limited partnerships in Scotland

In Scots law, a limited partnership has separate legal personality from its partners (unlike an English limited partnership) and therefore can hold assets in its own name, be a party to contracts and accordingly, sue and be sued in its own name.

A Scottish limited partnership is a type of partnership and so it falls within the definition of 'undertaking' and can be a participant in CRC. Scottish limited partnerships can enter into contracts for the purchase of electricity. If a Scottish limited partnership is supplied with electricity meeting the qualification criteria pursuant to such a contract, it must register to be a participant in CRC.

In determining whether a portfolio company is part of a group undertaking with a Scottish limited partnership, given the fact that the partnership will generally hold the relevant assets directly (although nominee companies are sometimes used to hold interests in land), the analysis above which states that the assets held by a general partner or a nominee company on behalf of the limited partnership will be 'deemed' to be held by the limited partnership itself will generally not be applicable.

Because of the separate legal personality of a Scottish limited partnership, the scope of what might be considered part of the relevant group to be registered for the purposes of CRC may also extend considerably further than in the case of an English limited partnership. This is because a Scottish limited partnership is capable of being a limited partner in another limited partnership or a member of an LLP. Therefore the analysis outlined above would need to be performed in relation to the degree of control and influence exercised by one limited partnership over the affairs of another limited partnership of which it is a member (and in turn the degree of influence of that second limited partnership over any portfolio companies and so on).

Limited partnerships in Northern Ireland

This guidance is equally applicable to limited partnerships established under the laws of Northern Ireland.

Other jurisdictions

Where a limited partnership is established under the laws of another jurisdiction, certain aspects of the guidance above may not be applicable and bespoke legal advice should be

sought from counsel on the jurisdiction of establishment regarding the treatment of such limited partnerships in the CRC scheme.

G.4 Trusts

This section sets out how we treat assets held on trust for the purposes of CRC and the manner in which trustees and/or beneficiaries of trusts should therefore register for and participate in CRC. Having determined which entities and assets are part of the participant group, the [supply](#) and [self supply](#) criteria apply as with other participants in the scheme.

G.4.1 Distinction to be drawn between certain categories of trust assets

Real property assets

To the extent that the assets of a trust constitute directly held real property, the identity of the beneficiary or beneficiaries of the trust is irrelevant. Where a trust is a participant in CRC, such trust assets will be treated as held by the trustee and any energy supplies for which the trustee is responsible relating to such trust property must be aggregated with all other energy supplies to the trustee and the trustee's group for CRC compliance purposes.

The above analysis assumes that the trustee is an undertaking rather than an individual. Where the trustee is an individual see [below](#).

Shareholdings or other analogous interests in undertakings

Where the beneficiaries of the trust are undertakings, the shareholdings will be treated as being owned by such undertakings in proportion to their rights under the trust deed (the document pursuant to which a trust is constituted). If any of the beneficiaries is beneficially entitled to more than 50% of the voting shares in any one undertaking held in the trust (or otherwise qualifies as a parent undertaking of that undertaking in accordance with the Companies Act 2006), then any qualifying electricity supplied to each such undertaking must be aggregated with that consumed by the relevant beneficiary (and its wider group) for the purposes of assessing qualification for CRC.

Analogy with assets held in limited partnerships

To the extent that the assets of a limited partnership constitute real property and the legal title to such property is held directly by the general partner (rather than indirectly via one or more nominee companies), any qualifying electricity supplies for which the general partner is responsible relating to that property must be aggregated with all other qualifying electricity supplied to the general partner and the general partner's group (assuming of course that the general partner is an undertaking, rather than an individual).

To the extent that the assets of a limited partnership constitute shares, then such assets will be treated as being owned by the limited partnership and not by the general partner. If the limited partnership is beneficially entitled to more than 50% of the voting shares in any one undertaking (or otherwise qualifies as a parent undertaking of that undertaking in accordance with the Companies Act 2006), then any qualifying electricity supplied to each such undertaking must be aggregated with that consumed by the limited partnership for the purposes of assessing qualification for CRC.

Additionally, if the general partner is deemed to exercise sufficient control over the limited partnership to qualify as its parent undertaking pursuant to the Companies Act tests, the limited partnership will usually need to be grouped with the general partner and the general partner's group for CRC purposes (assuming of course that the general partner is an undertaking rather than an individual). Whether or not the general partner does in fact exercise such control is an analysis that can only be carried out on a case-by-case basis.

G.4.2 Other relevant considerations

Trustee is an individual

Individuals are not required to participate in CRC and so, if the trustee is an individual, the scheme will only be of relevance if any of the undertakings in which they hold a shareholding or other interest consume sufficient supplies of qualifying electricity to participate in CRC in their own right. In such instances, the responsibilities for complying with the scheme's registration and participation obligations will fall on the relevant undertaking and not on the individual trustee.

Joint trustees

Where the trust assets are held jointly by more than one trustee, once again a distinction needs to be drawn between real property assets and shareholdings.

As regards shareholdings, since the impact of Schedule 7 of the Companies Act 2006 is to treat these as held by the beneficiaries, the number of trustees holding the legal title to the shareholdings is not relevant.

To the extent that the trust property constitutes directly held real property assets, the qualifying electricity supplies to such property should be aggregated with those of the particular trustee (if any) who assumes responsibility for the electricity supplies to each of the properties.

Where no one trustee assumes individual responsibility for such supplies, the trustees must decide among themselves which of them is to assume such responsibility for the purposes of CRC. In the event that the trustees cannot decide who is to assume such responsibility, they should notify us of their inability to make a decision. We will then liaise with the trustees with a view to brokering an agreement regarding which trustee assumes responsibility for the supplies.

Trust located offshore or trustee incorporated overseas

Whether a trust is 'offshore' or not is irrelevant to any analysis regarding CRC participation. Similarly whether the trustee is incorporated overseas or in the UK is also irrelevant.⁶ The only relevant criterion is whether the relevant supply of electricity takes place in the UK.

G.4.3 Applicability of this guidance

Trusts in England and Wales

This guidance is intended for use in conjunction with trusts established under the laws of England and Wales. It should not be interpreted as legal advice and all potential participants should take independent legal advice regarding the applicability of the CRC scheme to their organisation.

Trusts in Scotland

For trusts constituted under the laws of Scotland, while there are differences in legal terminology between Scotland and England and Wales, this guidance may be considered as applying equally to the Scottish equivalent of the terms and rights described.

In Scots law, the relationship between trustees and beneficiaries is different as Scots law does not recognise a trust beneficiary's ability to have a beneficial interest in trust property. However, trustees in Scotland hold assets in a [fiduciary capacity](#) for the trust beneficiaries and therefore this guidance may be applied to trustees holding shares for beneficiaries

⁶ Where a trustee is incorporated overseas and the group of which it forms part contains no undertakings incorporated in the UK, it will need to appoint a [compliance account holder](#) with a principal place of activity in the UK to represent it in CRC.

under Scots law in the same way as to trustees holding shares for beneficiaries under English law.

Trusts in Northern Ireland

Although different legislation applies to trusts in Northern Ireland, the principles remain the same as in England and Wales and this guidance is therefore equally applicable to trusts constituted under the laws of Northern Ireland. As regards the analogy made with limited partnerships, this guidance applies equally to limited partnerships established in Northern Ireland.

Trusts in other jurisdictions

Where a trust is established under the laws of another jurisdiction, certain aspects of the above guidance may not be applicable and bespoke legal advice should be sought from counsel in the jurisdiction of establishment regarding the treatment of such trusts in the CRC scheme.

Annex H: Organisational structure changes

H.1 Introduction

Buying, selling or merging a large organisation or subsidiary can have a significant effect on your CRC emissions and, as a result, on your position in the [Performance League Table](#) (PLT) (relevant for 2010-2011 and 2011-2012 only). To prevent an organisation moving up or down the PLT simply through losing or acquiring a significant part of a business, we adjusted the [historical emissions average](#) for both the buyer and the seller.

To be able to do this for private sector organisations, we collected information on the emissions associated with [Significant Group Undertakings](#) (SGUs) and required you to tell us if you have either sold or purchased an SGU or an SGU has become a standalone company. For the public sector we require you to tell us when a government department has been created, merged with another or transferred a part of their department, or where other public bodies have merged.

Where this has happened, it is called a [designated change](#). When you reported a designated change to us in relation to compliance years 2010-2011 and 2011-2012, we updated the historic baselines of both organisations to minimise the impact of the change on the position of the respective participants in the Performance League Table and achievement tables.

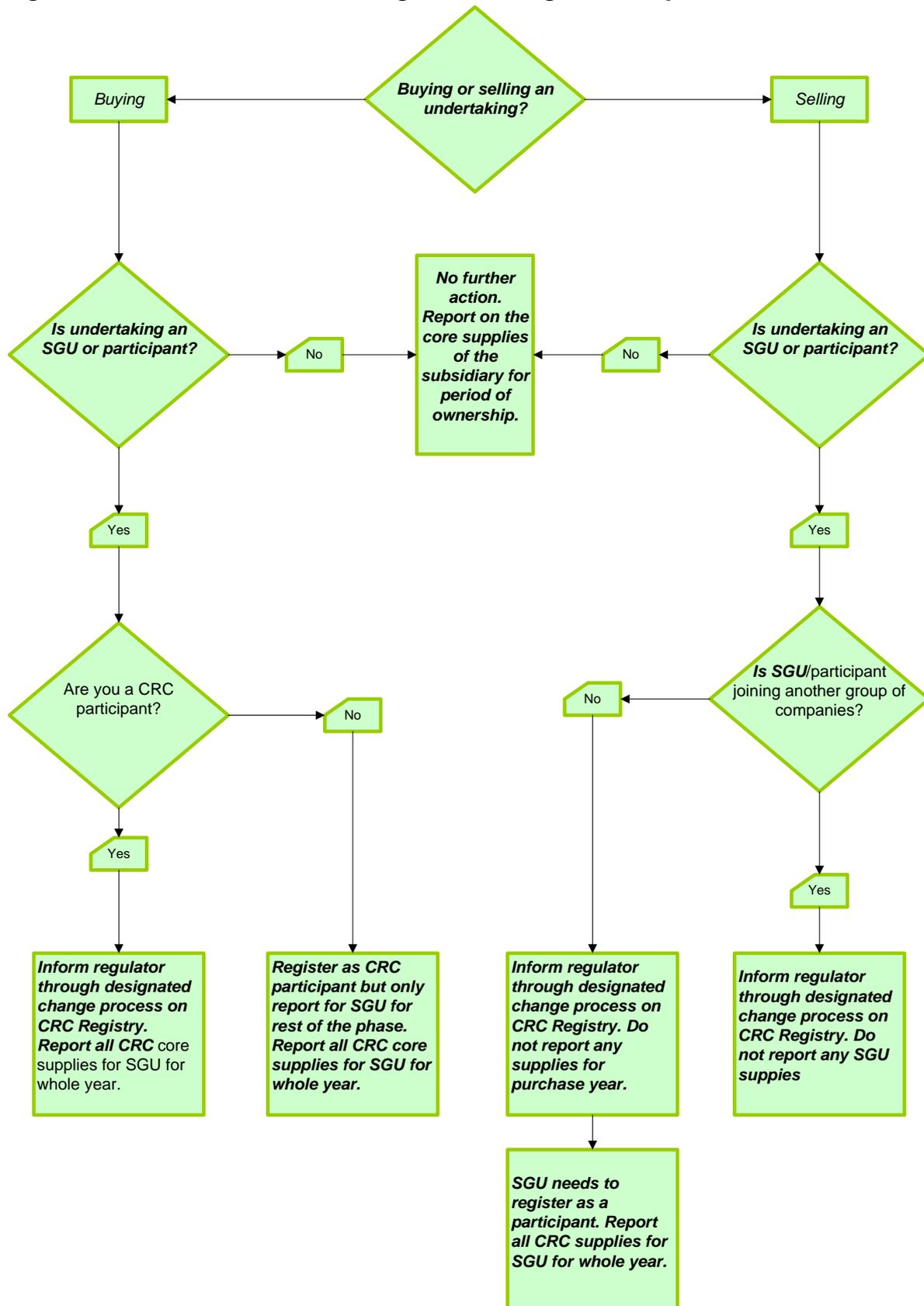
This annex is aimed at organisations that undergo significant changes to their structure after they have registered for CRC. It covers:

- changes you need to tell us about
- changes you do not need to tell us about during a [phase](#)
- how those changes may affect or have affected your footprint and annual reporting
- how to notify us of changes and the information you need to provide

There are different rules governing changes in the [private sector](#), [public bodies](#) and [government departments](#). These are detailed in this annex.

H.2 Private sector changes

Figure H.1: Decision tree for designated changes in the private sector



H.2.1 Changes that you must tell us about – ‘designated changes’

You need to notify us of any designated change within **three months** of it happening. If you fail to do so, you could be subject to [penalties](#) for failure to comply with the [CRC Order](#).

H.2.2 Types of designated changes

The three main types of designated change involve the transfer of control through the sale or disposal of the majority of share capital in an SGU or participant. They are:

1. A [participant](#) or SGU is purchased by a non-participant.
2. A participant or SGU is purchased by (or merges with) another participant.
3. An SGU leaves its parent group to become a standalone organisation

These three types are described in turn below. Other instances where control is transferred without the majority of shares being transferred are discussed [later](#) in this annex.

Type 1: Transfers involving a participant and a non-participant

This applies where a CRC participant or the SGU of a participant is purchased by a group or undertaking that was not required to register as a participant for CRC.

The purchasing organisation must register as a CRC participant within three months of the change. Responsibility for complying with the [CRC Order](#) will transfer to the new owner’s group. All constituent parts of the new owner’s group will from now on have joint and several liability for the group’s participation in CRC.

For the [phase](#) when the change occurs, the new owner will have to report emissions and surrender [allowances](#) only for the original participant or the SGU which it has acquired. They will not have to report on emissions from parts of its business that were not previously included in CRC. The new owner will have to reassess whether it qualifies as a whole group for CRC for the next phase.

If you purchase a CRC participant or SGU, you should ensure that the seller provides you with the information you need to be able to report on and surrender allowances for the emissions that you are required to.

The participant that sold the SGU or itself must also notify us of the change. We will adjust the [historical emissions average](#) for a participant that sells an SGU to a non-participant.

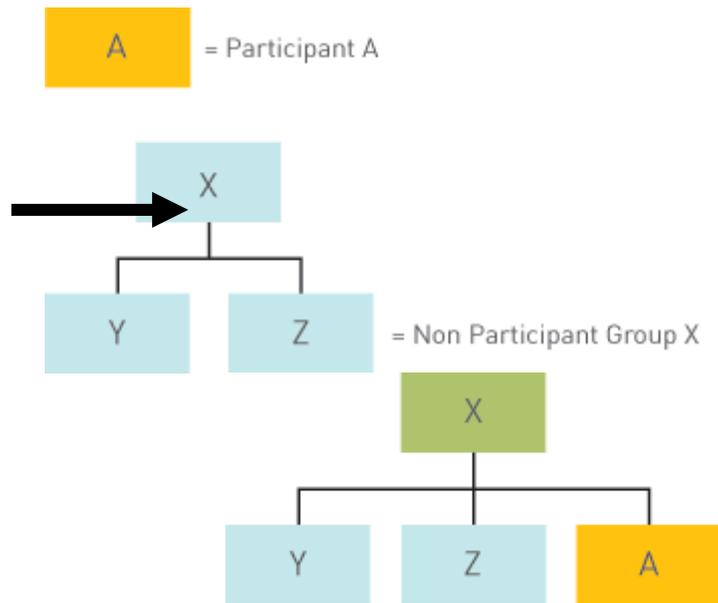
Examples of transfers involving a participant and a non-participant

The following key applies in the illustrative diagrams below:

- Orange boxes = CRC participant whose emissions are included in CRC for the duration of the phase
- Green boxes = responsible CRC participant whose own emissions are not included in CRC for phase
- Blue boxes = non-participant with no emissions included in CRC for duration of the phase

Existing participant taken over by non-participant

Non-participant Group X buys participant A. Group X is required to participate in CRC for the remainder of that phase only for the supplies from A. Group X is not required to report any supplies from parent X or its other subsidiaries Y and Z, or surrender allowances to cover those emissions. For the remainder of the phase, Group X will only have to report on A’s emissions. Group X is jointly and severally liable for ensuring that A complies.

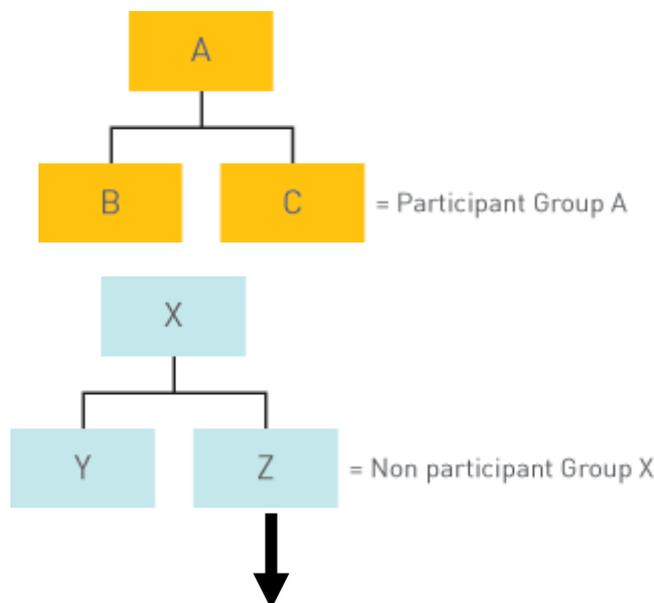


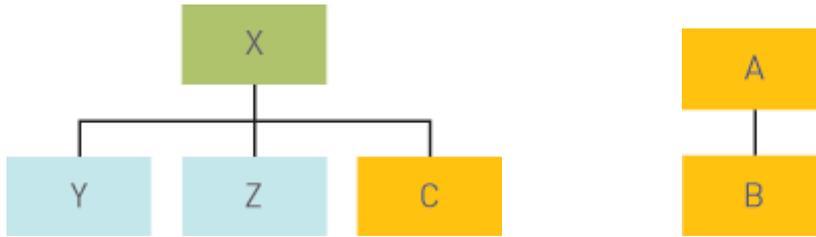
A's entire historical emissions average and the responsibility for reporting on its supplies are taken on by Group X. A is classed as an SGU of Group X.

At the start of the next phase, if Group X is large enough to participate (which is likely unless A contracts substantially), it would come into CRC and would be responsible for reporting supplies from the whole of its group (X, Y, Z and A). A will be treated as if it were an SGU of X.

SGU purchased by non-participant

When an SGU of a participant is purchased by a non-participant, the responsibilities for complying with the CRC scheme transfer as if that SGU were a participant. For example, SGU C is part of Group A, a participant. Subsidiary C is purchased by Group X, a non-participant. Group X is required to participate in CRC for the remainder of that phase for the supplies from C. Group X is not required to report any supplies from itself or its other subsidiaries Y and Z, or surrender allowances to cover those emissions. For the remainder of the phase, subsidiary C remains the participant as far as CRC's reporting and performance commitment requirements are concerned. Group X is jointly and severally liable for ensuring that subsidiary C complies.

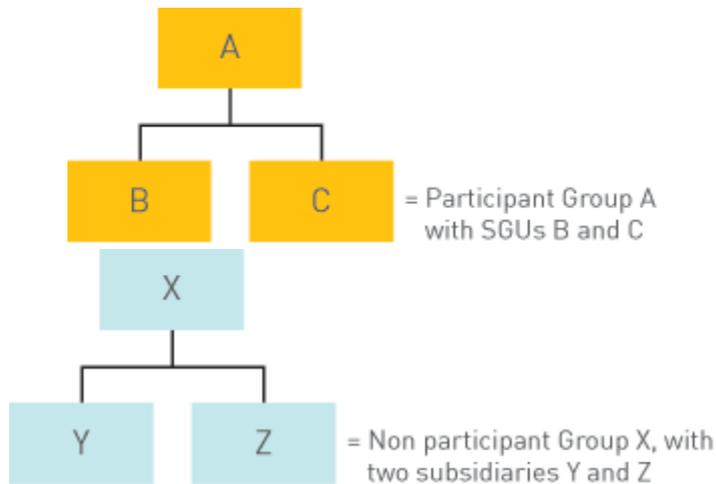




Group A must continue to participate in CRC for the remainder of the phase for its supplies from A and B, even if the sale of subsidiary C took it below the original qualification threshold. Its historical emissions average will be adjusted downwards to reflect the sale of subsidiary C. Its qualification for CRC will be reassessed at the beginning of the next phase.

