



# CRC Energy Efficiency Scheme guidance for participants in Phase 2 (2014-2015 to 2018-2019)

Version 4

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## Version control

This guidance manual 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 have a printed copy of the manual rather than the on-screen version, please check the [CRC web pages \(https://www.gov.uk/government/publications/crc-guidance-for-participants-in-phase-2\)](https://www.gov.uk/government/publications/crc-guidance-for-participants-in-phase-2) to make sure you are reading the latest version.

Version	Date of publication	Actions taken on page/section number	Action (amended/added)
1.0	December 2013		
1.1	January 2014	pages 21 and 81	Correction of typos on pages
2.0	November 2014	All sections	Corrections, updates and amendments to take into account the CRC Amendment Order 2014 and EU ETS installation definition
3	May 2015	Section 3.2.6 Section 3.2.8 Section 7.1	Clarify CCA exclusions Annual Supplier statements Updating contacts Other minor cross referencing corrections
4	September 2015	Section 1.5 Section 3.2.6 Section 5.3.2 Glossary	Inserted bookmarks Amended broken links. In relation to allowance prices for CRC, updated hyperlinks and text

# Executive Summary

## Introduction

This guidance manual aims to help participants comply with the CRC Energy Efficiency Scheme Order 2013 ([CRC Order](#) as amended) during [Phase 2](#) (1 April 2014 to 31 March 2019).

For the remainder of Phase 1 of the CRC which ends on 31 March 2014 please see the CRC [Energy Efficiency Scheme guidance for participants in Phase 1](#) issued in 2013.

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. 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. It is hoped 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 CRC 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 CRC scheme ([section 2](#))

The manual goes on to describe how during Phase 2 you will need to:

- collate your applicable energy supplies ([section 3](#))
- report your CRC supplies via the CRC Registry 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 the CRC administrator up-to-date with any changes affecting your organisation ([section 7](#))

## 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've followed a link in the manual and want to return to your previous location, hold down the ALT key and then press the left arrow on your keyboard.

The manual will be updated periodically so please ensure you check the [CRC web pages](https://www.gov.uk/government/publications/crc-guidance-for-participants-in-phase-2/Environment%20Agency's%20CRC%20web%20pages) (<https://www.gov.uk/government/publications/crc-guidance-for-participants-in-phase-2/Environment Agency's CRC web pages>) for the latest version.

The 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 to the appropriate detailed annexes of this manual or one of the screenshot guidance presentations.

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 legislation 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 the Environment Agency's CRC Helpdesk on [CRChelp@environment-agency.gov.uk](mailto: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](mailto:crc@sepa.org.uk)

This document has been withdrawn 16/02/2020

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# 1. Introduction to the CRC Energy Efficiency Scheme

The CRC Energy Efficiency Scheme (referred to in this manual as the 'CRC scheme' or CRC') is a mandatory UK scheme aimed at improving energy efficiency and cutting carbon dioxide (CO<sub>2</sub>) emissions in large public and private sector organisations. Based on 2011 to 2012 emissions data these organisations are responsible for around 10% of the UK's CO<sub>2</sub> 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 give them a better understanding of energy usage. It is designed to reduce CO<sub>2</sub> emissions not already covered by climate change agreements (CCAs) ([www.gov.uk/climate-change-agreements](http://www.gov.uk/climate-change-agreements)) and the EU Emissions Trading System (EU ETS) ([www.gov.uk/participating-in-the-eu-ets](http://www.gov.uk/participating-in-the-eu-ets)).

The CRC scheme came into force in April 2010 under the CRC Energy Efficiency Scheme Order 2010 and was replaced with the CRC Energy Efficiency Scheme Order 2013 (CRC Order 2013).

The CRC scheme has a number of phases, each consisting of five years with a final phase of four years. Each phase has a qualification period two years before the start of the phase. If your organisation qualifies it is required to register and participate for the whole of the phase.

Organisations that meet the [qualification criteria](#), which for Phase 2 are based on how much qualifying electricity they consumed from 1 April 2012 to 31 March 2013, are required to participate in CRC. Participants are required to monitor their energy use, to report each year and to surrender allowances equal to their CO<sub>2</sub> emissions.

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

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

The Environment Agency manages the [CRC Registry](#). The Registry is used to administer the scheme for the whole of the UK and for online data entry by participants. The Environment Agency also audits and enforces the scheme in England. Likewise SEPA, NIEA and Natural Resources Wales audit and enforce the scheme in Scotland, Northern Ireland and Wales respectively.

The CRC Registry is used by participants to register their organisation, to submit their annual reports and to purchase, surrender and trade 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@environment-agency.gov.uk](mailto:CRChelp@environment-agency.gov.uk)) or by phone on 03708 506 506. Information about the CRC scheme is also available on the [CRC pages of GOV.UK \(www.gov.uk/crc-energy-efficiency-scheme\)](http://www.gov.uk/crc-energy-efficiency-scheme).