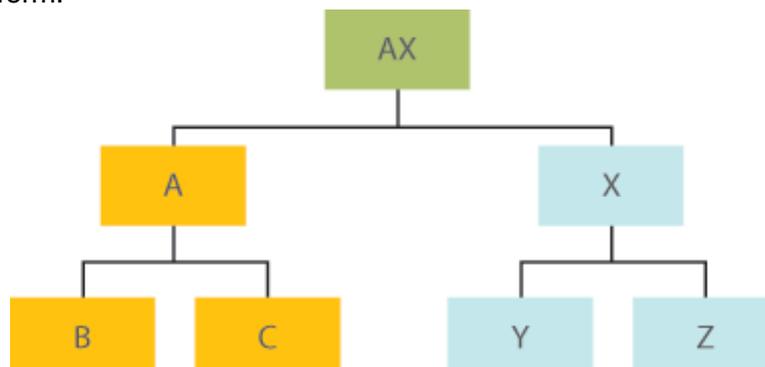
Mergers between a participant (or SGU) and a non-participant

Only mergers involving the transfer of share ownership will be accounted for under designated changes due to the administrative complexities involved in monitoring mergers that only involve asset transfers. When a participant or SGU undergoes a merger with a non-participant, the new undertaking will take on the responsibility that was held by the previous participant (or SGU).

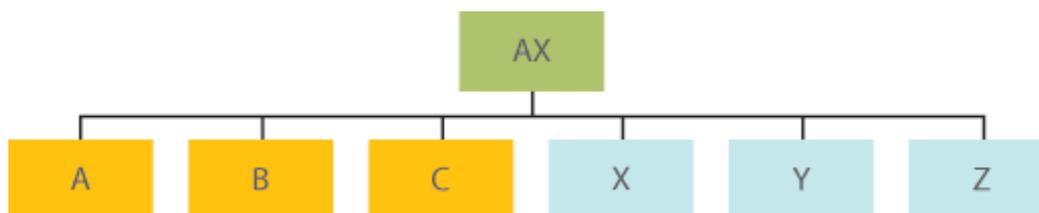


Participant Group A and non-participant Group X merge to form Group AX. Group AX becomes the parent of Groups A and X, and will be the participant in CRC. Groups A and X become subsidiaries of Group AX. Group AX will have to report supplies and surrender allowances for the parts that made up the former Group A (A, B and C) from the beginning of the compliance year in which the merger took place. The former parts of Group X (X, Y and Z) will not be included until the start of the next phase if group AX qualifies for the next phase.

Either merge to form:



Or:



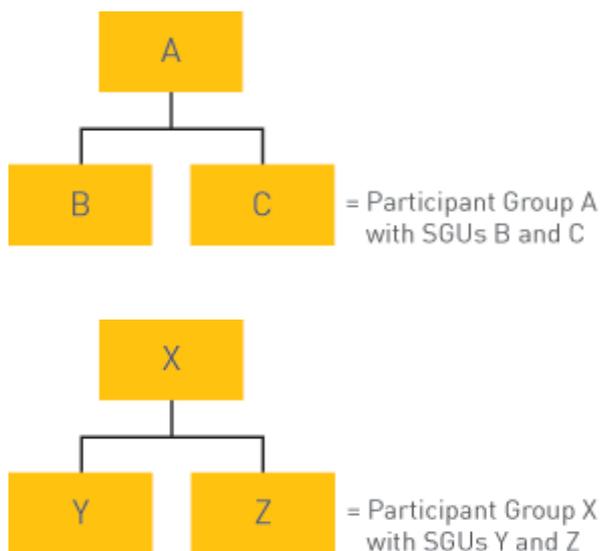
Type 2: Transfers between CRC participants

Where the majority of the shares of a participant or an SGU are purchased by another participant, both participants must notify us of the change within three months of it taking place. We will adjust both participants' historical emissions averages to allow for the change.

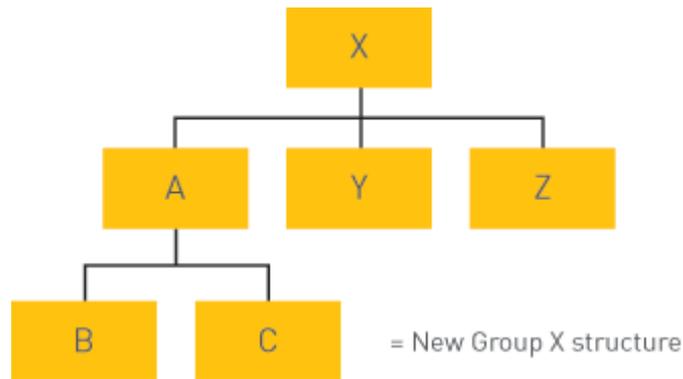
If you are the purchasing organisation, you are responsible for reporting on the supplies of, and surrendering allowances for, the participant or SGU you have acquired, as part of your total CRC emissions from the start of the compliance year in which you made the purchase. You will need to ensure that the seller provides you with the information you need to be able to do this.

Participant purchased by another participant

Where an entire participant is purchased by another participant, the purchased entity will become an SGU of its new owner. For example, Group A is taken over by Group X.

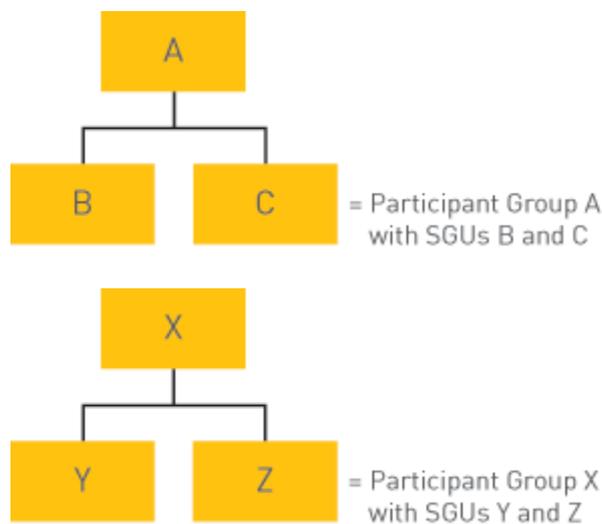


Group X purchases Group A, and Group A and its SGUs B and C all become SGUs of Group X. Group X will have to report a separate emissions figure for A, B and C as well as Y and Z. Group X's historical emissions average will be adjusted to reflect the purchase and, for 2010-2011 and 2011-2012, Group A will not be listed as a separate entity in the performance tables published at the end of the reporting year during which the transfer occurred.

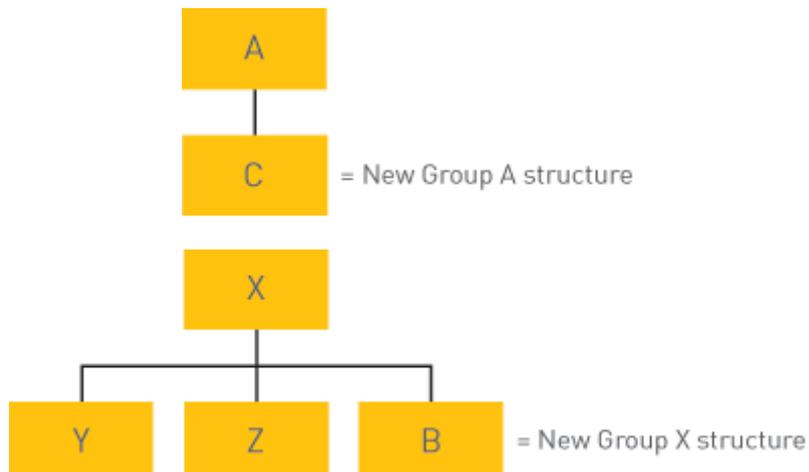


SGU of one participant purchased by another participant

Where the SGU of one participant is purchased by another participant, the purchased entity will become an SGU of its new owner. For example, SGU B of Group A is purchased by Group X.



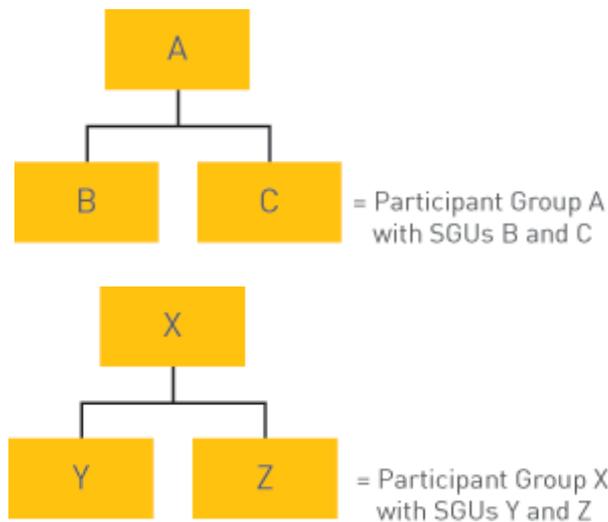
Group X purchases SGU B from Group A. Group X will have to report a separate emissions figure for B, as well as Y and Z. Group A will continue to report in CRC for supplies of the parent A and the SGU C. Group X and Group A's historical emissions averages will be adjusted to reflect the purchase as if it took place at the start of the year.



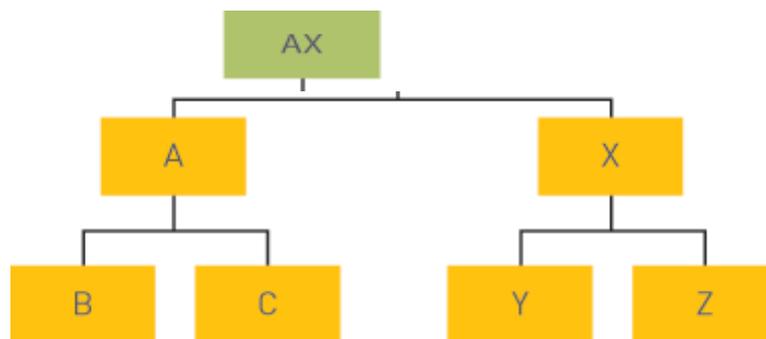
Merger between two participants (or participating SGUs)

When two participants merge under a new undertaking, the new undertaking will take on the responsibility that was held by the previous participants, or SGUs. The new group will take

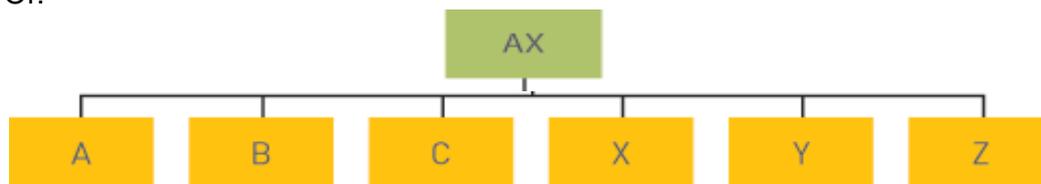
on all the responsibilities from the original participants and, for 2010-2011 and 2011-2012, be listed in the performance tables.



Either merge to form:



Or:



AX must register as a participant. Groups A and X become subsidiaries of Group AX. Group AX will have to report supplies and surrender allowances for all the former parts of A and X but will not have to report any supplies directly related to the new company AX. The whole of new group, AX, will participate in the next phase if it meets the qualification criteria during the qualification year. The historical emissions averages of A and X would be combined to form AX's historical emissions. A and X are no longer listed in the performance tables (only relevant for 2010-2011 and 2011-2012).

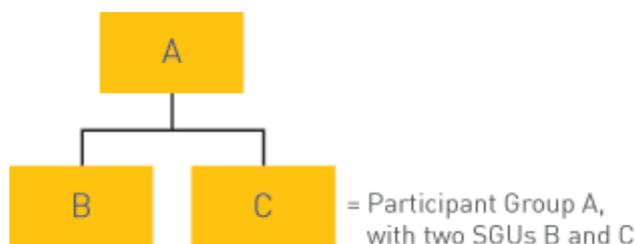
Type 3: An SGU becomes a standalone organisation

Where an SGU leaves a participant's group and becomes an organisation in its own right, both the SGU and the participant must notify us of the change within three months.

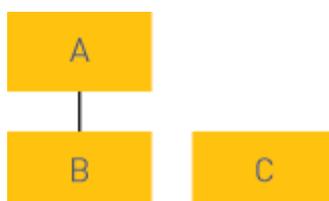
The newly independent SGU becomes a CRC participant and must also apply for registration within three months of leaving the group to which it previously belonged. It will need to pay the full registration fee.

We will adjust the historical emissions averages for the original participant.

Example



Subsidiary C undergoes a management buy-out. It leaves Group A and becomes a full participant in the CRC scheme. Both Group A and new participant C participate in CRC. Both Group A and the new participant C would have been listed in the performance tables. Subsidiary C's performance will be assessed against its own previously disclosed historical emissions and A's historical emissions average will be reduced by a corresponding amount. This will be adjusted to reflect the separation as if it took place at the start of the year.



H.2.3 Designated changes relating to unincorporated associations and partnerships

A designated change will take place when an unincorporated association or partnership, which is a participant or an SGU, leaves or joins a group.

An unincorporated association, unlimited or limited partnership has no separate legal personality and, accordingly, any acquisitions or disposals relating to such organisations would be likely to be undertaken by way of an asset transfer which would not be a designated change. However, there would be a designated change if an unincorporated association, unlimited or limited partnership becomes part of another group by a member of the other group acquiring control over it, such as by acquiring a contractual right giving it the majority of the voting rights in the unincorporated association or the ability to exercise a dominant influence over it.

For the purpose of this guidance, the acquisition or disposal of interests in a limited liability partnership is treated in a similar way to the acquisition or disposal of shares in a limited company.

H.2.4 Designated changes relating to charities

A designated change will take place where a charity that is a participant or an SGU leaves or joins a group. How CRC impacts on a charity will be determined by the legal structure of the charity concerned. In cases where the charity is not structured as a company, acquisitions or disposals relating to the charity are likely to be undertaken by way of an asset transfer, which would not be a designated change. However, where the charity does have a corporate structure, the basic guidance on designated changes applies.

H.2.5 Changes to group structure not involving the sale of 100% of the share capital of a undertaking

Previous examples generally refer to the acquisition or disposal of the entire issued share capital of an [undertaking](#). It is important to recognise that this is not the only way in which designated changes triggering a reporting obligation can occur.

The aspect of the change that is relevant is the change of operational control of a participant or an SGU as defined by the Companies Act 2006. This need not involve a transfer of 100% of the share capital. Other ways in which control can change hands (and which will qualify as a designated change) include:

- a transfer to undertaking A of the majority of the voting rights in undertaking B (whether or not the shares themselves transfer)
- undertaking A holding any shares in undertaking B and acquiring the right to appoint or remove a majority of the board of directors of undertaking B
- undertaking A acquiring the right to exercise a dominant influence over undertaking B, either by virtue of provisions in undertaking B's articles of association or by virtue of some other form of 'control contract'
- undertaking A holding any shares in undertaking B and acquiring the right to control alone, pursuant to an agreement with other shareholders or members of undertaking B, a majority of the voting rights in undertaking B

For example, 'C Limited', an SGU becomes part of the 'D Limited' group if at least one of the following occurs:

- D Limited acquires a majority of the voting rights in C Limited, whether or not it is actually acquiring the share themselves. This would typically be by acquiring a majority of C Limited's share capital.
- D Limited holds or acquires any shares in C Limited and acquires the right to appoint or remove a majority of the board of C Limited.
- D Limited acquires the right to exercise a 'dominant influence' over C Limited by virtue of a change in the provisions of C Limited's articles of association or some other form of control contract.
- D Limited holds or acquires any shares in C Limited and becomes able to control, via an agreement with other shareholders of C Limited, a majority of the voting rights in C Limited.

If you have purchased a participant/SGU, you will need to report its [supplies](#) associated with the SGU/participant for the full year in which the change occurred. Even if you have only owned it, for example, for three months you will need to report the full year's energy supplies in your [Annual Report](#) and every future year of the [phase](#).

If you have sold a participant/SGU, you do not need to report its energy supplies for the compliance year in which the change occurred.

If it is not a designated change please see [section 3.2.7](#).

H.2.6 Changes that you don't need to tell us about

These are typically changes on a smaller scale than designated changes and there will be no adjustment of historical baselines. These changes include:

- a transfer of assets only
- small changes (that is, not involving an SGU or entire participant)
- the creation of a new undertaking since the qualification year
- any change that isn't a designated change such as restructuring of an undertaking or outsourcing to a third party
- cessation of trading

You must record these changes in your [evidence pack](#).

Where a change occurs that is not a designated change, the disposing (selling) group is responsible for reporting the supplies, and purchasing and surrendering allowances for the

period of its ownership during the compliance year of the transfer. If it is a CRC participant, the acquiring group is responsible for reporting the supplies, and purchasing and surrendering allowances for the period of its ownership during the compliance year of the transfer. If the acquiring organisation is not a CRC participant, the supplies will no longer be reported in CRC during the phase.

Transfer of shareholding or assets only

A transfer of a shareholding in a joint venture is not a designated change unless the transfer leads to a change in who is deemed to be the parent according to the Companies Act tests.

A transfer of assets (for example, buildings or non-undertakings) is not a designated change.

The party that finds itself responsible for reporting supplies for the undertaking or asset will do so from the date of the ownership change.

You must record the change in your [evidence pack](#).

Small changes

These are changes that happen below the level of an SGU. Any sales, purchases or demergers of subsidiaries (or groups of subsidiaries) that are not SGUs do not have to be reported to us. However, you will need to include any addition or reduction to your supplies in your [Annual Reports](#) and show the change in the 'special events/change record' section of your [evidence pack](#).

The supplies must be included in your Annual Report from the date on which you purchased the new site or organisation.

If a non-SGU undertaking is sold to a company or group that is not a CRC participant or becomes a standalone undertaking, it does not have to participate in the CRC scheme for the rest of the [phase](#).

Creation of new SGUs

SGUs can only be created in a qualification year and their status only comes into effect when you register for the phase.

Although a subsidiary might become large enough to meet the criteria of an SGU during the course of a phase, you do not need to notify us of the existence of that subsidiary until you register for the next phase. Until such time, you will have to report the supplies for the new subsidiary as part of your total organisation supplies and, when reporting against existing SGUs, the next highest SGU.

There will be no transfer of baselines to the new purchaser should you sell this subsidiary before the end of the phase.

Ceasing trading

If an SGU ceases trading you should note this in your [evidence pack](#) but you do not need to tell us. It will still appear in your [Annual Report](#) when you make your next submission and you should enter '0' against its emissions.

H.3 Public sector

For the purpose of this annex, public bodies include:

- non-departmental government bodies that are not part of a government department or a devolved administration
- NHS organisations
- police and fire authorities

- local authorities and schools
- universities, colleges and further education institutions
- corporate bodies with a public body majority member other than a government department/devolved administration equivalent

This list is not exhaustive and is designed to give an indication of the type of public bodies covered.

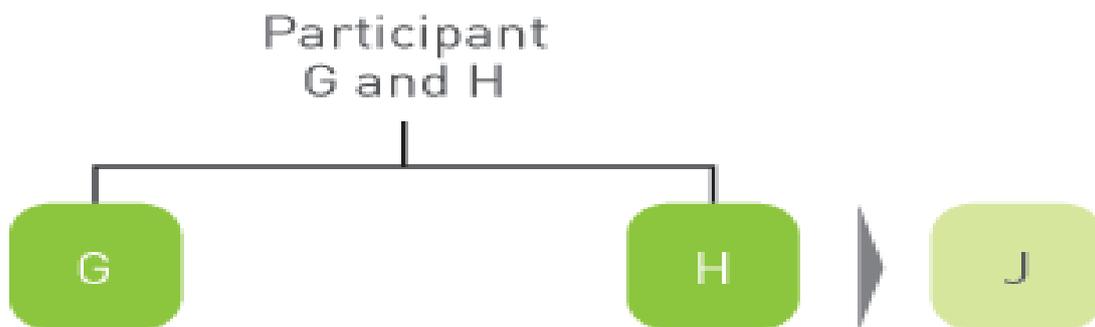
H.3.1 Changes you need to tell us about

The merger of two or more participants is the only change that constitutes a designated change for public bodies.

A designated change is deemed to have taken effect at the start of the compliance year during which the merger of public bodies took place. For example, if two public bodies merge in the middle of the compliance year, the new merged body is responsible for reporting supplies and purchasing and surrendering allowances for the entire year. This applies even if the change happened on the last day of the reporting year (that is, 31 March).

Example

G and H merge to form a new public body, J.



The newly merged public body (J) must notify us within three months of the merger taking place. J must also apply for registration as a [participant](#) and comply with the obligations of a participant (for example, monitoring supplies and compiling annual reports) as if it had existed for the whole of the year in which G and H merged. We will close the registrations of G and H for the remainder of the [phase](#).

H.3.2 Changes you don't need to tell us about

You do not need to inform us if the following changes occur:

- creation of a new public body
- transfer of part of a public body to another

These changes will be covered by registration in the next [phase](#). We also do not need to be notified of small changes to public body structure. However, you must record the change in your [evidence pack](#).

H.3.3 Closure of a public body

If we receive information that a [participant](#) has closed down, we will give notice that we intend to close its account in the [CRC Registry](#).

Please contact us as soon as you become aware that there is a possibility that a participant may no longer exist. We will not cancel a registration until we are satisfied that any outstanding obligations on the participant have been met, for example, reporting and financial obligations including [subsistence fees](#) and [allowances](#).

H.4 Government departments

H.4.1 Changes you need to tell us about

The following changes are the only changes to a department that you must notify us of and for which we will update [historic emission averages](#) and baseline emissions:

- [creation of a new department](#)
- [transfer of part of a department to another department](#)
- [merger of departments](#)

Creation of a new department

Scenario

Parts of existing departments are brought together to form a new department. In this example, part of department A and part of department B join together to form department C.



Registration

The newly created department C must apply to register within three months of the change occurring using the [CRC Registry](#). Departments A and B do not need to re-register. When C registers, it will need to list all the half hourly meters for which the corresponding parts of A and B were responsible when the change occurred. If those parts did not have separate meters from the rest of the department it will not need to enter any meters.

New contacts for managing CRC participation will have to be provided as part of C's registration.

Reporting

After a change occurs, there is a period in which [CRC emissions](#) are counted both by the new department and by the old departments. This is to minimise the period of time it takes to include a department in the CRC scheme while ensuring that no emissions are lost from CRC in the process.

The Secretary of State may decide that the emissions for C will become the responsibility of one or both of A or B.

New department C must submit an [Annual Report](#) for the year in which the change happens as if it had existed for the whole of that year. This may require the new department to determine its emissions for the part of the year before it was created. The year after it is created, C will need to submit a [Footprint](#) and an Annual Report. In subsequent years (that is from Year 3 on), C will need to report and surrender [allowances](#) in the same way as any other participant.

During the year that the change happened and the year after it happened, A and B will need to continue reporting on the supplies associated with those parts of their department that made C. A and B must surrender enough allowances to cover these emissions. Thereafter A and B will not need to report on or surrender allowances for supplies that were the responsibility of those parts of their departments that made C.

Historic emissions

The emissions attributable to the parts of A and B that C has acquired for the years before the change will be removed from the historic emissions of A and B, and form the historic emissions for the new department C.

Transfer of part of a department to another department

Scenario

Part of a department, or a department function, is transferred to another department. This does not include the transfer of assets between departments. In this example, E – part of department D – is transferred to department F.

This scenario includes the movement of all ‘arm’s length’ bodies (ALBs) that do not have a separate legal identity from their parent department such as the movement of most executive agencies and some types of non-departmental public body (NDPB) from one department to another.



Notification

D and F are required to notify us within three months of this change and, as soon as possible, provide information on the percentage of D’s [CRC emissions](#) that are attributable to E.

Reporting

In the year the change occurs, D will continue to be responsible for reporting and surrendering allowances for E’s supplies. F will report on its supplies less E’s supplies.

In the year after the change occurs, F must take responsibility for E’s supplies and D will no longer need to report on them.

Historic emissions

The emissions attributable to the E for the years before the change will be removed from D’s historic emissions and added to F’s historic emissions.

Mergers of departments

Scenario

Two departments merge together to create a new department. In this example department G and H are merged to create a new department, J.



Change occurring.

ie

Registration

J must make a new registration. On receipt of this registration, we will close the registrations of G and H for the remainder of the [phase](#).

Reporting

J must report as if it had existed for the whole of the year in which the change occurred, such that the supplies of G and H are combined for the whole of the year. J will need to keep the Footprint Reports of both G and H in its [evidence pack](#).

Historic emissions

The emissions attributable to the participants of G and H for the years before the change will be added together to form the historic emissions of the newly merged department J.

H.5 Impacts of organisational changes on CTS coverage

Note: Coverage by a Carbon Trust Standard (CTS) or equivalent certification is relevant to [Early Action Metric](#) (EAM) performance. The EAM was used in the first two years of CRC to calculate the position of organisations in the [performance tables](#). Performance tables have been abolished from 2012-2013 onwards.

If your organisation underwent an organisational change (whether a designated change or a non-designated change) between the start date of the certificate and the end of the relevant CRC annual reporting year, you needed to take this into account when calculating your CTS or equivalent scheme emissions coverage for your next [Annual Report](#).

The way in which you should have accounted for the change depended on the scope and boundary of your certification. Your certification might have been site-specific or be based on legal or financial boundaries, or cover all UK operations.

The examples below are based on the general principles. We will look for evidence of valid certification. It was up to you to make sure your certificate(s) covered your CRC emissions/sites.

H.5.1 You sell part of your organisation

If you make a divestment, your CTS or equivalent coverage is calculated based on the CRC emissions covered by the certificate on the last day of the annual reporting year (31 March).

Example 1 – Selling part of the organisation

Participant 'A UK Ltd' (A) divests 'AZ Services Ltd' (AZ), a subsidiary of A, on 1 May 2010. A UK Ltd is certified under an equivalent scheme and has a certificate with a start date of 1 January 2010 and an end date of 31 December 2011, and so this is valid for the first annual reporting year (1 April 2010 – 31 March 2011) of Phase 1 of CRC.

After divestment, AZ continues with a carbon management certification scheme. It has a valid certificate in place at the end of the first annual reporting year covering all its emissions.

For the 2010-2011 annual reporting year, A's scheme coverage was calculated based on the coverage as of 31 March 2011. As the divestment of AZ occurred on 1 May 2010 and it is a designated change, AZ's CTS or equivalent scheme coverage was not considered towards A's score in the CTS or equivalent standard element of the EAM for the 2010-2011 annual reporting year.

H.5.2 Your organisation expands

If your organisation undergoes growth within the scope covered by your certificate, the enlarged organisation can, subject to the terms of your certification, be assumed to still to be covered within the scope of the certificate. If the certificate does not cover the expansion, perhaps because the certification only covers specific sites and you open new sites, emissions from the newly introduced sites/activities will not be covered by the certificates and therefore will not receive credit under the EAM.

Example 2 – Expanding with a site based certificate

Certification is site-specific and new sites are not covered by the existing certificate.

Retailer, B Solutions Ltd, is certified under CTS or an equivalent scheme for a number of its sites. The scheme covers five specifically named sites in London, Manchester, Cardiff, Edinburgh and Belfast. B Solutions Ltd opens three new sites during an annual reporting year. These new sites are not covered by its certificate.

B Solutions Ltd can claim coverage for all the [CRC emissions](#) from the five stores included in the CTS or equivalent scheme at the end of the reporting year but not for those from the newly opened stores, which are not covered by the scheme.

Example 3 – Expanding with an organisational certificate

New sites are covered under the existing certification which is not site-specific.

Retailer, C Stores Ltd, is certified under CTS or an equivalent scheme for all UK operations. It opens a number of new stores during an annual reporting year.

C Stores Ltd can still claim 100% coverage of its CRC emissions and the maximum league table points for the CTS or equivalent scheme element of the EAM.

H.5.3 Your organisation moves its sites, closes a site or opens a new site

This is treated in the same way as natural growth as long as the new sites are within the coverage and boundary the certificate awarded by the CTS or equivalent scheme.

If a certificate relates to a named site that closes and operations are relocated to another site, the certificate cannot be used to cover the CRC emissions from the new site as the certificate does not cover the new site. If the certificate is updated and re-issued by the scheme provider to include the new site, you may still be able to claim credit under EAM if the certificate can be deemed to be valid under CRC.

H.5.4 Your organisation acquires another organisation

If your organisation makes an acquisition and the acquired company/unit does not hold either the CTS or an equivalent scheme certification, you must reflect the additional (non-certified) emissions within the coverage calculation.

Example 4 – Purchasing organisations

Participant, C Engineering Ltd, which has CRC emissions of 4,000tCO₂ and holds a certificate in respect of all of its CRC emissions, buys undertaking D Products Ltd, which has CRC emissions of 1,000tCO₂ but does not have any of its CRC emissions covered by the CTS or an equivalent scheme. The coverage figure that should be entered for the newly combined entity for the annual reporting year in which the acquisition took place is therefore 4,000tCO₂.

Annex I: Supplies and meters

Please note that some of the definitions in the following section are no longer relevant. They have been left for reference purposes only.

I.1 Definitions used in CRC in relation to energy supply

I.1.1 An energy supplier

An energy supplier in CRC can be a licensed or unlicensed supplier, or any other third party organisation that supplies energy. This means that, if your organisation is supplied with energy through a third party (for example, a facilities management company), you retain responsibility for the [CRC emissions](#) associated with the electricity supplied to you.

I.1.2 Measurement of energy

In order for a supply of electricity or gas to count towards CRC, the supply that you receive from your supplier must be measured by a metering device **and** be charged for as measured by the device (unless it is a dynamic supply).

I.1.3 The meaning of 'measured by a metering device'

If a supply is measured by a device used for charging purposes then it is deemed to be 'measured by a metering device'. Where the charge for a supply is calculated based on a percentage of the supply measured by a metering device, that supply will be considered as a [supply](#) for the purposes of CRC. The percentage calculation may be based on various factors including relative amount consumed, the size of an area occupied or financial reimbursement.

I.1.4 Types of metering devices that measure electricity and gas supply for charging purposes

Such meters measure energy use and energy suppliers issue bills based on the measurements of these meters. These are sometimes called fiscal meters. This includes all half hourly meters (HHM) and automatic meter reading (AMR) meters along with other meters.

This definition includes [private wire arrangements](#) and sub-meters where a metering device is used to measure electricity and/or gas supply for charging purposes.

I.2 AMR meters

Automatic meter reading (AMR) is a term commonly used, along with [smart meters](#), to describe a meter that can collect energy use data and download that data.

In CRC a meter is classified as an **electric AMR meter** if it meets the following criteria:

1. The meter is capable of capturing supply data on at least a half hourly (HH) basis.
2. The meter must be the 'metering device that measures the electricity supply for charging purposes'. (For electricity meters, it cannot be a clip-on or sub metering device.)
3. The meter is read remotely. (Read remotely means that the data are not accessed at the meter itself – the remote reading may be made by the customer or a third party.)
4. The electricity supply data is made available to the customer. (Data from AMR meters do not necessarily need to be directly received by the customer but must be available to them if requested.)

In CRC a meter is classified as a **gas AMR meter** if it meets the following criteria:

1. The meter (together with an ancillary device) is capable of capturing supply data on at least an hourly basis.
2. The meter must be the 'metering device that measures the gas supply for charging purposes'. (For gas, an ancillary device used for charging purposes would count.)
3. The meter is read remotely. (Read remotely means that the data are not accessed at the meter itself – the remote reading may be made by the customer or a third party.)
4. The gas supply data is made available to the customer. (Data from AMR meters do not necessarily need to be directly received by the customer but must be available to them if requested.)

If the AMR meter has been installed voluntarily it counted towards the [Early Action Metric](#) percentage.

Note that:

- Where the supply is classified as [self supply](#) and no charging takes place, if the other AMR criteria are met and the meter was installed voluntarily, then the supply is classed as being measured by a voluntarily installed AMR meter for the purpose of the Early Action Metric.
- Supplies measured by AMR meters were classified as core supplies under CRC, but half hourly electricity meters are not AMR meters unless they meet **all** the criteria above. The distinction between core and residual supplies is no longer relevant for 2012-2013 onwards.

I.3 Identifying the supply type from the meter

Table I.1 provides information to help you identify whether your electricity and gas supplies in Great Britain were classified as core or non-core supplies and where they should have been reported. The distinction between core and residual supplies is no longer relevant for 2012-2013 onwards.

Table I.1 Meter type identification

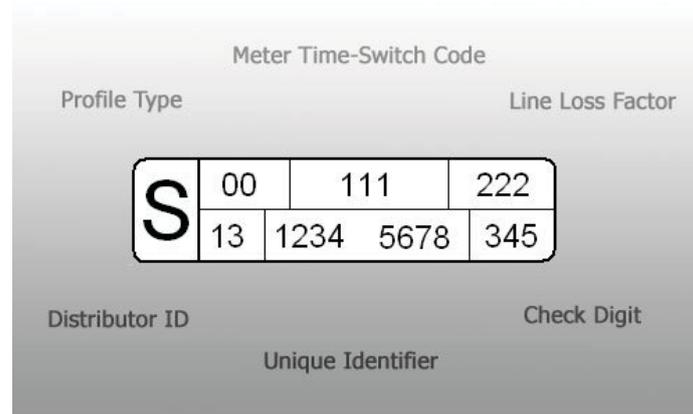
Supply	Meter type/profile	Type of supply	Reporting of supply through this meter
Electricity	Settled half hourly meter	Core	Footprint Report and Annual Report
	Non-settled half hourly meter	Core	Footprint Report and Annual Report
	Dynamic supply	Core	Footprint Report and Annual Report
	Meter profile 01	Non-core	Footprint Report
	Meter profile 02	Non-core	Footprint Report
	Meter profile 03	Core	Footprint Report
	Meter profile 04	Core	Footprint Report
	Meter profile 05	Core	Footprint Report and Annual Report
	Meter profile 06	Core	Footprint Report and Annual Report
Meter profile 07	Core	Footprint Report and Annual	

Supply	Meter type/profile	Type of supply	Reporting of supply through this meter
			Report
	Meter profile 08	Core	Footprint Report and Annual Report
	<u>Meter Profile 00 meter</u>	Core	Footprint Report and Annual Report
Gas	<u>Daily gas meter</u>	Core	Footprint Report and Annual Report
	<u>Hourly meter</u>	Core	Footprint Report and Annual Report
	<u>Large gas point meter</u>	Core	Footprint Report and Annual Report
	Other gas meter	Non-core	Footprint Report

'Non-domestic' meters were classified as core supplies in the [CRC Order](#). For the purpose of CRC, electricity meters with profile type 00 and 03 to 08 (in Great Britain) are classified as 'non-domestic' meters. As an organisation, you may also have supplies used for non-domestic purposes which are measured through electricity meters of profile type 01 and 02. In this instance they will have been classified as core supplies providing these meters were capable of measuring maximum electricity demand.

Your meter profile type is contained in the Meter Point Administration Number (MPAN) or Meter Point Reference Number (MPRN) on the meter. An example Meter Point Reference Number is shown in Figure I.1.

Figure I.1 Example of a Meter Point Reference Number



I.4 Northern Ireland electricity meters and the Early Action Metric

Although CRC applies to the whole of the UK, there are some fundamental differences between the Northern Ireland energy market and the energy market in the rest of the UK. In Northern Ireland, mandatory half hourly meters (HHMs) are required where a site's maximum input capacity (MIC) exceeds 70 kilovolt-ampere (kVA). The mandatory fitting of >70kVA meters was introduced on 1 November 2007 following the inception of the Single Energy Market. Before this date, no meters in Northern Ireland were fitted on a mandatory basis. Therefore, only >70kVA meters fitted **after this date** are classified for the purposes of

CRC as mandatory HHMs in Northern Ireland. [Table I.2](#) provides a summary of electricity meter options in Northern Ireland.

The following AMR meters in Northern Ireland were eligible to count as ‘voluntarily installed’ for the purpose of calculating EAM:

- All settled HHM and any other meter for commercial purposes installed by the energy supplier up to 1 November 2007 which met the [AMR criteria](#).
- All meters installed after 1 November 2007 that were not mandatory and which met the [AMR criteria](#). Such meters must have been installed based on a mutual agreement between the customer and the supplier.

All mandatory meters installed from 1 November 2007 onwards were **not** eligible to count towards the voluntary AMR percentage for the EAM.

Table I.2: Summary of electricity meter options in Northern Ireland

Meter option	Features	EAM status
Settled half hourly meter pre 1 November 2007, non-mandatory	<ul style="list-style-type: none"> • Installed by the energy supplier before 1 November 2007. • Half hour data are used by supplier for billing. 	Eligible
Settled half hourly meter post 1 November 2007, mandatory	<ul style="list-style-type: none"> • Required by market if electricity supply is greater than 70kVA. • Half hour data are used by supplier for billing. 	Not eligible
Half hour meter: voluntary	<ul style="list-style-type: none"> • At or less than 70kVA but installed on request of customer or supplier. • Half hour data are used by supplier for billing. 	Eligible
Half hour meter: voluntary (sub-meter not used for billing)	<ul style="list-style-type: none"> • Meter has been installed on request of customer. • Half hour data are not used by supplier for billing purposes. • Half hour data can be accessed by customer through their own systems. 	Not eligible
Half hourly functionality but not enabled (a non-domestic meter)	<ul style="list-style-type: none"> • Meters have half hour capability which is not enabled as meters have no communications. • Meters are read manually. • Half hour data are not extracted by supplier or customer. • Billed on ‘index’ prices. • Referred to as a ‘seasonal time of day’ (STOD) meter. 	Not eligible
Non half hourly meter (a non-domestic meter)	<ul style="list-style-type: none"> • Manually read (although estimates are frequent for hard-to-access locations). • No half hour functionality. • Billed on quarterly or monthly basis. • Generally flat rate ‘tariffs’ (for example, Popular) or dual rate (for example, Nightsaver). 	Not eligible

Annex J: Electricity generation

Self supplied electricity used directly for generating, transmitting or distributing electricity, or self supplied gas used for transporting, shipping or supplying gas do not need to be reported under CRC. However, self supplied gas and electricity used for all other purposes (for example, running the organisation's offices or call centres) at a generation site are included in CRC and should have been reported in the [Footprint Report](#) and must also be reported in the [Annual Report](#).

From 2012-2013 onwards there is no distinction between core and residual supplies and they will need to be reported in the Annual Report regardless of whether they were previously a core supply (provided the supplies are not covered by an EU ETS, a CCA or a CCA exemption).

Where supplies are imported to an electricity generating plant any core electricity or core gas should have been reported in your Footprint Report (on the 'Energy Supplies' screen or the 'EU ETS, CCA and EGC emissions coverage' screen as appropriate). Any core electricity or core gas supplies were previously required to be reported in your Annual Report. From 2012-2013 onwards all electricity supplied to an electricity generating plant is required to be reported in your Annual Report. Gas will only need to be reported to the extent that it is used for heating purposes.

J.1 Combined heat and power (CHP) plants

J.1.1 Treatment of heat

The supply and use of heat is not covered under CRC.

For 2010-2011 and 2011-2012, participants **generating** heat had to report and purchase [allowances](#) for the primary input fuel/supply used to generate the heat whether they were exporting the heat or using it internally.

From 2012-2013 onwards, participants will only be required to report on electricity and gas used to generate heat.

Participants **importing** heat do not have to report or purchase allowances for the primary input fuel/supply used to generate the heat or for the heat itself.

J.1.2 Reporting responsibilities for electricity generation (input fuel and electricity generated)

Under CRC you are responsible for reporting a [supply](#) where you hold the agreement and pay to receive that supply.