. For participants registered in Scotland there is also a SEPA email helpdesk ([crc@sepa.org.uk](mailto: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, you are advised to read this summary before progressing through this manual. You may also find useful the section on [main aspects of the CRC scheme](#) and the [glossary](#) of terms at the end of the manual.

## 1.1 Qualification for Phase 2

The CRC scheme is divided into phases. Phase 2 runs from April 2014 to March 2019. Each phase is divided into compliance years which run from 1 April to 31 March.

[Qualification for Phase 2](#) is 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 meter](#) (HHM) settled on the half hourly electricity market **and** used at least 6,000 megawatt hours (MWh) of electricity through all its [settled half hourly meters](#) (sHHMs) from 1 April 2012 to 31 March 2013 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 the qualification year.

Where your organisation qualified for the CRC scheme it should have registered with the Environment Agency by 31 January 2014. You can [access](#) your organisation's account via the [CRC web pages](#) if you are named as a contact for the account and have the necessary login details.

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

## 1.2 Energy supplies

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

Organisations that are participants in the CRC are required to report each year on their gas and electricity supplies that are included in the scheme.

In general an organisation is responsible for its CO<sub>2</sub> emissions calculated on the basis of the energy it uses. If you pass on energy to another organisation and your [unconsumed energy](#) is metered, then the undertaking you pass it on to is responsible for that part of the supply. The main exception to this is where you are a tenant (except for a [construction lease](#)) and purchase your energy via your landlord. In this instance the [landlord](#) is responsible for the supply. There is specific guidance for more [complex supply](#) and organisational relationships such as [private finance initiative](#) (PFI) situations, [trusts](#) and [private equity funds](#).

Some supplies are [excluded](#) from CRC, such as [supplies covered by a CCA or the EU ETS](#), and are not required to be reported.

## 1.3 Reporting

### 1.3.1 Annual report

Participants need to submit an [annual report](#) via the CRC Registry by the last working day of July after the end of each compliance year of a phase (Table 1.1).

**Table 1.1: Reporting deadlines for Phase 2**

<b>Compliance year</b>	<b>Annual reporting deadline</b>
1 April 2014 to 31 March 2015	Friday 31 July 2015
1 April 2015 to 31 March 2016	Friday 29 July 2016
1 April 2016 to 31 March 2017	Monday 31 July 2017
1 April 2017 to 31 March 2018	Tuesday 31 July 2018
1 April 2018 to 31 March 2019	Wednesday 31 July 2019

## 1.4 Calculating CRC emissions

CRC emissions (in tonnes of CO<sub>2</sub>) are calculated by the [CRC Registry](#) from the data in your annual report. For CRC purposes, CO<sub>2</sub> emissions are based on standard emission factors for electricity and gas. These emission factors will be set every year based on the government's standard greenhouse gas (GHG) emission factors. [See Annex C for emission conversion factors](#). These emission factors will be published each summer and will be available on the [CRC web pages](#).

You are responsible for entering your report data into the CRC Registry. The online data entry system will calculate your emissions for you from the supply information you enter in the annual report screens.

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 electricity and gas 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](#) will be different from your suppliers' definitions of estimated supply.

If, for a given compliance year, there are not at least two meter readings six months apart 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 appropriate screen in your annual report. In this instance, the CRC Registry will add 10% to the emissions associated with that supply. This addition is specified by the CRC Order.

## 1.5 CRC allowances

For each compliance year, participants must [order](#), [pay for](#) and [surrender](#) allowances to cover their annual CRC emissions in tonnes of carbon dioxide (tCO<sub>2</sub>).

One CRC allowance equals one tonne of carbon dioxide (CO<sub>2</sub>).

Allowances can be purchased in government sales of allowances or, if available, on the secondary market. The government allowance sale price is subject to the Budget process and depends on whether the allowances are bought from the [forecast sale](#) or [buy to comply sale](#) for each compliance year.

The Allocation Regulations 2013 set allowance prices for 2014-15 at £15.60 per tonne of carbon dioxide in the forecast sale (April 2014) and £16.40 per tonne of carbon dioxide in the buy to comply sale (June/July 2015).

The allowance price in special allocations for 2014/15 non-compliances is £16.40.

Allowance prices for sales beyond the 2014-15 compliance year are published on the [CRC web pages](#).

## 1.6 Publication of annual emissions

Each year the Environment Agency will publish a table as part of the Annual Report Publication (ARP) 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
- CRC emissions (tCO<sub>2</sub>)
- Renewable Obligation Certificates (ROCs) emissions (tCO<sub>2</sub>)
- Feed In Tariffs (FITs) emissions (tCO<sub>2</sub>)
- self-supply ROCs and FITs emissions (tCO<sub>2</sub>)
- self supply on-site generated from renewable sources not claiming ROCs or FITs
- participant responses to corporate responsibility questions
- participant report comments

Emissions from previous years in the Phase will also be republished.

DECC and the Devolved Administrations are currently planning engagement with participants to consider the following:

- Developing the renewable data elements of the ARP to provide a more accurate reflection of the green credentials of participants
- Including gas and electricity supply data in future publications

- Including turnover data in future publications.

Participants will be advised of any changes to the publication resulting from this engagement.

This document has been withdrawn 16/02/2020

## 2. Main 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 via the [CRC Registry](#) 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 the CRC administrator up-to-date with any changes affecting your organisation (see [section 7](#))
- Table 2.1 give the dates for the annual ordering, payment, allocation and surrendering windows.

The flow charts below (2.1, 2.2 and 2.3) guide you through the annual report submission steps, the allowances process, and the overall reporting and allowances flows. Please note that forecast sale dates refer to the start of the compliance year ie April 2014 for the 2014-15 compliance year and the buy to comply dates refer to the previous compliance year ie the buy to comply order window for the 2014-15 year is in June and July 2015.

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Fig 2.1 Annual reporting

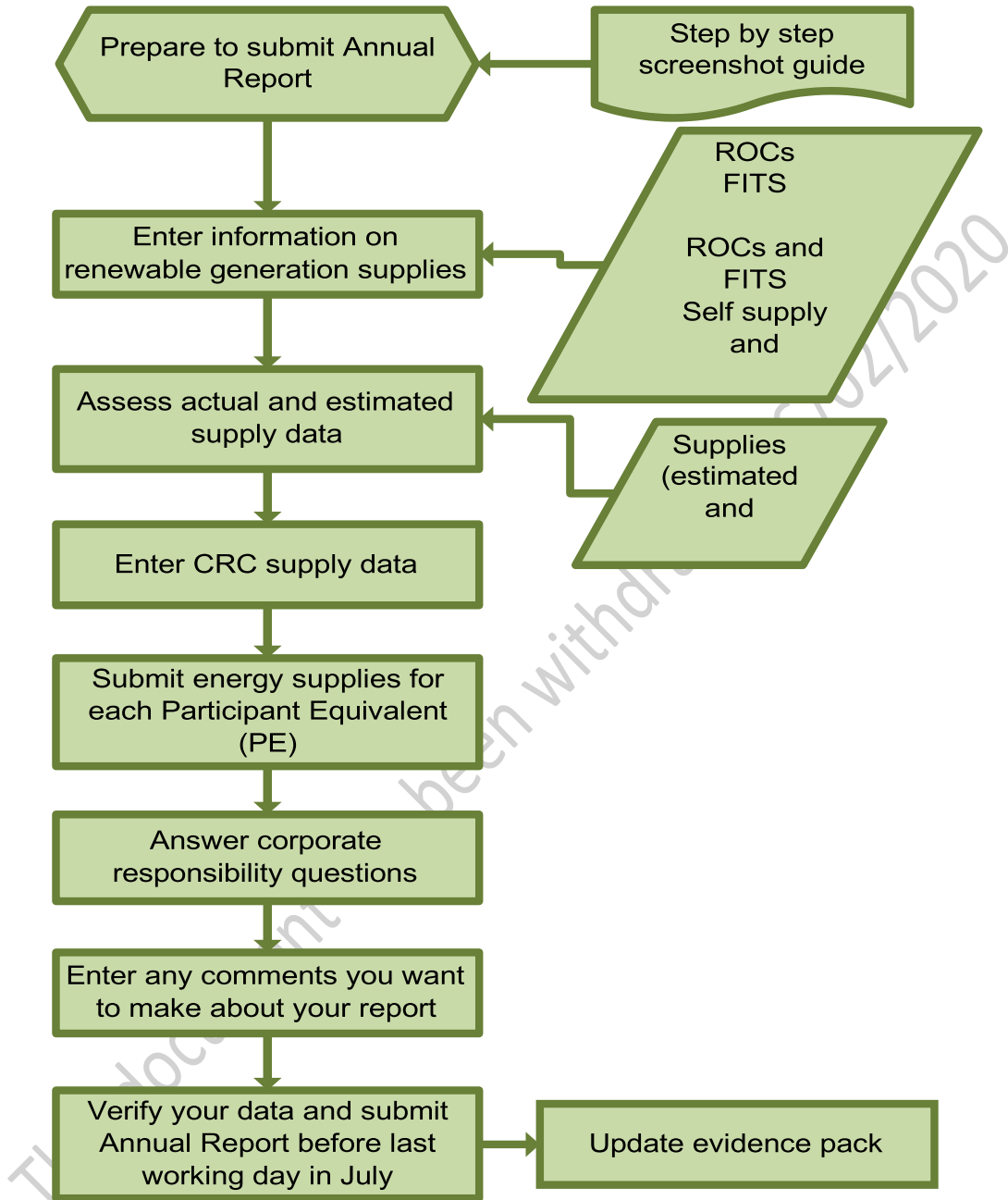
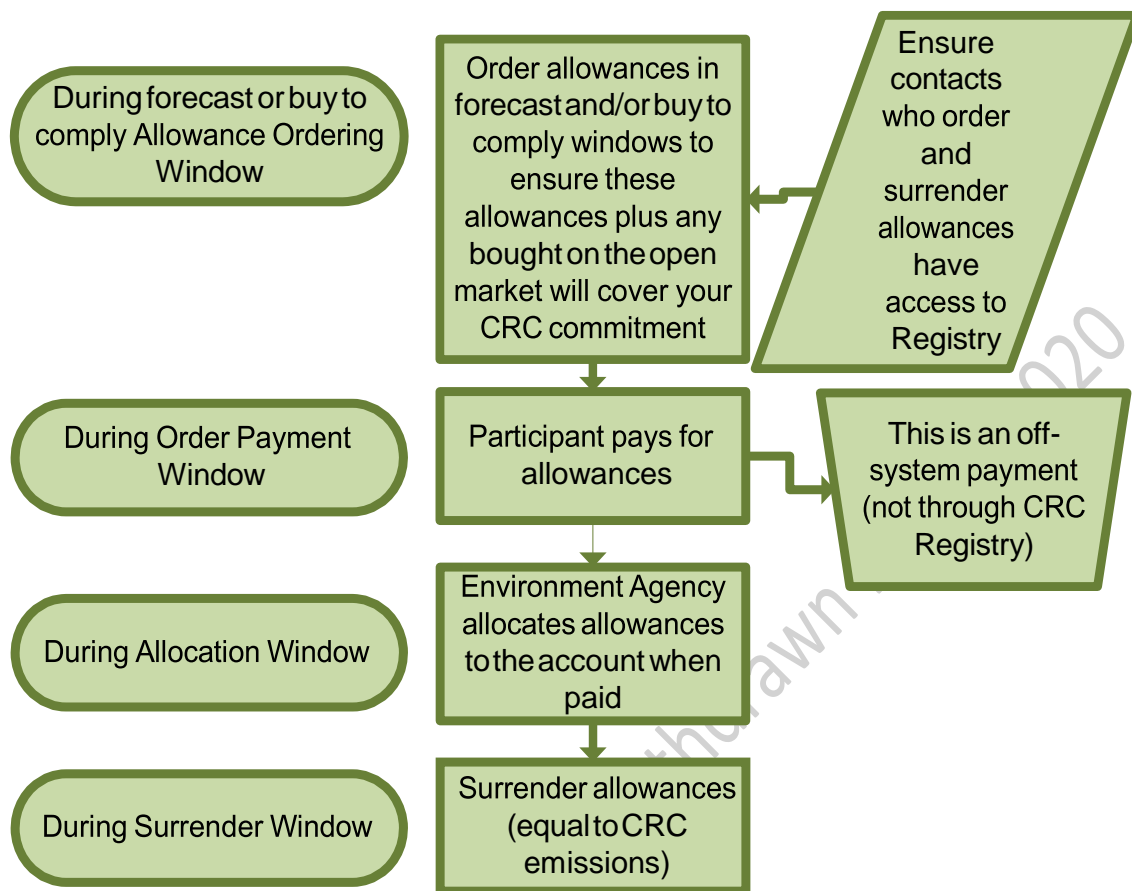