Table J.1 summarises the reporting requirements for the input fuel and the electricity generated from a CHP plant, including whether [Electricity Generating Credits](#) (EGCs) can be claimed. Scenario examples are then provided to put these rules in context. A key factor is whether or not the CHP plant is in EU ETS.

Table J.1: Summary of CHP reporting requirements in CRC

CHP plant not in EU ETS 2010-2011 and 2011/12	Footprint Report (2010/11 only)	Annual Report	Can EGCs be claimed?
Self supplied electricity (used by generating organisation)	Included: Yes Input fuel and electricity generation	Included: Yes Any core and residual supplies used should have been included. Electricity used directly for generation, transmission and distribution is excluded.	Yes if EGC criteria are met
Electricity exported	Included: Yes Input fuel Only self supply electricity	Included: Yes Input fuel if a core or residual supply Any electricity that is generated and consumed by the participant that is a core or residual supply	EGCs could be claimed if the EGC criteria were met.
CHP plant not in EU ETS 2012/13 onwards	Footprint Report (2010/11 only)	Annual Report	Can EGCs be claimed?
Self supplied electricity (used by generating organisation)	Included: Yes Input fuel and electricity generation	Included: Yes all electricity. Gas not included	EGCs can be claimed if the input fuel was not previously listed as a core or residual fuel and the EGC criteria are met.
Electricity exported	Included: Yes Input fuel Only self supply electricity	Included: Only electricity consumed by generating undertaking is reported. Electricity used directly for generation, transmission and distribution is excluded	EGCs can be claimed if the input fuel was not previously listed as a core or residual fuel and the EGC criteria are met.

CHP plant in EU ETS 2010/11 and 2011/12	Footprint Report (2010/11 only)	Annual Report	Can EGCs be claimed?
Self supplied electricity (used by generating organisation)	Included: Yes core fuels	Included: Yes – any core and residual electricity supplies used	No
Electricity exported	Included: Yes Only self supplied core fuels	Included: Only core electricity consumed by generating undertaking is reported. Electricity used directly for generation, transmission and distribution is excluded	No
CHP plant in EU ETS 2012/13 onwards	Footprint Report (2010/11 only)	Annual Report	Can EGCs be claimed?
Self supplied electricity (used by generating organisation)	N/A	No	No
Electricity exported	N/A	No	No

* See [section 3.2.4](#) for full details of supply responsibilities.

** See pages 13–15 of the screenshot guidance, *Annual Reporting Screenshots and Worked Example* (PDF, 1.42MB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0511BTXK-E-E.pdf>).
(<http://publications.environment-agency.gov.uk/PDF/GEHO0511BTXK-E-E.pdf>)

Example 1 – CHP plant supply

Organisation B operates a CHP plant and uses a gas input to provide electricity and heat to organisation C, a legally separate CRC participant (Figure J.1).

Figure J.1: CHP plant (supply) to another organisation



If B is a non-EU ETS plant, it should have reported its primary input supplies of fuel in its [Footprint Report](#) (on the 'Energy Supplies' screen under 'Core Supplies' or 'Residual Supplies' (non-core supplies) depending on the supply type or if applicable on the 'Other Fuels' screen). From 2012-2013 it does not need to report its primary input fuel supplies in its [Annual Report](#).

B is eligible for EGCs for the electricity generated and supplied to C if the [criteria for EGC apply](#) (note that these criteria are changing from 2012-2013). Enter on the 'Electricity Generating Credits' screen in the Annual Report.

If B is an EU ETS plant, it is not required to report the input fuel in its Annual Report and it is not eligible for EGCs for the electricity generated and supplied to C.

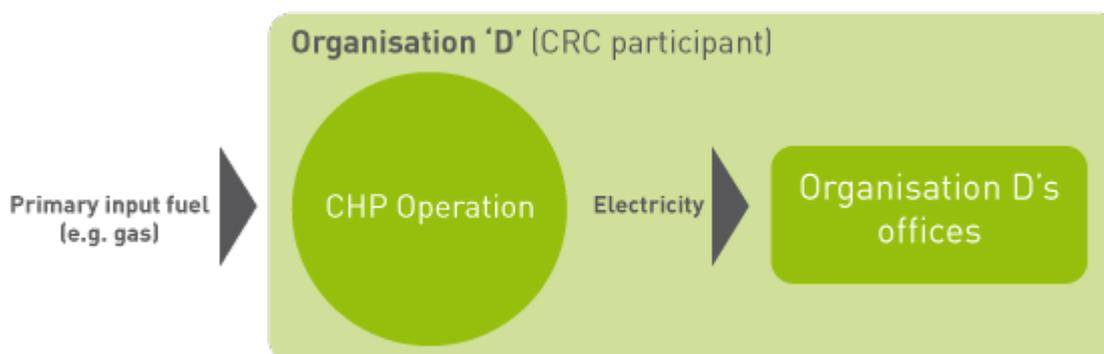
Regardless of whether the electricity comes from an EU ETS or non-EU ETS plant, C is:

- responsible for reporting its electricity supply in the Footprint Report (on the 'Energy Supplies' screen under 'Core Supplies' or 'Residual Supplies' (non-core supplies) depending on the supply type)
- responsible for reporting its electricity supply in its Annual Report if it meets the supply rules
- required to purchase and surrender allowances to cover the emissions from the electricity if the electricity has to be reported in its Annual Report
- not able to claim EGCs in its Footprint or Annual Reports

Example 2 – CHP Plant self supply

Organisation D operates a CHP plant and uses gas input to provide itself with electricity and heat (for example, within the same legal undertaking) (Figure J.2).

Figure J.2: CHP plant (self supply)



If it is a non-EU ETS plant, D should have reported its input fuel supplies and its [self supply](#) of electricity (in the core or residual (non-core) supplies section of the Footprint Report as appropriate).

From 2012/13 onwards D should not report any gas.

D is responsible for reporting its self supply of electricity in the Annual Report. It is also required to purchase and surrender allowances to cover the emissions from self-supplied .

D is eligible for EGCs for the electricity generated if the updated [criteria for EGCs apply](#). E (nter on the 'Electricity Generating Credits' screen in the Annual Report.

If it is an EU ETS plant, D should have reported in the Footprint Report its emissions from the input fuel supplies as core or non-core EU ETS emissions (enter on the EU ETS, CCA and EGC emissions coverage screen) and its self supply of electricity (in the core or residual (non-core) supplies section as appropriate).

. D is not required to report the input fuel supplies in its Annual Report but it is responsible for reporting its self supply of electricity in the Annual Report. It is also required to purchase and surrender allowances to cover the emissions from the electricity.

D is not eligible for EGCs for the electricity generated.

Domestic CHP

CHP plants supplying heat and/or electricity exclusively to domestic accommodation are covered by the [domestic exclusion](#). The operator and/or owner of such a CHP plant is not required to report the primary input fuel used to generate the electricity supplied and the party responsible for the electricity supply is not required to report the supply to domestic accommodation.

Where a CHP plant supplies electricity to a mix of domestic and non-domestic recipients, normal [supply responsibility](#) rules apply for the reporting of the electricity consumed. [Annex E](#) provides details of appropriate techniques for estimating supplies if the exact quantity of fuel used for each use is not known.

District heating schemes

District heating schemes are treated in the same way as [domestic CHP plants](#) when the scheme supplies heat and electricity solely to domestic accommodation.

When the district heating scheme supplies electricity to a mix of commercial and domestic accommodation, the scheme operator needs to report the supplies of input fuel used to provide electricity to the commercial properties. Normal [supply responsibility](#) rules apply for the reporting of the electricity consumed.

Landlord/tenant and claiming Electricity Generating Credits (EGCs)

Where the landlord is responsible for a supply under the [landlord tenant rule](#) but the tenant generates electricity, it is the tenant and not the landlord who is eligible to claim [Electricity Generating Credits](#) (EGCs).

Renewable CHP plants

The following apply where the primary input fuel into a CHP plant is a renewable fuel (for example, biomass, landfill gas or sewage gas).

The generator of the electricity should have reported the fuel supply in the 'Other Fuels' section of the [Footprint Report](#). The generator is not required in the [Annual Report](#) to report that fuel as part of their CRC supplies but is required to identify the amount of electricity generated from renewable sources. The generator may be able to claim Electricity Generating Credits if the [EGC criteria apply](#).

The recipient(s) of the electricity should have reported the electricity supply they use in their Footprint Report on the 'Energy Supplies' Screen as either a core or a residual (non-core) supply depending on the supply type. The recipient(s) are required to report the electricity supply in their Annual Report on the 'Report Energy Supplies by Fuel Type' screen **if** the supply is classified as a core supply or is on their [Residual Measurement List](#).

The following cases provide examples of these rules.

Case 1

Company A operates a CHP plant. It uses a renewable primary input fuel (for example, biomass, landfill gas or sewage gas) to supply heat and electricity to company B. B is a CRC [participant](#). A does not claim [Renewables Obligation Certificates](#) (ROCs)/ [feed-in tariffs](#) (FITs) for the electricity supplied to B.

B is required to report the electricity supply from the CHP plant in its Footprint and Annual Reports. A will be able to claim EGCs for the electricity supplied to B.

Note: The outcome would be the same if there was a single or several recipients of electricity from the CHP plant.

Case 2

Company C operates a CHP plant. It uses a renewable primary input fuel to supply heat and electricity to company D. D is a CRC participant. C claims ROCs/FITs for the electricity supplied to D.

D is required to report the electricity supply from the CHP plant in its Footprint and Annual Reports. C will not be able to claim EGCs for the electricity supplied to D as it is claiming ROCs/FITs.

Note: The outcome would be the same if there was a single or several recipients of electricity from the CHP plant.

Case 3

Company E operates a CHP plant. It uses a renewable primary input fuel to provide heat and electricity to itself. It is a CRC participant and claims ROCs/FITs for the electricity supplied to itself.

E is required to report the electricity self supply from the CHP plant at the [grid average emission factor](#) irrespective of the generational source. It will not be able to claim EGCs as it is already claiming ROCs/FITs.

Case 4

Company F operates a CHP plant. It uses a renewable primary input fuel to provide heat and electricity to itself. It is a CRC participant and does not claim ROCs/FITs for the electricity supplied to itself.

F is required to report the electricity supply from the CHP plant at the grid average emission factor irrespective of the generational source. It will be able to claim EGCs.

J.2 Generation from renewables

Please note that any imported electricity to a renewable generated facility will be reportable under CRC if it meets the [supply rules](#). It can only be excluded if it is 'self supplied' electricity.

As an organisation, you may generate electricity on-site or off-site either via a renewable technology (for example, solar or wind power) or by using a renewable fuel as the input fuel into a process (for example, biomass into a CHP plant).

If you generate electricity from renewables you may be part of the Renewables Obligation or feed-in tariff schemes. The Renewables Obligation (RO) is the main support scheme for renewable electricity projects in the UK. It places an obligation on UK suppliers of electricity to source an increasing proportion of their electricity from renewable sources. Feed-in tariff (FITs) are measures introduced by the government to support the uptake of micro-generation technologies in the UK.

CRC [participants](#) are required to identify their on-site generation from renewables in their [Annual Report](#). They are required to identify the quantity of electricity (kWh) generated from renewable sources:

- for which they are issued with a Renewables Obligation Certificate (ROC)
- for which they claim FITs
- for which they are issued with a ROC or claim FIT **and** [self supply](#)
- that they self supply and for which they are eligible to claim [Electricity Generating Credits](#) (EGCs)

J.2.1 Reporting supplies from renewables

In CRC, all electricity supply from renewables is reported at the [grid average emission factor](#) irrespective of the generational source. As such you will not gain benefit under CRC for electricity you use that has been purchased from a renewable source. [Table J.2](#) summarises the reporting requirements for renewables in CRC, including whether EGCs can be claimed. A key factor is whether or not the renewable generation is covered by ROCs or FITs.

Note: Any [electricity](#) and [gas](#) used at a renewable generation site, and not covered by EU ETS, a CCA or a CCA exemption, is required to be reported in your [Annual Report](#).

Table J.2: Summary of reporting requirements for renewables in CRC

	Footprint Report	Annual Report	Can EGCs be claimed?
Renewable generation not covered by ROCs or FITs			
Renewable input fuel (in general supply responsibility* lies with contractor of fuel)	Included: Yes Where: If the fuel type is not on the CRC non-core fuels' table, it is reported on the 'Other Fuels' screen.	Included: No Where: N/A	Yes – For 2010-2011 and 2011-2012 EGCs could be claimed if the EGC criteria were met. For 2012/13 and 2013/14 EGCs can be claimed if the input fuel was not previously listed as a core or residual fuel and the EGC criteria are met.
Electricity generated/used (in general supply responsibility* lies with consumer of the electricity), for example, could have been exported or used by the generating organisation	Included: Yes Where: 'Energy Supplies' screen (core or residual (non-core) supplies as appropriate)	Included: Yes, if a core supply or part of the participant's RML for 2010-2011 and 2011-2012 and yes without limitation for 2012-2013 onwards Where: 'Record Energy Use By Type' screen	No – only the generator of the electricity can claim EGCs for the electricity generated
Renewable generation covered by ROCs or FITs			
Renewable Input fuel (in general supply responsibility* lies with contractor of fuel)	Included: Yes Where: If the fuel type is not on the CRC non-core fuels' table, it is reported on the 'Other Fuels' screen.	Included: Yes, if a core supply or part of the participant's RML for 2010-2011 and 2011-2012 and no for 2012-2013 onwards Where: Emissions associated with renewable electricity [†]	No
Electricity generated/used (in general supply responsibility* lies with consumer of the electricity), for example, could have been exported or used by the generating organisation	Included: Yes Where: 'Energy Supplies' screen (core or residual (non-core) supplies as appropriate)	Included: Yes, if a core supply or part of the participant's Residual Measurement List for 2010/11 and 2011/12 and yes without limitation for 2012/13 onwards Where: 'Record energy use by type' screen (core supplies or RML fuels as appropriate)**	No

* See [section 3.2.4](#) for full details of supply responsibilities.

** See pages 13–15 of the screenshot guidance, *Annual Reporting Screenshots and Worked Example* (PDF, 1.42MB) (<http://publications.environment-agency.gov.uk/PDF/GEHO0511BTXK-E-E.pdf>).

[†] See page 11 of Annual Report screenshot guidance.

J.3 Energy from waste

You will not have to report on these wastes from 2012-2013 onwards.

Where waste (scrap tyres, waste oil, waste solvents or other waste) is used as the primary input fuel into an electricity generating facility, the facility operator was required to report the quantity of waste used for 2010-2011 and 2011-2012 providing the supply rules were met.

If you generate electricity from an EfW plant and use the electricity within your [undertaking](#) or within your participant group, you are required to report the electricity self supply/supply (respectively) as kWh if the [supply/self supply](#) rules apply to you. The [CRC Registry](#) will convert this value to emissions using the [grid average emission factor](#) for electricity.

As the operator of the plant, you may be able to claim Electricity Generating Credits (EGCs) for any electricity you generate, subject to meeting the [EGC eligibility criteria](#).

Annex K: Reporting

K.1 Footprint Report

K.1.1 Summary of Footprint Reporting requirements

The information for the Footprint Report was submitted by [participants](#) via the [CRC Registry](#). Participants were required to submit a Footprint Report during the first year of Phase 1 (2010-2011). Table K.1 summarises the information you needed to enter on the CRC Registry.

Table K.1: Data requirements for Footprint Reports

Input	Comments
Organisational change (designated change)	<p>You should have reported ‘designated changes’ such as large-scale organisational changes during the footprint year, for example, the sale or acquisition of participating businesses or Significant Group Undertakings (SGUs), mergers or, in the case of government departments, information on any machinery of government changes.</p> <p>You should have notified us of such changes within three months of the change taking place. If you had already done so, you should still have briefly described the change on the screen. If you had not done so, you should have briefly noted the change on the screen and the fact that you had not submitted an official notification.</p> <p>You should have notified us using the ‘Inform of designated change’ link in your account on the CRC Registry as soon as possible after this so that we could make any necessary changes to your account before you submitted your Annual Report.</p> <p>We needed to know about:</p> <ul style="list-style-type: none"> • the nature of the change – what happened? • which parties were involved? • details of the SGU/business bought/sold/divested? • who you sold it to/acquired it from? • when did each change take place?
CCA exemption status	<p>There was an opportunity to claim CCA exemptions in the Footprint Report if no claim was made at registration. Details were needed of:</p> <ul style="list-style-type: none"> • total emissions • emissions covered by any CCA • CCA Target Unit Identifier (TUI). <p>You needed to calculate whether you are entitled to claim an exemption.</p>
Energy supplies	<p>You needed to record all supplies that made up your footprint supplies across the whole organisation. This included any subsidiaries that you had including Significant Group Undertakings (SGUs) unless they had been disaggregated and are registered as</p>

Input	Comments
	<p>a separate participant.</p> <p>You should have entered the supply data for all the types of fuel:</p> <ul style="list-style-type: none"> • core supplies of electricity (but not core supplies to EU ETS installations, CCA facilities or CCA exempt members) • core supplies of gas (but not core supplies to EU ETS installations, CCA facilities or CCA exempt members) • all other non-core supplies (but not supplies to EU ETS installations or CCA facilities) <p>Any estimates were not subject to the 10% estimation uplift in the Footprint Report. The uplift is only applied to estimates in the Annual Report.</p>
EU ETS and CCA emissions	You should have entered your emissions in tonnes of CO ₂ covered directly by EU ETS or CCA split into core and non-core supplies.
CCA exempt emissions	If claiming a CCA exemption, you needed to report the amount of the CCA exempt emissions. For example, if claiming a member exemption in respect of one of your subsidiaries, you should have reported the emissions of that member.
Electricity Generating Credits (EGCs)	You should have entered the amount in kWh of any Electricity Generating Credits you had. EGC criteria
Residual Measurement List	The CRC Registry calculated whether your core supplies plus any EU ETS and non-exempt CCA emissions accounted for 90% or more of your total footprint emissions. If the 90% threshold was not met you would have been required to add fuels (and the emissions associated with those fuels) to ensure your reported emissions were 90% or more.
Other fuels	<p>You should have told us about other fuels you used that were not part of your CRC submission. This information was not taken into account in the calculation of your emissions. For each fuel listed, you should have provided:</p> <ul style="list-style-type: none"> • a total supply for the organisation (an estimate is sufficient) • the most commonly used description for each fuel • the amount in the units in which the fuel is normally supplied

K.2 Annual Report

K.2.1 Summary of Annual Reporting requirements

Participants need to submit an Annual Report by the last working day of July after the end of each compliance year of a [phase](#). Table K.2 summarises the information you need to enter on the [CRC Registry](#).