Fig 2.2 Allowances process





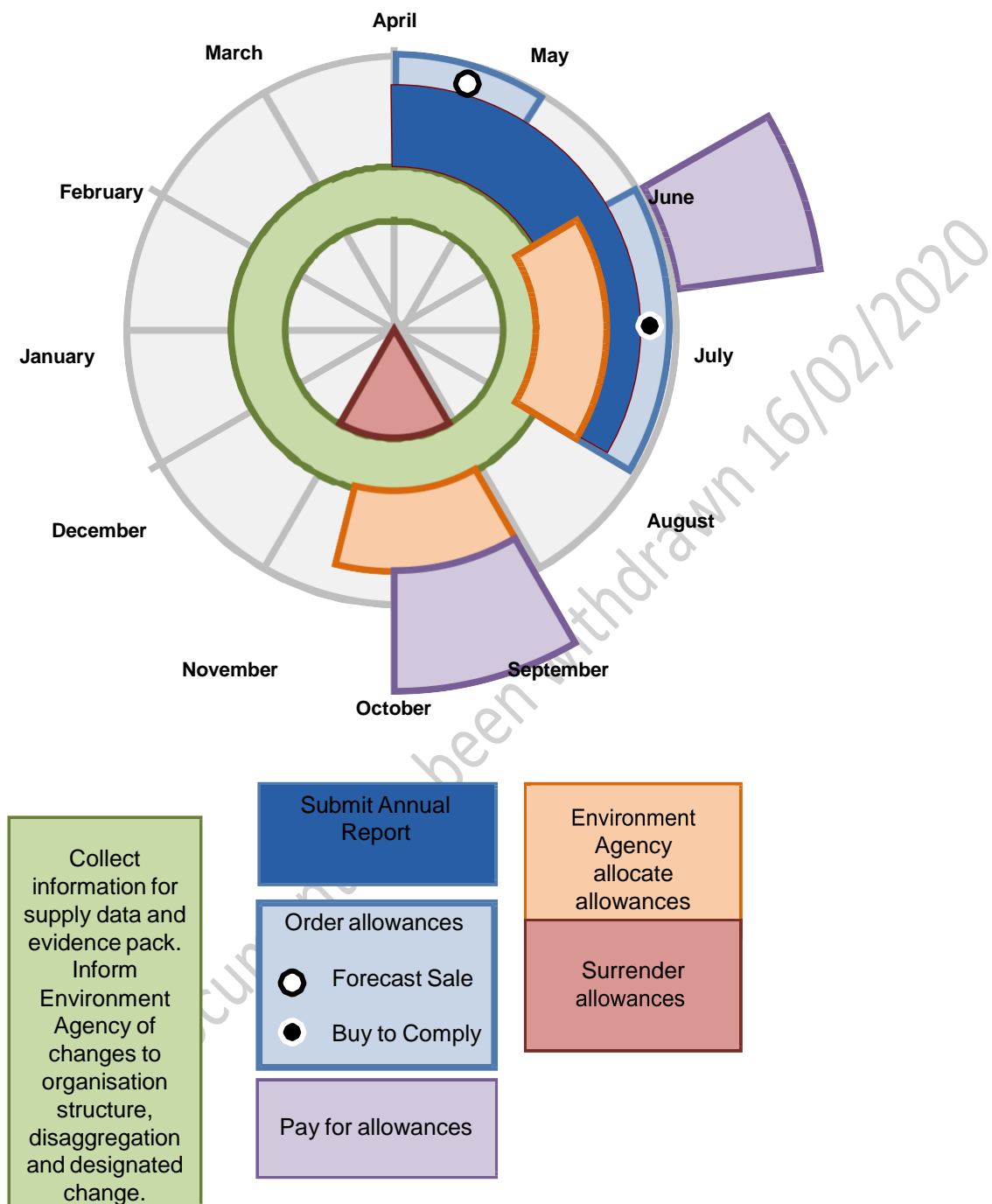
**Table 2.1: Forecast and buy to comply sales – allowance order, payment, allocation and surrender dates for Phase 2**

Action required	Annual deadline
Order forecast sale allowances	1 April to 30 April
Payment for forecast sale allowances	2 June to 20 June
Allocation of forecast sale allowances	2 June to 15 July
Order buy to comply sale allowances	2 June to 31 July
Payment for buy to comply sale allowances	1 Sept to 19 Sept
Allocation of buy to comply sale allowances	1 Sept to 15 October
Surrender of allowances	Last working day in October

Where a start date falls on a non-working day the start day is the first working day following, and where the end date falls on a non-working day the end date is the last working day before.

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**Fig 2.3 Reporting, allowances and emissions data annual cycle for 2014 to 2015 onwards**



# 3. Your CRC organisational 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 organisational 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

The information below is a brief overview of how an organisation qualified for CRC. Further details are available in ['Guidance for CRC Energy Efficiency Scheme: Assessing Qualification and Registering for Phase 2'](#).

Organisations qualified for the CRC scheme as [participants](#) for Phase 2 if they met the [qualification criteria](#) in 2012 to 2013. Government departments and their devolved equivalents are 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 F](#)).

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

**Schools** in Wales, Northern Ireland and Scotland participate as a group with their respective local authorities. State-funded schools in England are not part of CRC.

For **government 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) participate together. The Secretary of State may make a [relevant decision](#) allowing some entities to participate separately.

See the [Phase 2 Qualification and Registration Guidance](#) 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 their UK assets met the qualification criteria. If they did, the overseas organisation was obliged to register and 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 CRC 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 [participant equivalents](#) (PEs) under CRC

### 3.1.2 Participant equivalents

A Participant Equivalent (PE) is any individual [undertaking](#) 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 PEs. If they did, these PEs should have been recorded in the [CRC Registry](#) as part of the group's CRC structure.