Table K.2: Data requirements for Annual Reports

Input	Comments
Reporting year	Select the appropriate reporting year for which you are entering data from the dropdown list.
CCA exemption status	<p>If you have a CCA member exemption but the member ceases to be a part of your organisation or loses its CCA, you will lose that member exemption as of the next year of the phase.</p> <p>If this applies to you or if you enter into a new CCA during a phase, you must notify us via the link on the CRC Registry homepage. If there has been no change in status, you may proceed with your submission.</p> <p>In 2010-2011 (Year 1) of Phase 1 you will have provided an up-to-date record of your CCA status as part of your Footprint Report.</p>
Renewables generation	<p>Enter the amount of electricity in kWh you have generated using renewables and:</p> <ul style="list-style-type: none"> • for which you have been issued with ROCs/FITs • which you have self supplied and for which you have been issued with ROCs/FITs • which you have self supplied and for which you are claiming Electricity Generating Credits (EGCs)
Energy supplies	<p>You need to report the amounts of all energy supplies that make up your CRC emissions across the whole participant organisation, including any subsidiaries and Significant Group Undertakings (SGUs) that you may have.</p> <p>For 2010-2011 and 2011-2012, you should have entered details of:</p> <ul style="list-style-type: none"> • core supplies of electricity (excluding core supplies to CCA facilities) • core supplies of gas (excluding core supplies to an EU ETS installation or a CCA facility) <p>For 2012/13 onwards, enter details of:</p> <ul style="list-style-type: none"> • supplies of electricity • supplies of gas used for heating purposes <p>If you have claimed a CCA member exemption, any supplies to that member of the group are also excluded from the list above.</p> <p>The energy supply data you have collected will be either actual data (that is, from confirmed statements, readings or invoices), or estimated data (such as where you have used an estimation technique to cover a period when actual data are not available).</p> <p>If the supply is classified as an estimate under CRC, it should be entered in the 'Estimated Supply' column. It will incur a 10% estimation uplift that equates to a 10% addition to the CRC emissions associated with that supply.</p> <p>Enter the supply data into the corresponding 'Actual' and/or 'Estimated' fields. Do not deduct EGCs from the figures entered on this screen.</p>
Electricity	If you are claiming EGCs for any electricity generated using either

Input	Comments
Generating Credits (EGCs)	renewables or non-renewables, enter the amount in kWh. If you are not claiming any credits, leave the field blank.
Significant Group Undertakings (SGUs)	<p>Enter the total emissions for each SGU within your group. If an SGU has another SGU sitting underneath it, you should not include the emissions of that underlying SGU.</p> <p>You will need to calculate the emissions for each SGU using the emissions calculator within the CRC Registry. You should deduct any EGCs applicable to the SGU before reporting the emissions for the SGU.</p> <p>If an SGU or your highest UK parent owns smaller subsidiaries, their emissions should be included in the emissions figure of the parent SGU/highest UK parent on the screen. The sum of each SGU's emissions must equal the sum of the participant's emissions – these are displayed at the top of the screen where these data are entered.</p> <p>You are asked to provide a breakdown of emissions by SGU so that if your organisation undergoes what is termed a designated change (for example, sells or buys an SGU) mid-phase, the emissions associated with that SGU (for all the years it was part of your structure) will be transferred when the structure is amended in your CRC account.</p>
Early Action Metric (EAM) data	<p>The Early Action Metric is one of three metrics used to calculate your position in the Performance League Table when it existed. The Early Action Metric is based on two factors (equally weighted).</p> <p>The first factor was the quantity of your organisation's CRC emissions covered by the Carbon Trust Standard (CTS) or equivalent schemes during the annual reporting year. If your coverage changed during the course of a year as a result of a change of ownership of parts of the organisation, you needed to re-calculate the coverage again at the end of the year for your next Annual Report. If you had more than one scheme provider across your organisation, you should have selected the provider with the most coverage but entered the coverage total for all the providers. You needed to update the coverage figure each year.</p> <p>For the second factor, in 2010-2011 you should have entered the voluntary automatic meter reading (AMR) percentage determined by comparing the amount of your organisation's gas and electricity supplies measured by voluntarily installed automatic meters and electricity supplied as a dynamic supply during the 2010-2011 reporting year compared with the amount of all electricity and gas supplies during that year but excluding electricity and gas supplies via meters required to be installed (that is, mandatory meters). You will not be able to update this in future years.</p>
Growth Metric data	<p>Growth Metric data are voluntary and will not apply from 2012-2013 onwards. The data you needed to record here would have depended on whether your organisation is in the private or public sector.</p> <ul style="list-style-type: none"> If you are a public sector organisation, you should have recorded your revenue expenditure in £.

Input	Comments
	<ul style="list-style-type: none"> • If you are a private sector organisation, you should have recorded your turnover in £. • If you are classified as a public body under CRC, but are a body corporate without revenue expenditure, you should have recorded your turnover.
Additional disclosure of information/ corporate responsibility	<p>The CRC Registry presents a set of four additional questions relating to carbon management within your organisation or group, with the response options of 'Yes', 'No' or 'No answer'. You must respond with either 'Yes', 'No', or 'No answer' to proceed. The responses will not affect your position in the Performance League Table but the information will be published by the administrator.</p> <p>The annual reports referred to in the first two questions need to be maintained as evidence. Records must also be maintained of the person and/or programme referred to in the third and fourth questions.</p> <p>Your responses would not have affected your position in the Performance League Table but the information would have been published by the administrator.</p>
Comments	<p>There was a box available where you could comment on any factors you feel might have affected your position in the Performance League Table. The maximum number of characters was 2,000. The information was published as part of your entry in the Performance League Table.</p>
Summary	<p>You will be given a summary of the information you have entered. Please check this carefully. Once you are satisfied it is correct you will be asked to confirm this.</p>

K.2.2 Early Action Metric

The Early Action Metric (EAM) was relevant in 2010-2011 and 2011-2012. It will not be relevant from 2012-2013 onwards, but you will still need to keep records in relation to the metric relating to 2010-2011 and 2011-2012.

The Early Action Metric takes into account energy saving measures that an organisation had put in place before the start of CRC. Data entered relating to early actions would have benefitted you when your positions in the Early Action Metric achievement table and the overall [Performance League Table](#) were calculated.

The Early Action Metric is based on two factors, which have equal weight. These are the percentage of your supplies measured through voluntarily installed automatic meters and the percentage of your emissions covered by the Carbon Trust Standard (CTS).

Voluntary AMR percentage

This section applies to you if all your sites are based in England, Scotland and Wales. If applicable, see [Annex I.4](#) for information on Northern Ireland meters and the Early Action Metric.

In the 2010-2011 Annual Report you were required to calculate your voluntary automatic meter reading (AMR) percentage (see the [box](#) below for a summary of the calculation). The percentage you calculated for 2010-2011 was fixed for 2011-2012 for the purpose of calculating that element of the Early Action Metric.

If you are based in Northern Ireland, you should have used the rules set out in [Annex I.4](#) to assess which of your meters classed as voluntary AMR meters for the purpose of the Early Action Metric.

Calculation of voluntary AMR percentage

1. Add the total electricity (in kWh) (including [dynamic supply](#)) from your Annual Report **X1** to the total gas (in kWh) from your Annual Report **Y1** (uplifted for estimations where appropriate, not including EGCs) to obtain **XY1**.
2. Add the total supply of electricity through [mandatory meters](#) **X2** to the total supply of gas through mandatory meters **Y2** (kWh) to obtain **XY2**.
3. Subtract **XY2** from **XY1** to obtain **Z**.
4. Add the total supply of electricity (including dynamic supply) through automatic meters not required to be installed (**X3**) to the total supply of gas through automatic meters not required to be installed (kWh) (**Y3**) to obtain **XY3**.
5. AMR % calculation = **XY3/Z** × 100

In summary:

$$\frac{\text{Voluntary AMR supply (kWh)}}{\text{(Total gas and electricity supply (kWh) – Mandatory metered supply (kWh))}} \times 100$$

If all your CRC electricity and gas supplies during 2010-2011 were measured through mandatory meters, you were still allowed to claim some benefit in the AMR element of the Early Action Metric by entering '50' for your AMR percentage. This was so you were not disadvantaged by the fact that you had not been able to install voluntary AMRs.

If a large proportion of your CRC electricity and gas supplies were measured through mandatory meters but the remaining CRC electricity and gas supplies were not measured by voluntary AMR meters, you should have entered '0' for your AMR percentage as you are not eligible for any benefit in the voluntary AMR element of the Early Action Metric.

The example below is included to show how the AMR factor should have been calculated.

Example calculation

A) Collect supply data

Participant A wants to calculate its AMR score for Year 1 (2010-2011). Participant A obtains supply data for all its CRC supplies (core and non-core) of electricity and gas. This includes electricity and gas measured by a combination of mandatory and voluntary half hourly meters (HHMs), AMR meters that A has chosen to install, and standard meters (including dynamic supply).

Participant A works out that its electricity and gas supplies for 2010-2011 totalled 10,000MWh (10,000,000kWh)

B) Work out a metering profile

Participant A reviews all the electricity and gas supplies identified in step A and analyses the metering arrangements for each supply.

Electricity supplies covered by mandatory HHMs and mandatory daily gas meters = 3,000MWh

Electricity or gas covered by voluntary AMR, voluntary daily gas meters, hourly gas meters and dynamic electricity supply = 5,500MWh

Electricity and gas use **not** covered by AMR, mandatory HHMs, mandatory daily gas meters and dynamic supply = 1,500MWh

Total supplies = (3,000 + 5,500 + 1,500) = 10,000MWh

C) Remove mandatory metered supplies

The AMR factor measures the supplies from voluntarily installed AMR voluntary daily gas meters, hourly gas meters and dynamic electricity supplies as a percentage of the total supply from non-mandatory metered supplies. It is therefore necessary to remove all mandated supplies.

Total supplies – mandatory supplies = 10,000 – 3,000MWh
= 7,000MWh non-mandatory supplies

After deducting the supplies covered by mandatory meters, a total of 7,000MWh remains.

D) Calculate the AMR and dynamic supply coverage as a percentage

Electricity or gas covered by; voluntary AMR and dynamic supply electricity = 5,500MWh

Non-mandatory supplies = 7,000MWh

AMR percentage coverage = (voluntary AMR and dynamic supplies) / non-mandatory supplies) × 100

AMR percentage coverage = (5500 / 7000) × 100 = 79%

Certification under a carbon management scheme

The Carbon Trust Standard (CTS) or equivalent scheme element of the [Early Action Metric](#) is the percentage of your [CRC emissions](#) covered by a valid certificate on the last day (31 March) of the relevant annual reporting year.

Emissions coverage under the CTS or an equivalent scheme is entered on the [CRC Registry](#) in tonnes of CO₂ (tCO₂). The Registry then converts this into a percentage in the background and uses this to count towards your overall Early Action Metric percentage.

For 2011-2012 you should have re-calculated how many tonnes of CO₂ were covered by a valid certificate on the last day of the relevant year of the phase and entered this in your Annual Report for the year.

The energy supply(s) included in the CTS or equivalent scheme certification may differ from the energy supplies covered by CRC. For example you may have a CTS or equivalent certificate that:

- includes fuel used in vehicles you operate, whereas the use of fuel for transport is excluded under CRC – in this case you will need to deduct the transport element from your emissions covered by the CTS or an equivalent scheme
- includes other emissions that are excluded from your CRC emissions (for example, emissions covered by CCAs or EU ETS) – again you will need to deduct these emissions from the emissions you enter as CTS emissions

- only covers some parts of your organisation

You need to check the coverage of the particular scheme you have adopted, including the boundary of the certificate and the types of emission sources covered. You then need to calculate the amount of your CRC emissions covered by the certificate for the CRC reporting year.

It is important that you:

- keep copies of your certificates in your [evidence pack](#)
- show how the coverage of the certificate(s) and the calculated coverage of your CRC emissions by the CTS or equivalent scheme certification compares with your CRC emissions in each case
- demonstrate you have not included any emissions associated with supplies that are covered by your certificate but are [excluded from CRC](#)

[Example of calculating carbon management scheme coverage](#)

Participant A is a participant in Phase 1 of the CRC scheme. A is preparing its Annual Report for the third year of Phase 1, which covers the period 1 April 2012 to 31 March 2013.

Participant A has a certificate for a proportion of its total CRC emissions which covers the period 1 March 2012 to 28 February 2014. As the period includes the end date of Year 3 (31 March 2013), the certificate is valid for use in the CTS/equivalent scheme element of the Early Action Metric.

The certificate covers various emissions, including emissions associated with transport. To calculate the correct CTS/equivalent scheme coverage, Participant A must not count coverage associated with sources excluded under CRC such as transport and domestic accommodation.

Participant A's CRC emissions for the annual reporting year are 650tCO₂.

Deducting all excluded uses from its certificate coverage that are not part of CRC gives Participant A its CTS/equivalent scheme coverage of 200tCO₂ of its CRC emissions. Participant A therefore enters '200' on the 'Early Action' screen for the CTS element.

The CRC Registry will automatically calculate what percentage of Participant A's CRC emissions are covered by its certified emissions. In this example, Participant A's CTS percentage = $(200 / 650) \times 100 = 31\%$. This percentage will form 50% of its EAM overall percentage.

[Valid certificates](#)

The period covered by your CTS or equivalent scheme certificate(s) must include the last day of the annual reporting year for which you wish to claim credit (that is, 31 March in each of the three years in Phase 1).

The certificate is deemed valid if it was issued by the scheme provider, the scheme has been approved by the CRC administrator, and it has an end date on or after 31 March of the relevant annual reporting year.

For example, if you have a certificate covering the period 1 February 2010 to 31 January 2012, you can use this to claim the Early Action Metric under CRC for the annual reporting year 2010-2011. To claim credit towards the CTS equivalent element of the Early Action Metric in subsequent years of Phase 1, you will need to have a certificate valid on 31 March 2011, 31 March 2012 and 31 March 2013.

A certificate does not need to be awarded directly to your organisation (the CRC [participant](#)) for it to be able to claim credit under the Early Action Metric. Provided the certificate covers your emissions, you will be able to claim credit.

For example, if you are a landlord and you pay the electricity bills for your leased buildings and you have responsibility for these electricity emissions in CRC, you may gain the benefit if a tenant(s) holds a valid certificate that covers those emissions, or any portion of them that is covered. Similarly if a school held a certificate it would be acceptable for the local authority in whose CRC portfolio the school is included to gain benefit from it.

You need to explain how the certificate applies to your organisation in your [evidence pack](#).

Effects on CTS coverage of changes to your organisational structure

[Annex H.5](#) explains how an organisational change will affect your CTS coverage.

K.2.3 Growth Metric

The Growth Metric was relevant in 2010-2011 and 2011-2012. It will not be relevant from 2012-2013 onwards, but you will still need to keep records in relation to the metric relating to 2010-2011 and 2011-2012.

If you wanted to gain a score for the [Growth Metric](#) element of the CRC performance assessment, you could voluntarily provide a figure for UK [turnover](#) or [revenue expenditure](#) in your [Annual Report](#). If you did not provide a figure you would not benefit from this metric in the Performance League Table or Growth Metric achievement table for the compliance year.

An example of the calculations performed by the [CRC Registry](#) when a figure is provided for the purpose of the Growth Metric is given in [Table K.3](#).

You need to enter your revenue expenditure or turnover as £10,000,000,000 on the registry. The CRC Registry will calculate the emissions per unit turnover for the year (c) in tonnes CO₂ per £ million and the percentage change in emissions per unit turnover/revenue expenditure relative to average emissions per unit turnover/revenue expenditure (f).

Table K.3: Calculation of the Growth Metric over six years

	Calculation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
(a) Annual emissions (tCO₂)		1,000	900	900	850	800	650
(b) Turnover (£million)¹		10,000	11,000	12,000	12,500	13,000	6,000
(c) Annual emissions per unit turnover (tCO₂/£million)	(a) / (b)	0.100	0.082	0.075	0.068	0.062	0.108
(d) Historic average² emissions per unit turnover (tCO₂/£million)	Average of row (c), up to maximum of five years	0.100	0.100	0.091	0.086	0.081	0.077
(e) Change in emissions per unit turnover from historic average	(c) – (d)	-0.000	-0.018	-0.016	-0.018	-0.020	0.031
(f) Growth metric = percentage change in CRC emissions per unit turnover compared to historic average	(e) / (d) × 100	0	-18	-18	-21	-24	40

¹ 'Turnover' is taken as being equivalent to revenue expenditure for public sector bodies. This is the figure you will need to enter into the CRC Registry. Note that you need to enter your turnover in pounds (£) but, when your emissions per unit turnover are displayed, the unit will be converted to t/£million so that the tonnage figure is not such a small number.

² 'Historic average' is based on the average emissions per unit of turnover/revenue expenditure over a period of five years, or, if these data do not exist, for the preceding five years as many years as data are available. If this information is not available for at least two of the preceding five years, the percentage must be calculated on the basis of the turnover/revenue expenditure in the preceding year.

Annex L: Performance table calculations and factors impacting positions

There will not be a performance table for 2012-2013 onwards. Information is nevertheless provided on it for reference.

L.1 How is a participant's score calculated?

Calculating a participant's score for the Performance League Table (PLT) is a three-step process:

1. A participant's performance in a particular metric is used to **rank** the participants in the achievement table for that metric.
2. The rank is used to derive a **score** for each participant for each metric.
3. The scores for each metric are weighted and added to give the participant's **overall position** in the Performance League Table.

L.1.1 Rank

For each metric, participants are ranked in an achievement table according to how they have performed in the compliance year. The highest (best performance) is ranked at the top and the lowest (worst performance) is ranked at the bottom.

- For the **Early Action Metric**, the higher the percentage the better the ranking.
- For the **Absolute** and **Growth** Metrics, those participants with the greatest relative reduction in their emissions or emission per unit turnover/revenue (compared with their rolling **historic average**) will have the best ranking.

L.1.2 Score

This ranking is then converted into a score.

- The best ranked will have the highest score (equal to the number of participants in that metric).
- The worst ranked participant will have the lowest score.

Where a number of participants have the same relative performance, they are listed in alphabetical order and their scores are the mean of their total cumulative scores. This means that, if there are a large number of participants with the same ranking, their score will be equal to:

$$\text{Highest score of group} - \frac{(\text{Size of group} - 1)}{2}$$

If a participant has entered no information on their turnover/revenue expenditure, they will not receive a ranking for the Growth Metric and their score will be '0'.

Example to show score for groups of participants

A group of 12 participants all have the same ranking. The score derived from the ranking is 1,450 (that is, the score if there had been just one participant) for the first participant on the alphabetical list. The score for each member of the group will be:

$$\text{Highest score of group} - \frac{(\text{Size of group} - 1)}{2} = 1450 - \frac{(12 - 1)}{2} = 1444.5$$

L.1.3 Weighting and position

The score for each metric is multiplied by the weighting for that metric as per [Table L.1](#) and the weighted scores added together to give the total weighted score.

The total weighted score gives the overall ranking in the Performance League Table, with the highest score being ranked first and the lowest score being at the bottom of the table.

Table L.1: Relative weighting of metrics

	Year 1 2010/11	Year 2 2011/12	Year 3 2012/13	Year 4 and all other years
Early Action Metric	100%	40%	20%	0%
Absolute Metric	0%	45%	60%	75%
Growth Metric	0%	15%	20%	25%

An example of how scores are calculated is provided in an Excel spreadsheet on our website (www.environment-agency.gov.uk/static/documents/Business/PLT_Example_calculation.xls).

L.2 What might affect my position in the performance tables?

The Absolute, Growth and Early Action Metrics are what officially determine a participant's position in the overall Performance League Table. However, these metrics cannot account accurately for every change in an organisation.

Examples of the types of changes that might affect your position in the overall Performance League Table and the achievement tables are outlined below.

L.2.1 Organisational changes

If your organisation undergoes an organisational change that constitutes a [designated change](#) in CRC, all the previous year's emissions associated with the [participant](#) or [Significant Group Undertaking](#) (SGU) will be transferred to the purchasing organisation. This will update the [historic averages](#) of the purchasing and selling organisations so that, in the next Performance League Table and Absolute and Growth Metric achievement tables, the participant will not appear to have suddenly increased or decreased their emissions disproportionately.

If the organisational change is not classified as a 'designated change' in CRC (that is, it does not involve the transfer of an SGU or participant), then the historic emissions of the purchasing and selling participants will not be amended as a result of the transfer. This may affect your [Absolute Metric](#) and [Growth Metric](#) percentage change.

Example

Participant A sells SGU B to Participant C in 2011-2012.



In 2010-2011, A reported 100tCO₂ for A and 300tCO₂ for B in its Annual Report. In 2010-2011, C reported 50tCO₂ in its Annual Report. Before the change A therefore had historic emissions of 400tCO₂ and C had historic emissions of 50tCO₂.

In 2011-2012, A's emissions were 105tCO₂, B's emissions were 280tCO₂ and C's emissions were 50tCO₂.

If we had not transferred B's historic emissions between the participants when the change occurred, then when C reported for 2011-2012 for C and B together, C would appear to have increased its emissions from 50tCO₂ to 330tCO₂ (a 560% increase). As the emissions from B have been transferred to C, the percentage change merely reflects the actual emissions changes that both B and C made in 2011-2012. Thus the actual absolute emissions percentage change for C would be a decrease of 5.7%.

The opposite principle applies to A. If the emissions for B were not removed then, in 2011-2012, A would appear to have reduced its emissions from 400tCO₂ to 105tCO₂ (a 73% decrease). But because we had removed the historic emissions, A's 2011-2012 emissions change merely reflects the changes that A itself made between 2010-2011 and 2011-2012.

L.2.2 Business expansion or contraction

If your organisation expands (for example, by purchasing non-SGU companies, increasing operations or sites), its emissions may increase significantly as the historic emissions are not updated. This could have a negative impact on your [Absolute Metric](#) performance and hence your position in the Absolute Metric achievement table and the overall Performance League Table.