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

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

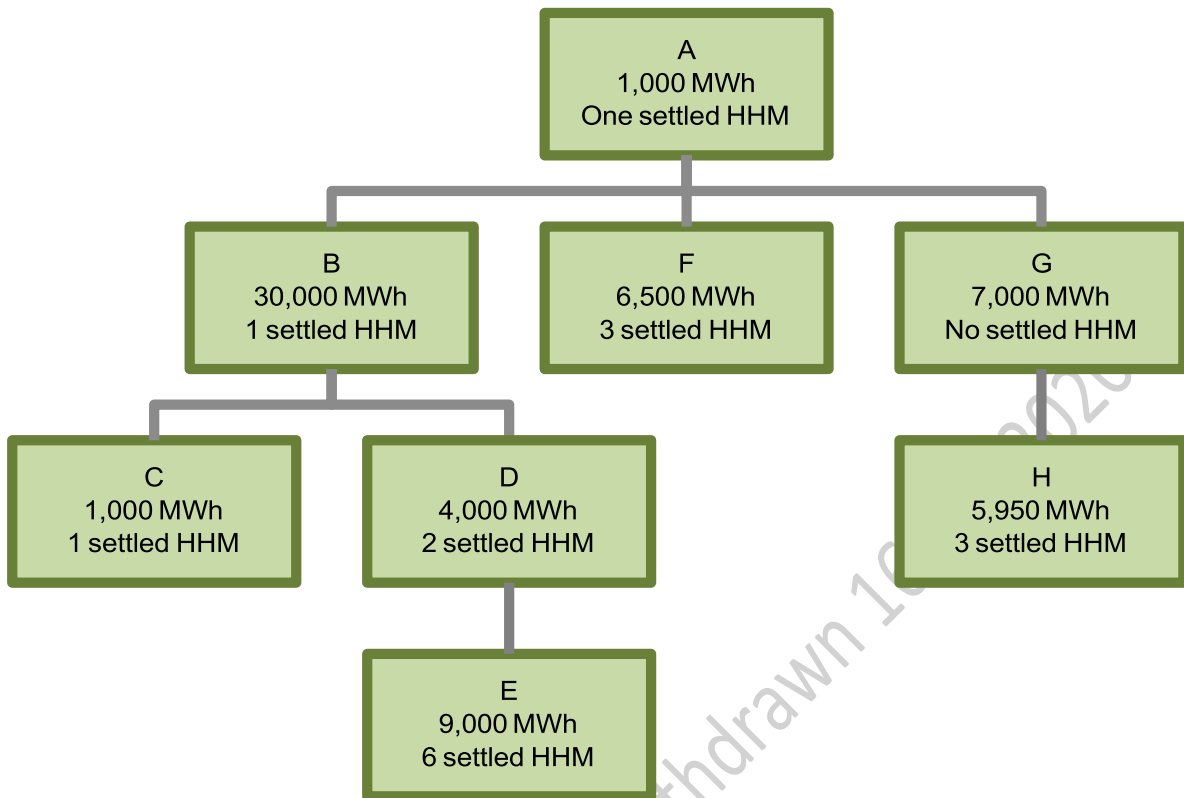
The [example](#) below illustrates how, for the purpose of qualification and registration, private sector participants should have determined and registered their CRC structure. It also illustrates how to report qualifying supplies of PEs.

If your organisational structure changes after registration, you may be required to notify the CRC administrator. The change will affect the supplies you need to report. Section 7.2.1 explains [when to notify a change](#) and section 7.2.4 details [how to notify a change](#).

#### 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 [settled half hourly meters](#) (sHHMs) and non-settled half hour meters (HHMs) (as shown in the boxes in Figure 3.1). The total organisation qualifies as a participant in CRC and needs to assess whether it has any PEs.

Figure 3.1: Example organisational structure

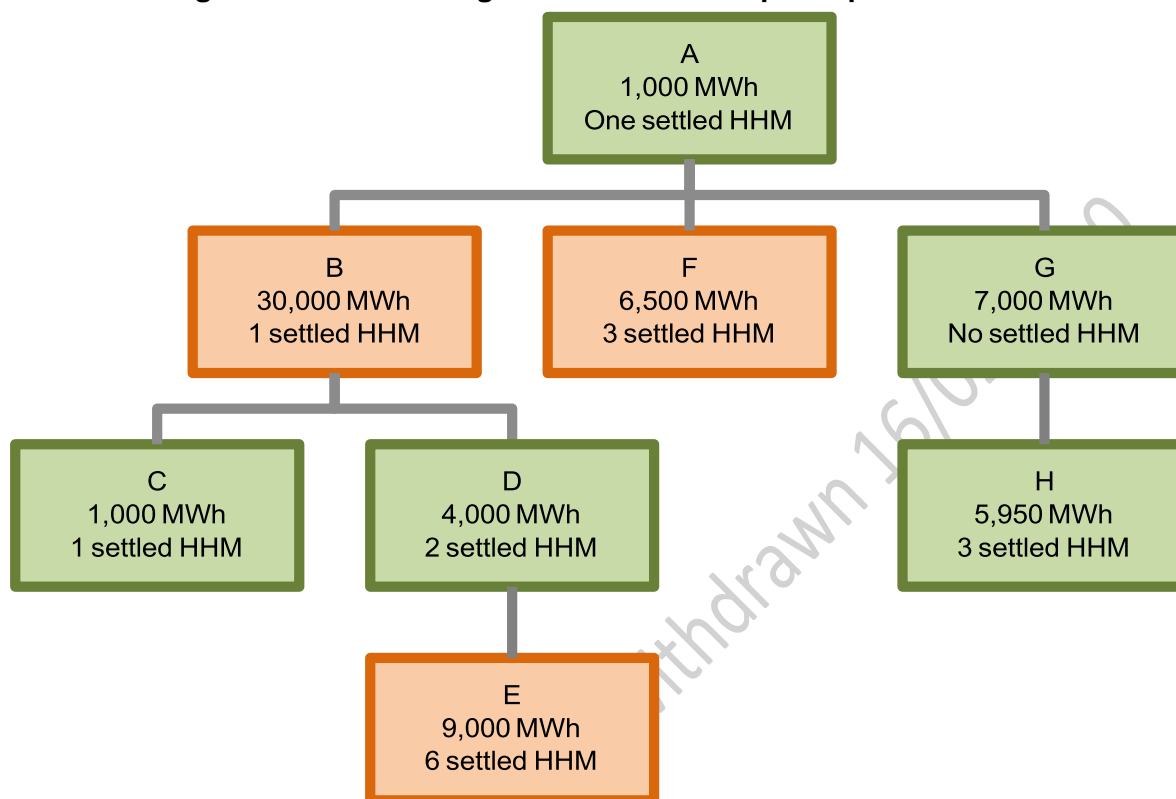


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## Defining your PEs

The orange coloured boxes in [Figure 3.2](#) show the organisation's PEs by virtue of an individual undertaking meeting the qualification criteria.

**Figure 3.2: Determining the PEs within the participant for CRC**

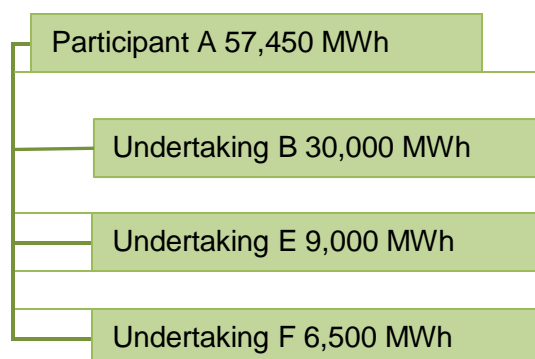


## Registering the PEs in the CRC Registry

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

As part of the registration process, the qualifying electricity consumption of each PE is reported separately. The total qualifying supply for the organisation is reported for the whole participant. The supply for each PE is reported separately.

**Figure 3.3: CRC structure on the CRC Registry for registration**



## Reporting emissions of your PEs

[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 individual supplies associated with each PE.

When reporting the PE supplies in your annual report, do not report cumulatively. You should report each PE separately.

### 3.1.3 Disaggregation

If you're a participant with more than one undertaking, you can decide to disaggregate your organisation such that one or more of your subsidiaries will act as a participant in their own right within CRC. This means that, although the undertakings remain as subsidiaries of your group for all other purposes, within CRC the disaggregated part of your group will have to register, pay the registration and subsistence fees, submit [annual reports](#), and [purchase](#) and [surrender](#) allowances as a separate participant from the parent group.

Note that:

- public bodies cannot disaggregate
- specific rules govern how collegiate universities and colleges can participate separately once qualification has been assessed

You may disaggregate your subsidiaries either as a group or individually as you see fit providing there is mutual agreement. Each disaggregated subsidiary must continue to be part of CRC either as a [single entity](#) participant or as part of a group participant while it is owned by the original participant group.

You'll be able to disaggregate one or more of your subsidiary undertakings irrespective of whether they are a PE or not.

The rules for a [designated change](#) apply for disaggregated participants as they would if the undertaking was not disaggregated.

The disaggregated participant will appear as a separate participant in the [Annual report Publication](#). The link between the parent group and disaggregated participant will be indicated as part of the published information.

You are allowed to disaggregate an undertaking during registration or at any time during a phase. When a disaggregation is requested in a compliance year and is confirmed by the disaggregating entities before the end of April in the following compliance year, the disaggregation will take effect from the beginning of the following compliance year. For example, if a request to disaggregate is made in June 2015 the disaggregation will take effect from 1 April 2016. For the compliance year 2015 to 2016 the single or several undertakings involved must continue to report as part of their original participant group.

See [Annex B](#) for further details on disaggregation.

## 3.2 Assessing which energy supplies you need to report

Having assessed which undertakings are your responsibility under CRC and registered your CRC organisational 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 the CRC scheme [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'?

A supply of energy can be either one supplied by another organisation or a self-supply. All self-supplies count as a supply for CRC purposes. See [section 3.2.2](#) for details of self-supply.

[Electricity](#) and [gas](#), where the gas used is for [heating purposes](#) only, are reportable energy supplies for CRC purposes. These are considered supplies for CRC where **all** the following criteria in one of the following scenarios apply.

#### Scenario 1

- Organisation 'A' agrees with Organisation 'B' that 'B' will supply electricity or gas to 'A'
- 'A' receives a supply further to that agreement and that supply is measured by a metering device or is an unmetered electricity supply

#### Scenario 2

- 'A' agrees with 'B' that 'B' will supply electricity or gas to 'C'
- 'C' receives a supply further to that agreement and that supply is measured by a metering device or is an unmetered electricity supply.
- A supply of electricity or gas is made at the time it is received

#### Notes

A metering device in relation to gas is a device that measures more than 73,200 kWh of gas during a year of a phase.

A metering device in relation to electricity is a device which measures the supply for charging purposes. CRC supplies are those delivered via any meter except those supplies delivered through profile 01 and 02 meters. In relation to Northern Ireland, a meter is a device where the electricity supplied is charged for as measured by the device but not including meters that measure supplies to domestic accommodation

Gas is only included in CRC where it is used for [heating purposes](#). Heating includes any process where the primary purpose of the gas is to create heat. This will include activities such as space heating, cooking, heat required in a manufacturing process or driving engines.