Conversely, if your organisation contracts (for example, by selling non-SGU companies, reducing operations or sites), its emissions may decrease significantly as the historic emissions are not updated. This could have a positive impact on your Absolute Metric performance and hence your position in the Absolute Metric achievement table and the overall Performance League Table.

L.2.3 Calculation of turnover/revenue expenditure

Participants can voluntarily provide [turnover](#) or [revenue expenditure](#) figures for their organisation. The turnover figure provided should be from the most recent audited accounts. Therefore there are a number of issues that could affect your [Growth Metric](#) performance:

The turnover (private sector) or revenue expenditure (public sector) figure is taken from the latest audited accounts. The timescale could mean that the same figures are used for more than one year and therefore the turnover may not relate to the current/latest compliance year.

Changes to accounting practices/methodology in the organisation could affect the determination of turnover/revenue expenditure figures. This in turn could affect the figure you enter and hence your emissions per unit turnover. In this instance you may choose to enter some text to explain this in the [Report Comments](#) box of your [Annual Report](#).

Annex M: Evidence packs

Introduction

The evidence pack is where you collate data and records to justify the information submitted to meet the requirements of the CRC scheme. When an audit is conducted we are likely to want to see your evidence pack. This guidance is provided to help you decide what to keep in your evidence pack. Although there is no fixed format for your evidence pack the tables and checklists presented below provide a framework that can be used.

What records do I have to keep?

Each of the sections in Annex M provides details of what data and records you should keep in your evidence pack. They stipulate which records you must keep, which records you may need to keep, and which data we recommend you keep for the purpose of best practice.

You will not need to complete all the sections at once. Note that some sections may not be relevant to your organisation.

Each section of this annex contains detailed checklists and tables that have been colour coded to help you decide which parts to complete:

- Information you **must** provide or tables you must complete are coloured Red
- Information you **may** need to provide or tables you may need to complete are coloured Orange but these will not apply to everyone.
- You do not have to complete templates coloured Blue but these are considered to be best practice.

Use [Table M.1](#) to help you determine which sections apply to you.

Please remember that for April 2010 to 31 March 2011 you should have kept evidence for both your Footprint Report and your Annual Report.

Table M.1: Which sections of the evidence pack apply to you?

Please read the following section alongside the 2013 CRC Order as you will not need to use all the sections in the last two years of Phase 1 but we have left them in for reference.

Section No.	Section description	Registration	Participation		
		Register as a full participant (claim full or partial CCA exemption at registration)	Compile a Footprint Report or claim a full or partial CCA exemption at Footprint Report (not needed if a group or general CCA exemption claimed at registration)	Compile an Annual Report (not needed if a general or group CCA exemption claimed)	Record special events
1	Status of evidence pack and internal audit record				
2.1	Qualification data				
2.2	Registration				
2.3	Footprint Report				
2.4	Annual Report comparison with previous year				
3.1	Organisation family tree				If changed
3.2	Description of structure and relationships				If changed
4.1	Nominated Senior Officer				
4.2	Participant CRC team members				
4.3	Other organisation arrangements				If changed
4.4	CRC written procedures				
5.1	Supply lists				
5.2	List of suppliers				
6.1	Phase coverage				
6.2	Total footprint (raw data)				
6.3	Summary of CCA emissions				

		Registration	Participation		
Section No.	Section description	Register as a full participant (claim full or partial CCA exemption at registration)	Compile a Footprint Report or claim a full or partial CCA exemption at Footprint Report (not needed if a group or general CCA exemption claimed at registration)	Compile an Annual Report (not needed if a general or group CCA exemption claimed)	Record special events
6.4	Summary of EU ETS emissions				
6.5	Electricity Generating Credits				
7.1	Summary – of most recent Annual Report				
7.2	Energy supply data				
7.3	Metrics – supporting information				
7.4	Additional information on carbon management			Needed if you have replied 'yes' to the four additional carbon management questions in your Annual Report.	
7.5	Annual compliance reports supplied and archived				
8.1	Change of contacts/ responsibilities for 'officers'				
8.2	Change made to supply list or supplier				
8.3	Change to company structure				
8.4	Changes to CCA/EU ETS coverage				
8.5	Faults/breakdowns affecting reporting				
8.6	Usage over scheme year				
8.7	Accuracy/consistency over scheme year				
8.8	Correspondence with the administrator or regulators				
8.9	Designated changes				

		Registration	Participation		
Section No.	Section description	Register as a full participant (claim full or partial CCA exemption at registration)	Compile a Footprint Report or claim a full or partial CCA exemption at Footprint Report (not needed if a group or general CCA exemption claimed at registration)	Compile an Annual Report (not needed if a general or group CCA exemption claimed)	Record special events
9.1	Member and general CCA exemption (registration)				
9.2	Group CCA exemption (registration)				
9.3	Member and general CCA exemption (footprint)				
9.4	Group CCA exemption (footprint)				
9.5	Non-exempt CCA – footprint year				
9.6	EU ETS exclusion – footprint year				
9.7	Supply exclusions (fuels and supply)				
9.8	Transport exclusions – footprint year				
9.9	Domestic exclusions				
9.10	Not for own use supply				

Annex M Section 1: Status tracking

M.1.1 Keeping track of the status of your evidence pack

You can use this master template to identify which evidence pack template sections you need, when you need to complete them, and to make comments as necessary. Please note that the evidence pack is designed for use in Phase 1 and we will amend this template for Phase 2. We have not changed this template for the remainder of Phase 1 so that you can use this for reference purposes.

Section	Evidence pack template	Authorised signature	Date completed (and comments if applicable)	Tick (✓) when completed
2	Summary of key emissions data and qualification data			<i>For example</i> ✓
2.1	Qualification data			
2.2	Registration			
2.3	Footprint Report			
2.4	Annual Report/with previous year comparison			
3	Organisational structure (including disaggregation)			
3.1	Organisation family tree			
3.2	Description of structure and relationships			
4	Responsibilities (officers and procedures)			
4.1	Nominated Senior Officer			
4.2	Participant CRC team members			
4.3	Other organisation arrangements			
4.4	CRC written procedures			
5	Emissions sources (energy supply lists)			
5.1	Supply list			
6	Footprint Report			
6.1	Phase coverage			
6.2	Total footprint			
6.3	Summary of CCA emissions			
6.4	Summary of EU ETS emissions			
6.5	Electricity Generating Credits			
7	Annual Report			
7.1	Summary of most recent Annual Report			
7.2	Energy supply data			
7.3	Metrics – supporting information (for 2010-2011 and 2011-2012 only)			
7.4	Additional information on carbon management			
7.5	Annual Reports supplied and archived			

Section	Evidence pack template	Authorised signature	Date completed (and comments if applicable)	Tick (✓) when completed
8	Special events/change records (including designated change)			
8.1	Change of contacts/responsibilities for 'officers'			
8.2	Change made to supply list or supplier			
8.3	Change to company structure			
8.4	Changes to EU ETS/CCA coverage			
8.5	Faults/breakdowns affecting reporting			
8.6	Usage over scheme year			
8.7	Accuracy/consistency over scheme year			
8.8	Correspondence with the administrator or regulators			
8.9	Designated changes			
9	Exemptions and exclusions			
9.1	Member/general CCA exemption (at registration)			
9.2	Group CCA exemption (at registration)			
9.3	Member/general CCA exemption (at Footprint Report)			
9.4	Group CCA exemption (at Footprint Report)			
9.5	CCA exclusion – footprint year			
9.6	EU ETS exclusion – footprint year			
9.7	Supply list exclusions			
9.8	Transport exclusions – footprint year			
9.9	Domestic exclusions			
9.10	Not for own use (unconsumed supply)			

Annex M Section 2: Summary of key emissions data and qualification data

Why is this section relevant?

The evidence needed for this section should summarise your qualification status and key emissions data. It is important because it provides us with a clear overview of your qualification for CRC, and the way you have compiled your footprint and annual reports. This helps us when we are auditing you and it will help you manage your own participation in the scheme.

What do I need to do and when?

You need to collate the relevant evidence and complete the relevant part of the templates in this section by the following reporting deadlines:

- Qualification by 29 July 2011 – if we have questions about your registration you may need to use information held in your evidence pack
- Footprint Report within four months of the end of each future footprint year
- Annual Report within four months of the end of each future annual reporting year

What are the relevant data sources and primary records?

Sources of information for this part of the evidence pack include:

- qualification data including settled half hourly meter (HHM) electricity supplied in 2008
- footprint report for Phase 1 and subsequent phases
- annual reports

Your evidence pack should contain evidence on any internal review or quality checking of this section, for example, as follows:

Template: key emissions data		Completed by:	Reviewed by:	Reference:
Organisation:				
Scheme year end:	31 March 2011	Date:	Date:	

M.2.1 Qualification data

Complete the following summary table with details of CRC qualification (for 2008). If you claimed an exemption from CRC on the basis of your CCA emissions coverage, either for a part of your group or the whole group, record this in the summary table below and complete the relevant parts of [Annex M Section 9](#).

2.1	Qualification (2008)	Information	Document reference	Authorised signature	Completion date
	Qualified as a full participant	<i>Yes or No</i>	<i>For example: A plc CRC qualification analysis.doc</i>	<i>For example, Joe Bloggs</i>	<i>For example, 1 January 2010</i>
	Qualifies for exemption based on CCA emissions coverage	<i>Yes or No (if exempt refer to Section 9)</i>			
	Required to make an information disclosure only	<i>Yes or N/A</i>			
	Settled HHM electricity supply	<i><<insert XXXX MWh>></i>			

M.2.2 Registration

You must keep records of the data you give us at registration for Phase 1.

2.2	Record of registration	Information	Document reference	Authorised signature	Completion date
	Registration summary print-out from CRC Registry included?	<i>Yes or No</i>	<i>For example: A plc CRC registration summary data.doc</i>	<i>For example, Joe Bloggs</i>	<i>For example, 10 July 2010</i>

M.2.3 Footprint Report

Your most recent footprint report data need to be recorded as detailed in [Annex M Section 6](#). Complete the following summary table with details of your footprint energy supplies taken from the Footprint Report.

2.3	Summary – Footprint Report	Supply and emissions (kWh and tCO ₂)		Document reference	Authorised signature	Completion date
	Total core supply of electricity	<i>xxxx kWh</i>	<i>xxxxx tCO₂</i>			
	Total of any Electricity Generating Credits (EGCs)	<i>xxxx kWh</i>	<i>xxxxx tCO₂</i>			
	Total core supply of gas	<i>xxxx kWh</i>	<i>xxxxx tCO₂</i>			
	Total non-core energy supply (please specify type(s)) with a new row per fuel type	<i>xxxx <<units>></i>	<i>xxxxx tCO₂</i>			

You will need to input this information to the [CRC Registry](#) so that the emissions (tCO₂) can be calculated.

M.2.4 Annual Report/comparison with previous year

When you complete your Annual Report you should ensure you retain copies of the documents outlined in [Annex M Section 7](#). For your summary document, complete Table 2.4 with details of your annual total [CRC emissions](#) for the current and previous scheme year.

2.4	Summary – Annual Report	Current year end [insert] (tCO ₂)	Previous year end [insert] (tCO ₂)	Estimated ? (Y/N)	Document reference	Authorised signature	Completion date
	Electricity						
	EGCs						
	ROC/ FIT output						
	Natural gas						
	Total						
	Significant Group Undertaking 1 total						
	Significant Group Undertaking 2 total						
	etc.						

Annex M Section 3: Organisational structure (including disaggregation)

Why is this section relevant?

This section is important as it helps you to define your organisation accurately. You can signpost evidence for your organisational structure and use it to define the scope of your CRC participant group.

What do I need to do and when?

You must complete Annex M Sections 3.1 to 3.3 by the reporting deadline (last working day of July) for the relevant scheme year.

What are the relevant data sources and primary records?

You can get the information you will need to complete this part of the evidence pack from:

- registration printout (from the CRC Registry, once you have submitted your registration)
- your organisational diagram
- list of undertakings, including address and postcode
- list of related organisations (such as franchisees), including address and postcode
- Companies House records (for example, annual returns)

M.3.1 Organisation family tree

You should keep a printout or download of the information you submitted when you registered for CRC as part of your evidence pack. This summary of your registration information will identify:

- your highest parent, including overseas highest parent
- your primary member
- the Significant Group Undertaking (SGU) details that you provided

M.3.1.1 Family tree and description as at 31 December 2008

You must describe your CRC organisation and provide an organisational 'family tree' which sets out the organisational structure and covers group undertakings and other organisational arrangements as it stood at the end of 2008.

Your group structure must be defined according to the definitions in the CRC Energy Efficiency Scheme Order 2010 and **not** on internally defined structures. You should note the highest overseas parent, if you have one, in your structure.

M.3.1.2 Changes between 2008 and registration

You will also need to report any organisation change between the end of 2008 and the point at which you registered for CRC. You should keep this record for at least seven years from the end of the phase during which you reported the change.

M.3.1.3 Family tree and description showing current structure

Once you have registered, you will need to make sure that your family tree is kept up-to-date following any 'designated changes' – see [Annex M Section 8](#).

3.1	CRC organisation	Tick (✓) as appropriate	Document reference	Authorised signature	Completion date
	Confirm that the summary registration information submitted has been retained as evidence				
	Organisation family tree provided (at 31 December 2008)				
	Record of changes between 31 December 2008 and point of registration				
	Organisation family tree provided – current				

M.3.2 Description of structure and relationships

Having provided an organisation family tree, you should include a description (or a further diagram or an overlay) showing the relationships under CRC. For example, this should explain the relationship of the parent, [primary member](#) organisation, any [Significant Group Undertakings](#) (SGUs) and any undertakings that do not meet the SGU qualification threshold. The aim is to show that all parts of the organisation have been considered and included in the qualifying supply data and meter data provided at registration.

Please explain:

- Parent (organisation type) – the organisational type of the highest UK parent organisation. This may be as given at registration, but if you chose the nearest option and it did not describe your type of organisation exactly, please explain your type in more detail.
- Primary member – please explain the relationship between the highest parent and the primary member (if they are different organisations). The primary member must be part of the organisational (participant) group under the highest parent (unless the group has no UK based undertakings).
- Identify and explain any matters of ownership or responsibilities such as joint ventures, partnerships and PFIs, and justify the position taken with regard to whether the affected undertakings have been included in CRC (for example, joint ventures).
- If you are an overseas organisation with no UK subsidiaries, please explain the relationship of the parent to the UK activities.

3.2.1	Organisation type	Tick (✓) as appropriate (or not applicable)	Document reference	Authorised signature	Completion date
	The parent organisation type has been defined and justification is available.				
	There is evidence that the primary member is part of the organisational group.				
	There is justification for extent of the organisation or organisational group.				
	If an overseas organisation with no UK subsidiaries, there is evidence of relationship to UK activities.				

M.3.2.1 Subsidiary undertakings

You need to confirm details of any legally defined subsidiaries that have been combined with your highest parent organisation to form your CRC participant organisation. Subsidiaries are those undertakings meeting the criteria set out in section 1159 of the Companies Act 2006(a).

Please also indicate any [Significant Group Undertakings](#) (SGUs) that were disaggregated from your group during registration.

3.2.2	Subsidiary undertakings	Information	Document reference	Authorised signature	Completion date
	Do you have any subsidiary undertakings?	<i>Yes or No</i>			
	Number of subsidiary undertakings included in the registration	<i><< insert number >></i>			
	List of undertakings attached	<i>Yes or Not applicable</i>			
	List of disaggregated SGUs attached	<i>Yes or Not applicable</i>			

M.3.2.2 Related organisations

In CRC in certain defined circumstances, the emissions from one organisation are the responsibility of a legally separate entity. Examples are given in [Annex M.4.3](#) and include schools, franchises and collegiate universities.

Please provide details of any such relationships with organisations that you are responsible for within your organisational group, either within this section of your evidence pack or cross-reference to [Annex M Section 4.3](#).

3.2.3	Organisations that you have responsibility for	Information	Document reference	Authorised signature	Completion date
	Are there any organisations that you have responsibility for?	<i>Yes or No</i>			
	Number	<i><< insert number>></i>			
	Type	<i><<for example, franchisees, schools>></i>			
	List of related organisations attached	<i>Yes or Not applicable</i>			

Annex M Section 4: Responsibilities (officers and procedures)

Why is this section relevant?

This section explains what information you need to provide in your evidence pack for the people who have been given responsibility for CRC.

Personnel may have one of the following roles for CRC:

- a [Senior Officer](#) (a director or someone of equivalent status who exercises management control of the [primary member](#))
- [Primary](#) or [Secondary](#) Contact (for day-to-day contact)
- [Account Representative\(s\)](#)

You may also have appointed agents to act for you.

You must keep your contact list up-to-date and easy to find within your evidence pack. If any of your contacts change you should amend the information held in the [CRC Registry](#).

You should also keep records of the policies and procedures necessary for your team to carry out their CRC responsibilities. These documents will form part of any audit process should you be selected.

What do I need to do and when?

We recommend that you keep your contact lists up-to-date at all times.

What are the relevant data sources and primary records?

Sources of information for this part of the evidence pack are likely to include:

- documents confirming appointment of director or other person with management control with CRC responsibility
- written procedures for CRC data handling and reporting
- corporate policies
- any agreements or arrangements between parties making up the participant organisation for supply of information

M.4.1 Nominated Senior Officer (director or equivalent)

You will need to provide contact details and evidence of the position of this person within the organisation. The [Senior Officer](#) should be part of the [primary member](#) organisation.

The following should be included in your evidence pack:

4.1	Nominated director (or equivalent)	Information	Document reference	Authorised signature	Completion date
	Name				
	Evidence of position in organisation	<i>Schedule attached</i>			
	Evidence of appointment	<i>Schedule attached</i>			
	Date effective from				
	Contact address				
	Contact telephone number				
	Contact email				

If there have been any changes to your nominated director (or equivalent) during the scheme year, you will need to make note of this in [Annex M Section 8.1](#) and ensure that you have amended this information in the CRC Registry.

M.4.2 Participant CRC team members

The following should be included in your evidence pack:

4.2	Other officers	Information	Document reference	Authorised signature	Completion date
	Primary Contact				
	Primary Contact	Contact details			
	Secondary Contact	Contact details			
	Account Representative 1	Contact details			
	Account Representative 2	Contact details			
	Account Representative 3	Contact details			

Note: 'Contact details' means name, job description, business address, phone and email address.

If there have been any changes in the designated CRC team members during the scheme year, you will need to make note of this in [Annex M Section 8.1](#).

M.4.3 Other organisation arrangements

In the CRC scheme in certain defined circumstances, the emissions from one organisation are the responsibility of a legally separate entity. These cases are set out in Table M.2.

Table M.2: Other organisation arrangements in CRC

Organisation taking responsibility for emissions	Organisation receiving energy supply
Franchisers	Franchisees
Local authorities	England and Wales: state schools, academies and city technology colleges
English universities	Independent colleges (if the university and college(s) agree to this)
Government department	Companies where the majority member is the government department

Note: In Scotland, state funded schools are legally part of their local authority. In Northern Ireland, grant-aided schools will participate with their Education and Library Board or the Department of Education as appropriate until the introduction of the Education and Skills Authority.

The [CRC Order](#) obliges any public bodies that are not responsible for their own emissions to provide assistance to those that are responsible for the emissions.

You must provide details of any separate organisations whose emissions are your responsibility.

4.3	Related organisation	Information	Document reference	Authorised signature	Completion date
	Are you responsible for CRC energy supplies for a related organisation?	<i>Yes or No</i>			
	Identify organisations concerned.				
	How is this accounted for/reported to you?	<i><< insert schedule or refer to written procedures>></i>			

M.4.4 CRC written procedures

It is good practice to keep up-to-date procedures covering:

- data collection, handling, and aggregation from site to organisational level
- data transfer and error checking
- meter failures, meter maintenance and calibration

You should keep copies of any procedures in your evidence pack. If applicable, it is also good practice to integrate these into your ISO 9001 and ISO 14001 systems. Note that these actions are not a mandatory part of CRC.

4.4	Action	Information	Document reference	Authorised signature	Completion date
	Do you have any CRC procedures?	<i>Yes/No</i>			
	If yes, are any of these integrated into your ISO 9001 or ISO 14001 management standards?	<i>Yes/No – comment</i>			
	If yes, date CRC procedures were last reviewed	<i>Confirm date of review</i>			
	If yes, are procedures attached as an annexe to the evidence pack?	<i>Yes/No</i>			

Annex M Section 5: Emissions sources (energy supply lists)

Why is this section relevant?

This section tells you what evidence you need for all your emissions sources included in the CRC scheme. This is important as it forms the basis for all your annual reporting figures, against which you will have to surrender [allowances](#) for each scheme year.

What do I need to do and when?

When you produce each CRC [Annual Report](#) used to need to report against your CRC emissions as determined when you compiled your [Footprint Report](#).

You needed to take into account any core supplies that you had acquired or stopped being responsible for during each reporting year.

You also needed an up-to-date list of your supplies for each of your annual reports.

From 2012-2013 onwards you only need to report on gas used for heating and electricity.

What are the relevant data sources and primary records?

Sources of information for this part of the evidence pack are likely to include:

- finance records for energy purchasing
- supplier statements by premises
- engineering records of meters
- CCA documentation and re-certification lists
- EU ETS permits and associated monitoring and reporting plans
- ROC account details
- FIT certification identity number(s)

M.5.1 Supply lists

M.5.1.1 Electricity

This should only include supplies not covered by a CCA or CCA exemption. Supplies relating to CCAs are covered in [Table 5.1.6](#).

5.1.1	Electricity sources cross referenced to meter number and location	Tick (✓) to confirm if details included	Document reference	Authorised signature	Completion date
	List of meters				
	Meter identification number (MPAN/MPRN)				
	Non-utility meter ID				
	Dynamic supply ID (MSID)				
	Location identifier (including SGU)				
	Please confirm if there are any CCA exemptions or exclusions (covered separately by Table 5.1.6).	Yes or No			

5.1.2	Meter details by electricity supply	Tick (✓) to confirm if details included	Document reference	Authorised signature	Completion date
	List utility and non-utility meter ID by meter details (dynamic supply covered by following table)				
	Meter type, manual, 100 kVA, AMR, other (please specify)				
	<u>Meter accuracy</u> (design value)				
	Meter used for EGCs				
	Meter used for supply to another organisation (other than tenants)				

5.1.3	Electricity source by unmetered supply (dynamic supply)	Tick (✓) to confirm if details included	Document reference	Authorised signature	Completion date
	List dynamic supply ID by meter details				
	Calculation methodology				
	Local authorities should indicate when their street lighting schedule was last updated. This should be done annually (dynamic supply).	<<confirm date>>			

M.5.1.2 Gas supplies

This should only include supplies of gas not covered by a CCA, CCA exemption or EU ETS.

5.1.4	Gas sources cross referenced to meter number and location	Tick (✓) to confirm if details included	Document reference	Authorised signature	Completion date
	List of meters				
	Utility meter MPRN				
	Non-utility meter ID				
	Meter type (please specify*)				
	<u>Meter accuracy</u> (design value)				
	Location identifier (including SGU)				
	Please confirm if there are any CCA or EU ETS exclusions (covered separately by <u>Table 5.1.6</u>).	Yes or No			

* Meter type: turbine, rotary displacement, diaphragm.

M.5.1.3 EU ETS and CCA sources

You should identify any exempt/excluded EU ETS and CCA sources on a separate schedule and fill in [Table 5.1.6](#) to confirm this has been done. You should identify your CCA supplies against the relevant group member. These schedules will cross refer with your exemption evidence in [Annex M Section 9](#).

5.1.6	EU ETS and CCA exemptions/ exclusions by site and source	Tick (✓) to confirm when completed	Document reference	Authorised signature	Completion date
	Site, CCA or EU ETS facility address and postcode				
	Group member (CCA sources)				
	Type of supply electricity, natural gas, oil, bulk supplies/other (please specify)				
	Meter identification details				

M.5.2 List of suppliers

The following data should be provided for utility company suppliers of electricity and gas. This can be done on separate schedules or ideally cross-referenced by site on a single schedule.

5.2.1	Suppliers of electricity and gas	Tick (✓) to confirm when included	Document reference
	Supplier identity		
	Premises supplied – address and postcode		
	MPAN, MSID and/or MPRN		
	Meter type – manual, 100 kVA, AMR, other (please specify)		
	Meter accuracy (design value)		
	Date meter last calibrated (if known)		
	Period of relevant supply		

	Confirmation of supplier meter calibration	Tick (✓) to confirm when included	Document reference
5.2.2	Meter calibration records should be available demonstrating that the relevant meters are in tolerance.		

Annex M Section 6: Footprint Report

Why is this section relevant?

This section tells you what evidence you needed for your Footprint Report. It contains the data used to determine which non-core sources you needed to choose to include in CRC.

What do I need to do and when?

You should have completed this section by the Footprint Reporting deadline, which was 29 July 2011.

What are the relevant data sources and primary records?

Sources of information for this part of the evidence pack are likely to include:

- supplier invoices and annual statements
- meter read log sheets
- schedule of CHP sets, log sheets/statements for heat output, power output and fuel input
- CHPQA certificates for CHP installations
- evidence of generation qualifying for ROCs or FITs, and whether these are claimed

M.6.1 Phase coverage

M.6.1.1 Historic records

For the whole time you take part in CRC you must keep the records relating to:

- your Footprint Report
- the first Annual Report you submit
- your position in the Performance League Table for the first year in which you take part in CRC (if applicable)

You must keep all other records for at least seven years after the end of the [phase](#) to which they relate.

At this stage, we deal only with providing evidence for your Footprint Report. [Annex M Section 7](#) explains what you need to provide for your Annual Reports.

6.1.1	Historic records	Information	Document reference	Authorised signature	Completion date
	Has a copy of the information supplied to the administrator for your Footprint been attached to the evidence pack?	<i>For example, Yes</i>			

As a result of the Government's Simplification Review, you no longer need to submit a Footprint Report but you must still keep data from the footprint report you submitted for the six years required by the CRC Order. The information that you need to keep is shown in [Table 6.1.2](#) to [Table 6.1.7](#) below.

6.1.2	Historic scheme coverage	Information	Document reference	Authorised signature	Completion date
	What percentage of your footprint emissions are regulated in phase 1?	xx %			
	What percentage of your footprint emissions were regulated in subsequent phase(s)?	xx % or N/A <<for each phase>>			
	If increased between phases, please confirm why.				

M.6.2 Total footprint (raw data)

You must tell us the breakdown of total energy supplied (supply and self supply) in the [footprint year](#) by source.

Note that total footprint emissions includes EU ETS and CCA excluded emissions (25% or less coverage), but not emissions from CCA exempt members.

6.2	Total footprint data	Information	Document reference	Authorised signature	Completion date
	Has a full record of energy supplies by source been supplied for the footprint year?	e.g. Yes			
	Total footprint emissions calculated using the supply data by source in the footprint year	e.g. xxxx tCO ₂			

M.6.3 Summary of non-exempt CCA emissions

CCA emissions in the [footprint year](#) that do not come from a CCA facility to which a CCA exemption applies contribute towards ensuring that 90% of your total footprint emissions are regulated. These data are taken from [Annex M Section 9](#).

6.3	CCA emissions	Information	Document reference	Authorised signature	Completion date
	CCA emissions in footprint year other than CCA emissions from CCA facilities with a CCA exemption	<<insert xxx tCO ₂ >>			

Data on emissions covered by an exemption should be recorded in [Annex M Section 9](#).

M.6.4 Summary of EU ETS emissions

Your EU ETS emissions for the [footprint year](#) contribute towards making sure that 90% of your total relevant emissions are regulated ([regulated emissions](#)). These data are taken from [Annex M Section 9](#).

6.4	EU ETS emissions	Information	Document reference	Authorised signature	Completion date
	EU ETS emissions in footprint year	<<insert xxx tCO ₂ >>			

M.6.5 Electricity Generating Credits

If any of the electricity you generated in the footprint year was exported to the grid or to other users or self supplied, you may be able to claim [Electricity Generating Credits](#). Please note that there are new criteria to claim EGCs for 2012-2013 onwards.

Evidence of generation is needed to demonstrate that:

- self supply is reported accurately
- EGCs are claimed appropriately
- renewable generation has been reported correctly

You will need to keep evidence of:

- EGC eligible electricity generation at a site level (ineligible generation would be generation from, for example, an installation in EU ETS, a nuclear power station, a hydro-generating facility ineligible for a ROC or renewables with a ROC or FIT)
- any supply or self supply arrangements
- any ROCs/FITs claimed or issued

6.5	Electricity credits	Information	Document reference	Authorised signature	Completion date
	Electricity sources – export meter identifiers with evidence of electricity credit eligibility	<i>Yes or N/A</i>			
	Total generated (includes self supply)	<i>xx kWh</i>			
	Total exported by meter identifier (grid/other users)	<i>xx kWh</i>			
	Grid average emissions factor (kgCO ₂ /kWh)	<i>0.541 per kWh</i>			
	Calculated emissions credit (generated × grid factor × 0.001)	<i>xx tCO₂</i>			

M.6.6 Residual Measurement List

If you compiled a [Residual Measurement List](#), you will need to keep a record of it in your evidence pack by completing [Table 6.6](#).

6.6	Residual Measurement List	Information	Document reference	Authorised signature	Completion date
	Have you compiled a Residual Measurement List? If so please supply this as a schedule.	<i>Yes or No</i>			
	Regulated emissions* as a percentage of total footprint emissions	<i>xx% comprising:</i>			
	EU ETS emissions – regulated emissions as a percentage of total footprint emissions	<i>xx%</i>			
	CCA emissions outside of EU ETS as a percentage of total footprint emissions	<i>xx%</i>			
	Core emissions outside of EU ETS and CCAs as a percentage of total footprint emissions	<i>xx%</i>			
	Residual Measurement List supplies as a percentage of total footprint emissions	<i>xx%</i>			

* Core emissions, EU ETS emissions, CCA emissions and emissions from non-core supplies on the Residual Measurement List

M.6.7 Other energy supplies

You need to list fuel sources that do not appear on the list of CRC non-core fuels in your Footprint Report. But you do not need to account for energy supplies from these other fuel sources in your Annual Report or purchase and surrender allowances for these.

6.7	Other energy supplies	Information	Document reference	Authorised signature	Completion date
	Evidence that non-CRC energy sources have been included in the evidence pack as part of the Footprint Report.	<i>Yes or N/A</i>			

Annex M Section 7: Annual Report

Why is this section relevant?

This section tells you what evidence you need to collect and retain to support the data that you have included in your most recent [Annual Report](#).

You must keep the information relating to your first Annual Report for the duration of your involvement with CRC.

What do I need to do and when?

If you are a CRC participant (without a general or group exemption), you need to complete this section by the last working day in July following the annual reporting year.

What are the relevant data sources and primary records?

Sources of information for this part of the evidence pack are likely to include:

- supplier invoices and annual statements
- internal records of estimates in the period
- meter read log sheets
- schedule of CHP sets, log sheets/statements for heat output, power output, and fuel input
- evidence of qualifying for ROCs and FITs

M.7.1 Summary of most recent Annual Report

The first step is to answer the statements in [Table 7.1](#).

7.1	Summary of records	Information	Document reference	Authorised signature	Completion date
	Headline energy data for the most recent Annual Report are summarised in Section 2 of this document.	<i>For example, Yes</i>			
	Most recent Annual Report is attached as a schedule to this section.	<i>For example, Yes</i>			

M.7.2 Energy supply data

Please note that there are a number of changes from 2012-2013 onwards.

- You will only need to report on electricity and gas.
- There will be no distinction between core and residual supplies.
- You will not need to provide information relating to the Early Action Metric or Growth Metric.

However, this section has not been amended as you will need to keep records for the first two compliance years of Phase 1.

List all the supplied fuels you consume that will be used to calculate your [CRC emissions](#), referring to appropriate documents for supporting evidence.

You may use [estimates](#) to fill gaps in your information about supplies. You will need to retain data that support your estimate, such as statements or invoices from a comparable period. In CRC, an estimation uplift of 10% is applied when the period of the estimate is greater than half of the compliance year. Details of when and how this uplift is applied are provided in [section 3.2.9](#) of the main part of this manual. You should therefore ensure that your supply schedule identifies clearly where you have had to estimate supplies **and** where they meet the criteria for being classified as a [CRC estimate](#) (and complete [Table 7.2.4](#)).

Note that you may be liable to a penalty for inaccurate reporting if any of the supplies or emissions reported differ by more than 5% from the supplies or emissions that should have been reported, ignoring any [estimation uplifts](#). [Annex D](#) lists the penalties available under the [CRC Order](#).

Please remember to keep your original records of energy supply in your evidence pack, as you may be asked to refer to them during an audit.

7.2.1	Data for the annual reporting year	Energy data	Document reference	Authorised signature	Completion date
	Total relevant energy supply, comprising:				
	Core electricity	<i>XX kWh</i>			
	Core natural gas	<i>XX kWh</i>			
	EGCs (refer to Annex M Section 7.2.6)				
	Renewable electricity generated (refer to Annex M Section 7.2.7)				
	Electricity from renewable sources	<i>xxxxx kWh</i>			
	ROCs/FITs issued/received	<i>Number</i>			
	Electricity covered by ROCs or FIT*	<i>kWh</i>			

* Check ROC banding for ROCs issued.

Review the following tables and provide data records for these where appropriate.

M.7.2.1 Supplier invoices

Summarise the data on a schedule and confirm the statement in [Table 7.2.2](#) if you are using this as your method of data collection.

7.2.2	Supplier invoices	Information	Document reference	Authorised signature	Completion date
	Copies of all relevant supplier invoices in the period have been collated and are available for inspection, for example, electricity, natural gas and bulk fuels.	<i>For example, Yes</i>			

M.7.2.2 Supplier annual statements

Summarise data on a schedule and confirm the statement in [Table 7.2.3](#) if you are using this as you method of data collection.

7.2.3	Supplier annual statements	Information	Document reference	Authorised signature	Completion date
	Supplier annual statements have been collated for the CRC reporting year and are available for inspection.	<i>For example, Yes</i>			

M.7.2.3 Estimated readings

To avoid electricity and gas supplies being classed as estimated, a minimum of two meter readings, taken by the energy supplier or the participant, are required covering at least half of the reporting year.

Note: For other fuel supplies, the participant must prove the quantity of fuel they have been supplied with via invoices or delivery notes covering at least half of the reporting year (see [section 3.2.9](#) in the main part of this manual).

7.2.4	Estimated readings	Information	Document reference	Authorised signature	Completion date
	Estimates have been based on calculations and the basis for these is supplied as a schedule.	Yes or N/A			

M.7.2.4 Corroboration of meter readings

In-house meter read data should follow the CRC compliance year from 1 April to the 31 March. You should retain records of meter readings in your evidence pack (including log sheets if you have a manual system) if you are using this as your method of data collection.

Note: Your supply will not be subject to the 10% uplift for estimated energy supplies provided that you have at least two meter readings half a year apart.

7.2.5	Corroboration of meter readings	Information	Type of system	Document reference	Authorised signature	Completion date
	In-house meter read (specify manual system or automatic, for example, EMS)	Yes or N/A	Manual or automatic system?			

7.2.6	Emissions factors used	Information	Document reference	Authorised signature	Completion date
	The emissions factors used are those established by CRC. A list of factors used is supplied as a schedule.	Yes or N/A			

M.7.2.5 Explanation of calculations for separating excluded use

These data may apply to the separation of domestic use or the removal of transport-related use from mixed use sources. You should provide evidence for the approach you took to calculating them.

7.2.7	Separating excluded use	Information	Document reference	Authorised signature	Completion date
	Basis for calculations to separate excluded use(s) has been supplied as a schedule.	Yes or N/A			

M.7.2.6 EGCs

In certain circumstances you can earn Electricity Generating Credits (EGCs) for generating and supplying (including [self supply](#)) electricity that has not been produced from:

- an installation in EU ETS
- a hydro-generating facility ineligible for a ROC
- a nuclear power station
- renewables with a ROC or FIT

The criteria for claiming EGCs from 2012-2013 onwards have changed so that EGCs can only be claimed if the four criteria above are met **and** the input fuel has not been previously reported, or should previously have been reported as a core fuel or fuel on a Residual Measurement List.

Evidence of generation is needed to demonstrate that:

- self supply is reported accurately
- EGCs are claimed appropriately
- renewable generation has been reported correctly

You will need to keep evidence of

- eligible electricity generation at a site level
- any supply or self supply arrangements

7.2.8	EGCs	Information	Document reference	Authorised signature	Completion date
	Calculation giving basis for EGC has been supplied as a schedule.	Yes or N/A			

M.7.2.7 ROCs and FITs

The evidence needs to include details of generation, supply and consumption at the site of generation.

7.2.9	ROCs and FITs	Information	Document reference	Authorised signature	Completion date
	Evidence that renewable energy has been generated that claims ROCs or receives FITs	Yes or N/A			

M.7.3 Metrics – supporting information

M.7.3.1 Early Action Metric (EAM)

To support your claims under the EAM you need to add the following to your evidence pack:

- Carbon Trust Standard (CTS) or equivalent scheme certificate
- a copy of the data supplied for certification under the CTS or an equivalent scheme
- a copy of the data and calculations showing how the CRC emissions coverage under an equivalent scheme has been calculated for credit under the EAM
- a copy of the data and calculations showing how you calculated your voluntary AMR percentage for credit under the EAM

7.3.1	Carbon Trust Standard or equivalent and voluntary AMR percentage	Information	Document reference	Authorised signature	Completion date
	Evidence of the percentage of your non-mandatory electricity and gas supplies measured by voluntary AMR, HH metering and dynamic unmetered supply	Yes or N/A			
	Evidence of the percentage of CRC emissions covered by the CTS or equivalent has been supplied as a schedule	Yes or N/A			

M.7.3.2 Growth Metric

You need to provide information to support your reported annual turnover/revenue expenditure in your evidence pack and confirm the statement in Table 7.3.2.

7.3.2	Growth metric	Information	Document reference	Authorised signature	Completion date
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Evidence for the reported annual turnover (generally private sector) or revenue expenditure (relevant for most public bodies) such as annual accounts has been supplied as a schedule.	Yes or N/A			
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M.7.4 Additional information on carbon management

In the [Participant Summary](#) and [Participant Scorecard](#), which are part of the Performance League Table (PLT) for the years 2010-2011 and 2011-2012, we publish the responses to four questions about each participant's carbon management. There will be no PLT from 2012-2013 onwards

You can select 'Yes', 'No' or 'No answer' to these questions.

If you choose to answer these questions, you will need to retain evidence to support your response.

7.4.1	Responses to corporate responsibility questions	Information	Document reference	Authorised signature	Completion date
	Have you included evidence that your CRC organisation discloses in its annual reporting long-term carbon emission reduction targets in respect of its CRC energy supplies?	Yes/No or no answer			
	Have you included evidence that your CRC organisation discloses in its annual reporting carbon emissions performance against these targets?				
	Have you included evidence that your CRC organisation names in its annual reporting a director or person with managerial responsibility with responsibility for overseeing carbon performance, in respect of its emissions reduction targets and performance against them?				
	Have you included evidence that your organisation actively engages employees to reduce carbon emissions?				

M.7.5 Annual Reports supplied and archived

You must keep all records used to compile your Annual Reports for the whole of the relevant [phase](#) and for a further seven years after the end of the phase to which they relate. If longer, you must keep your first Annual Report for as long as you remain in the scheme.

If you are selected for an audit and, if requested by us, you must give us all the data you have collected from the previous seven years.

7.5	Annual reports in phase	Tick (✓) when included	Document reference	Authorised signature	Completion date
	Annual report year 1 – summary, archived data	For example ✓			

	Annual report year 2 – summary, archived data				

Annex M Section 8: Special events/change records (including designated change)

Why is this section relevant?

You should use this section to tell us about any changes or events that had an impact on your organisation during the scheme year. This could be changes to your organisation's structure, changes in your involvement in EU ETS or CCAs, changes to energy supplies or details of meter failures.

What do I need to do and when?

You must ensure all changes are up-to-date for any reporting deadline, that is, qualification, Footprint Report or Annual Report.

What are the relevant data sources and primary records?

Sources of information for this part of the evidence pack are likely to include:

- annual reports
- correspondence with the regulator/administrator
- reports from meter servicing agents
- Companies House documentation
- energy supply contracts
- internal records of meter readings
- CCA or EU ETS documentation on revised eligibility
- purchase/sale contracts and other similar documents

M.8.1 Change of contacts/responsibilities for 'officers'

Complete [Table 8.1.1](#) if you make any changes to your [Senior Officer](#) (designated director or equivalent) and [Table 8.1.2](#) if you make changes to your [Primary](#) or [Secondary](#) Contacts during the scheme year. You should also update the information in [Annex M Section 4](#).

So that your new contacts can access the [CRC Registry](#) you need to change their contact details as soon as possible. One of your contacts needs to log into the registry and make the necessary changes. Details on how new contacts access the account are provided in [Section 8.1](#) of the main part of the manual.

8.1.1	Change in nominated director (or equivalent)	Information	Document reference	Authorised signature	Completion date
	Date effective from				
	Name of new Senior Officer				
	Evidence for transfer of responsibilities				
	Summary of changes to date				

8.1.2	Change in primary, secondary or account representative contacts	Information	Document reference	Authorised signature	Completion date
	Date effective from				
	Name of new Primary, Secondary or other contact and CRC role				
	Evidence for transfer of responsibilities				

M.8.2 Change made to supply list or supplier

You should record details of any changes to your supply list, such as new meters or termination of current meters ([Table 8.2.1](#)) and changes of energy supplier ([Table 8.2.2](#)). You should also update your supply list in [Annex M Section 5](#) to include these changes as they happen.

You must keep the original supply list you used as the basis of data for your Footprint Report for as long as you participate in CRC.

8.2.1	Change to supply list	Information	Document reference	Authorised signature	Completion date
	Date effective from				
	Details of change				
	Reason for change				
	Evidence for change				

8.2.2	Change in energy supplier	Information	Document reference	Authorised signature	Completion date
	Date effective from				
	Details of old supplier				
	Details of new supplier				
	Evidence for transfer of account				
	Records of affected sources				

M.8.3 Change to company structure

Use [Table 8.3](#) to record changes to your company structure that affect your CRC participation but which are not [designated changes](#). Designated changes are covered in [Annex M Section 8.9](#).

8.3	Change in organisational structure	Information	Document reference	Authorised signature	Completion date
	Date effective from				
	Details of change				
	Reason for change				
	Evidence for change				

M.8.4 Changes to EU ETS/CCA coverage

Use [Table 8.4](#) to record changes to coverage under EU ETS and/or CCAs.

8.4	Change to EU ETS/CCA coverage	Information	Document reference	Authorised signature	Completion date
	Date effective from				
	Details of change				
	Reason for change				
	Evidence for change				

M.8.5 Faults/breakdowns affecting reporting

Use [Table 8.5](#) to record any meter failures during the reporting year that have affected your reporting.

8.5	Meter failures	Information	Document reference	Authorised signature	Completion date
	Meter identifier number				
	Date failed from/to				
	Details of failure and repair/replacement				
	Evidence for data supplied in non-operational period (that is, meter readings before and after)				

M.8.6 Energy use over reporting year

Use [Table 8.6](#) to record any significant changes in energy use during the reporting year.

8.6		Information	Reason(s) (if known)	Document reference	Authorised signature	Completion date
	Have there been any substantial increases/decreases in your energy use over the reporting year?	Yes/No?	(Comment on reason, if applicable)			

M.8.7 Accuracy/consistency over scheme year

Note in [Table 8.7](#) any changes affecting the accuracy of any of your meters.

8.7		Information	Reason(s) (if known)	Document reference	Authorised signature	Completion date
	Have there been any decreases in the accuracy or consistency of meters over the scheme year?	Yes/No?	(Comment on reason, if applicable)			

M.8.8 Correspondence with the administrator or regulators

The type of correspondence you should keep records of includes:

- information requests and formal notifications from the administrator
- error notifications you make to the administrator
- individual correspondence between yourself and the administrator

8.8	Correspondence	Information	Document reference	Authorised signature	Completion date
	Has all relevant correspondence with the administrator been included in your evidence pack?	<i>Yes or N/A</i>			

M.8.9 Designated changes

Use [Table 8.9](#) to record details of any [designated changes](#) during the reporting year.

Note that any significant [public sector](#) organisational changes, any significant [government department](#) changes or [relevant decision](#) changes should also be outlined.

8.9	Designated changes	Information	Document reference	Authorised signature	Completion date
	Date effective from				
	Details of change				
	Reason for change				
	Evidence for change				
	Evidence of notification of change in CRC Registry				

Annex M Section 9: Exemptions and exclusions

Why is this section relevant?

This section outlines the evidence that should be kept in support of:

- supply excluded because it is covered by a CCA
- supply excluded because it is covered by EU ETS
- a claim for a CCA exemption from the CRC scheme
- supply not covered by CRC – transport and domestic supply, supply not for use in the UK, unconsumed supply and public lighting (Northern Ireland only)

There are three types of CCA exemption that you could have claimed either at registration or when you submitted your [Footprint Report](#); these exemptions are detailed in [Annex B](#). The evidence pack requirements are explained below in sections M.9.1 to M.9.4. You will need to keep records of exempt supplies in support of your Footprint Report and, in the case of member CCA exemptions, in support of supplies not reported in your [Annual Reports](#).

Exclusion of EU ETS sources is relevant only for the Footprint Report. You do not need to keep information about excluded EU ETS sources for Annual Reports.

You will need to keep records of removal of the emissions from excluded sources (for example, excluded domestic accommodation, transport and supply to others) used as part of your qualification data and when compiling your Footprint Report. You will not need to keep records of excluded sources when compiling your Annual Reports unless they have been estimated from supplies used for wider purposes, in which case you will have to keep evidence of their estimation.

What are the relevant data sources and primary records?

Sources of information for this part of the evidence pack are likely to include:

- evidence you are required to keep in support of your CCA
- CCA milestone energy consumption and corresponding emissions
- CCA target unit re-certification lists (obtainable from DECC)
- EU ETS 7 annual compliance reporting form
- statements or invoices from suppliers of transport fuel

M.9.1 Member CCA exemption and general CCA exemption (claimed at registration)

Refer to [Annex M Section 9.3](#) for exemptions claimed with your Footprint Report.

A [member CCA exemption](#) may apply to a subsidiary of your organisation if you are a group. A [general CCA exemption](#) may apply to the whole of your organisation if you are a single entity organisation.

If you claimed a member or general CCA exemption at registration, supporting data for the CCA exemption should be provided in [Table 9.1](#). This should include evidence of the calculation of:

- your [total energy supply emissions](#) by energy source for the CCA target period ending in the qualification period
- emissions covered under CCA in the corresponding CCA target period

Other documents may include proof of re-certification under a CCA.

If more than one CRC subsidiary is exempt, please list these out separately by inserting additional rows in [Table 9.1](#).

9.1	CCA identifier (TUI/facility)	CCA emissions (tCO ₂)	Total emissions (tCO ₂)	CCA as a percentage of total emissions	Document reference	Authorised signature	Completion date
	SEA/00xxx/00001 and name of organisation/facility	xxxx tCO ₂	xxxx tCO ₂	xx%			
	SEA/00xxx/00002 and name of organisation/facility	xxxx tCO ₂	xxxx tCO ₂	xx%			
	etc.						
	Total emissions for the undertaking/participant	xxxx tCO ₂	xxxx tCO ₂	xx%			

M.9.2 Group CCA exemption (claimed at registration)

All parts of your organisation not exempted by any member CCA exemptions must take part in CRC except where the qualifying electricity supplied to the parts of your organisation not covered by a CCA member exemption in the qualification period was less than 1,000MWh. In this case, your entire organisation is exempt from CRC for the particular phase under the [group CCA exemption](#) – unless the exemption ceases due to the organisation no longer being subject to a CCA target.

To support the group exemption, you need to provide evidence for the remaining qualifying half hourly (HH) electricity during the qualification period.

You need to provide in [Table 9.2\(a\)](#) a total for exempt qualifying electricity for each undertaking for which you have claimed a member CCA exemption.

9.2(a)	CCA identifier (TUI/facility)	Name of organisation/facility	Qualification period qualifying electricity (MWh)	Document reference	Authorised signature	Completion date
	SEA/00xxx/00001					
	SEA/00xxx/00002					
	Total CCA exempt qualifying electricity for undertaking	<i>Name of undertaking</i>				

You then need to provide in [Table 9.2\(b\)](#) a total (exempt qualifying electricity) for the organisation as a whole and demonstrate that your remaining qualifying electricity was less than 1,000MWh.

9.2(b)		Name of organisation/facility	Qualification period qualifying electricity (MWh)	Document reference	Authorised signature	Completion date
	Total CCA exempt qualifying electricity					
	Total CRC organisation qualifying electricity					
	Remaining qualifying electricity					

M.9.3 Member CCA exemption and general CCA exemption (claimed in Footprint Report)

If you claimed a [member CCA exemption](#) or a [general CCA exemption](#) in your Footprint Report, you must work out your [total emissions](#) and CCA emissions for the CCA target year ending in the footprint year (1 April 2010 to 31 March 2011).

If you have more than one exempt CRC undertaking, list these separately by repeating [Table 9.3](#) as many times as is necessary.

If any part of your organisation no longer has operations detailed in a [specified facility certificate](#), you will need to include its emissions in CRC from the start of the next compliance year.

9.3	CCA identifier (TUI/facility)	CCA emissions (tCO ₂)	Total emissions (tCO ₂)	CCA as a percentage of relevant emissions	Document reference	Authorised signature	Completion date
	SEA/00xxx/00001 and name of organisation/facility	xxxx tCO ₂	xxxx tCO ₂	xx%			
	SEA/00xxx/00002 and name of organisation/facility	xxxx tCO ₂	xxxx tCO ₂	xx%			
	etc.						
	Total emissions for the undertaking/participant and name of undertaking	xxxx tCO₂	xxxx tCO₂	xx%			

M.9.4 Group CCA exemption (claimed in Footprint Report)

You may have claimed an exemption for your whole group as part of your [Footprint Report](#). The group exemption is described in [Annex M Section 9.2](#).

You therefore need to provide in [Table 9.4\(a\)](#) a total for exempt qualifying electricity for each undertaking for which you have claimed a member CCA exemption.

9.4(a)	CCA identifier (TUI/facility)	Name of organisation/facility	Footprint year HHM electricity (MWh)	Document reference	Authorised signature	Completion date
	SEA/00xxx/00001					
	SEA/00xxx/00002					
	Total CCA exempt qualifying electricity for undertaking	<i>Name of undertaking</i>				

You also need to provide in [Table 9.4\(b\)](#) a total (exempt [qualifying electricity](#)) for the organisation as a whole and demonstrate that your remaining qualifying electricity was less than 1,000MWh.

9.4(b)		Name of organisation/facility	Footprint year HHM electricity (MWh)	Document reference	Authorised signature	Completion date
	Total CCA exempt qualifying electricity					
	Total CRC organisation qualifying electricity					
	Residual qualifying electricity					

If any part of your organisation no longer has operations detailed in a [specified facility certificate](#), you will need to include its emissions in CRC from the start of the next compliance year.

If you lose any of your member exemptions you will need to re-asses your group exemption. If qualifying electricity supplied to group members that are not subject to a CCA exemption exceeds 1,000MWh, you will lose your group CCA exemption and you will have to participate in CRC from the next compliance year.

Please notify the administrators of any changes to your CCA status using the [CRC Registry](#).

M.9.5 Non-exempt CCA – footprint year

Even if you do not qualify for a CCA exemption, you do not have to report annually or buy allowances for any emissions that are covered by a CCA. However, you do need to record in [Table 9.5](#) details of your CCA emissions that are not subject to member, general or group exemptions in order to support your Footprint Report ([Annex M Section 6](#)).

9.5	Non-exempt CCA emissions	Information	Document reference	Authorised signature	Completion date
	Total emissions from subsidiary undertakings with CCA group or member exemption	<<insert xxxx tCO ₂ >>			
	Remaining CCA emissions in footprint year (excluding those from exempt subsidiaries)	<<insert xxxx tCO ₂ >>			

CRC and CCA reporting periods do not align. Please see [Annex B](#) for further details on how to calculate your CCA emissions for the [footprint year](#) in relation to the CCA target period.

M.9.6 EU ETS exclusion – footprint year

Emissions included in the EU ETS are excluded from CRC Annual Reports. Nevertheless you still need to provide a record of your EU ETS emissions ([Table 9.6](#)) in your Footprint Report.

Evidence for EU ETS exclusion could include details of any EU ETS emissions, as per verification reports or reported on the EU ETS community international transaction log. This will support your footprint report data in [Annex M Section 6](#).

9.6	EU ETS identifier	EU ETS emissions (tCO ₂)	Document reference	Authorised signature	Completion date
	<i>Permit number or NAP ID</i>	<i>xxxx tCO₂</i>	<i>For example, EU ETS 7 annual compliance reporting form</i>		
	Total EU ETS footprint year emissions	<i>xxxx tCO₂</i>			

CRC and EU ETS reporting periods do not align. Please see [Annex B](#) for further details on how to calculate your EU ETS emissions for the [footprint year](#) in relation to the EU ETS reporting period.

M.9.7 Supply exclusions

Excluded EU ETS and CCA sources are identified separately in [Annex M Table 5.1.6](#).

9.7		Information	Document reference	Authorised signature	Completion date
	Confirm that supply exclusions for EU ETS and CCA are separately identified under Table 5.1.6 of the evidence pack.	<i>Yes or N/A</i>			
	Confirm that the CCA supplies and emissions have been split from non-CCA supplies.	<i>Yes or N/A</i>			

M.9.8 Transport exclusions – footprint year

Energy is excluded where used for [transport](#). You do not need to record all your transport sources, but if you have vehicles taking part of a supply the rest of which would be eligible for CRC, you should record in [Table 9.8](#) evidence of the exclusion of the transport element.

9.8	Transport exclusion by source type	Information	Tick (✓) when included	Document reference	Authorised signature	Completion date
	Type of source and nature of shared supply	<i>Attached as a schedule</i>				
	Type of supply – electricity, natural gas, oil, bulk supplies/other (please specify)					
	Evidence (including emissions calculations) for exclusions			<i>For example, supplier statement or invoices</i>		

M.9.9 Domestic exclusions

You do not need to include energy supplied for domestic accommodation in your reported CRC supplies unless that housing is provided for the purposes of education, employment, religion, recreation, service or care. Please refer to the [section 3.2.5](#) of the main part of this manual.

You do not need to keep records of all residential supplies except:

- where they are excluded from a mixed use building
- where you have communal areas in mixed use buildings and you have decided to keep them in CRC

Where residential supplies are excluded from a mixed use building, records should be kept showing the basis for any deductions carried out for domestic accommodation.

Note that estimated supplies in [mixed use buildings](#) will be subject to the 10% [estimation uplift](#).

9.9	Domestic exclusions	Yes/No, Comment	Estimated?	Document reference	Authorised signature	Completion date
	Have domestic deductions been made?					
	Have domestic exclusions been estimated?					
	Evidence (including emissions calculations) for deductions attached in schedule					

M.9.10 Not for own use (unconsumed supply)

You do not need to include energy that is not for your own use (unconsumed supply) as part of your CRC emissions, except in instances where you are a landlord that provides onward supply to your tenants.

Specify in [Table 9.10](#) the calculated unconsumed supply. Please refer to the [unconsumed supply rule](#) in section 3.2.4 of the main part of this manual for further information.

9.10	Unconsumed supply exclusion by source type	Tick (✓) when included	Document reference	Authorised signature	Completion date
	Type of source – electricity, natural gas, oil, bulk supplies/other (please specify)				
	Evidence (including emissions calculations) for exclusions		<i>For example, supplier statement or invoices</i>		

Annex N: Example Memorandum of Account

MEMORANDUM OF ACCOUNT: Payment for CRC Allowances 2013/14

Payee: Department of Energy and Climate Change	VAT: Outside Scope
Payee Address: DECC CRC 3 Whitehall Place London SW1A 2AW	Reference: «Reference_Number»
	Due Date: 19 September 2014

«Nominal_Highest_UK_Parent»
«Primary_Name»
«Street»,
«Town»,
«Postcode»

Order Placed By: «Postcode»

CRC Reg No :	«Registrant_Number»
Due Date :	19 September 2014
Amount GB Pounds Sterling	
	«Date_Raised»

Memorandum of Account for payment in respect of Allowances for the CRC Energy Efficiency Scheme 2012/13

Item	Description	GB Pounds Sterling
001	CRC Phase 1 Allowance Payment for 2013/14 Payment Reference: «Reference_Number» For your Allowance Request dated «Date_Raised» Your Order Reference «Date_Raised» VAT: Outside Scope	«Date_Raised» 0.00
	Total (GB Pounds Sterling)	«Date_Raised»

Payment

Allowance payments must be made in full in GB Pounds Sterling to the DECC bank account shown below.

You must ensure that cleared funds are received by the payee account by 19 September 2014. Please ensure that you allow sufficient time for payments to clear using your chosen method of payment. You may have to allow several days for the payment to clear. Payments that are received into the payee account after 19 September 2014 will not be valid. For payments originating outside the UK please see advice overleaf.

BACS PAYMENT 	<p>To make a payment by BACS/CHAPS you will need your Allowance Payment Reference and the following details:</p> <p>Account Holder Name: Department of Energy and Climate Change Account Name: GBS RE DECC EA FUNDS Bank: Citibank Address: 25 Canada Square, Canary Wharf, London E14 5LB Sort Code: 08-33-00 Account Number: 12938227 IBAN: GB80CITI08330012938227 SWIFTBIC: CITIGB2LXXX</p>
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More details about the CRC Scheme can be found at on the [CRC pages](#) of the Environment Agency's website (www.environment-agency.gov.uk/crc)

If you have any queries please contact the CRC Helpdesk on crchelp@environment-agency.gov.uk or 03708 506 506

Payment

Allowance payments must be made in full in GB Pounds Sterling. Payments made in any other currency will not be valid. Please ensure that your instructions to your bank will cover the payment in full plus any additional charges associated with the bank transaction. For payments originating outside the UK you will need to instruct your bank to take account of the impact of any currency exchange. Failures in this regard will mean have not paid for the allowances you have requested in full, and you will be issued with allowances only up to the value which you have paid. Any balance remaining will be returned to you after the second allocation period closes.

You must ensure that cleared funds are received by the payee account by 19 September 2014. Please ensure that you allow sufficient time for payments to clear using your chosen method of payment. You may have to allow several days for the payment to clear. Payments that are received into the payee account after 19 September 2014 will not be valid.

<p>BACS PAYMENT</p> 	<p>To make a payment by BACS/CHAPS you will need your Allowance Payment Reference and the following details:</p> <p>Account Holder Name: Department of Energy and Climate Change Account Name: GBS RE DECC EA FUNDS Bank: Citibank Address: 25 Canada Square, Canary Wharf, London E14 5LB Sort Code: 08-33-00 Account Number: 12938227 IBAN: GB80CITI08330012938227 SWIFTBIC: CITIGB2LXXX</p>
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<p>CREDIT/ DEBIT CARD</p>	<p>You should pay by BACS / CHAPS if have means to do so. If you have no other option you may also pay using a corporate credit/debit card (see list below) by calling 01904 455395 between 9am and 5pm, Monday to Friday, in the period 1 September to 16 September.</p> <p>This option will only be available up to 16 September 2013 to ensure that cleared funds are received by the payee account by the payment deadline of 19 September 2014.</p>
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Your unique reference code to be used in your BACS/CHAPS transfer is the Allowance Payment Reference number «**Reference_Number**»

It is essential you cite this reference in your BACS/CHAPS transfer to ensure we can identify the payment as yours when it arrives.

Please send your payment remittance advice to:

Email address: fsc-income@environment-agency.gov.uk or send by fax to 01733 464646.

Mark X in the appropriate box:	Mastercard	Visa	Maestro UK		Allocation Payment Reference	e.g. CRCFP1234567
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