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

### 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 of electricity) makes to itself. This



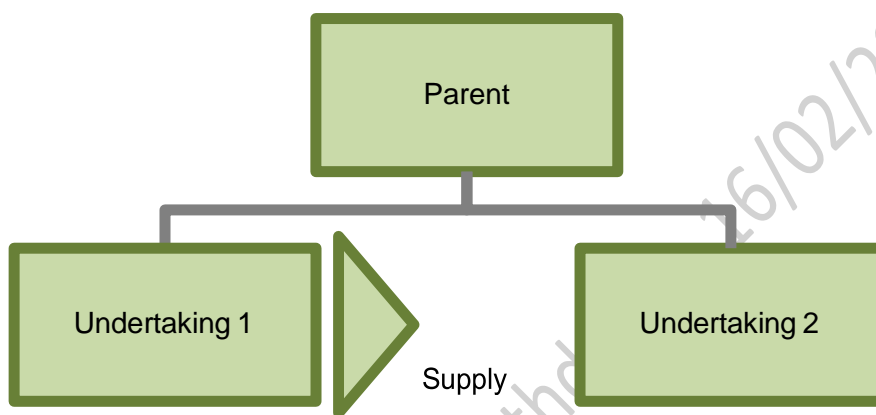
means that the self-supply takes place within a legally defined undertaking/public body. For a self-supply, the criteria in [section 3.2.1](#) do not apply.

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](#)).

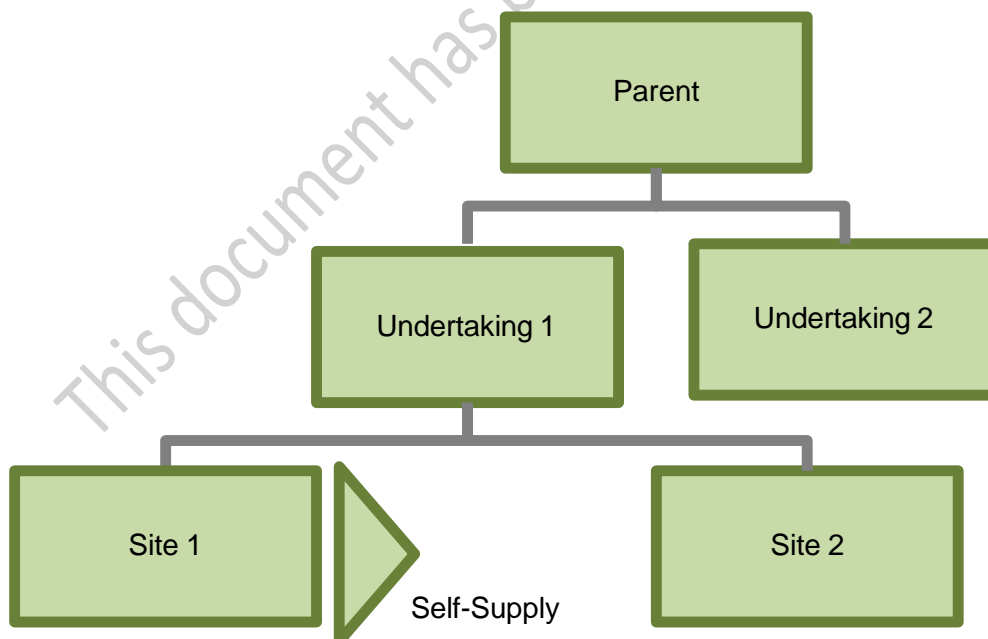
Self supplies do not have to be metered to count as a supply.

**Figure 3.5: Distinction between (a) supply and (b) self-supply within the same participant group**

(a)



(b)



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.

## Supplies at electricity generation plants and gas facilities

Supplies of electricity or gas are reportable supplies of energy for the purposes of the CRC scheme apart from:

- imported electricity or gas used for generating, transmitting or distributing electricity or for transporting, shipping or supplying gas.
- self supplied electricity used for generating, transmitting or distributing electricity or for transporting, shipping or supplying gas.
- where an authorised supplier of gas supplies itself, gas used for transporting, shipping or supplying gas is excluded.

Supplies of 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 unless these supplies are covered by a [CCA or EU ETS](#).

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

## Private distribution arrangements

If your gas or electricity is delivered via a private distribution arrangement or is measured by a sub-meter, the supply may not meet the criteria given in [section 3.2.1](#). If the self-supply criteria are met, the gas or electricity supplies will be classed as self-supply and therefore do need to be reported unless they are excluded supplies. This is because the supply criteria given in [section 3.2.1](#) are not relevant in these circumstances for determining whether there is a self-supply. If there is a self-supply relationship as explained above, the gas or electricity supply will come under CRC whether or not it is measured by a metering device.

## On-site generation

On-site generation is where the generation of the electricity takes place on the site where it is used or immediately adjacent to that site. The generation can be either by the same undertaking that uses the electricity or another undertaking. Where there are a number of undertakings supplied by one generation facility (for example, a combined heat and power (CHP) plant) and these undertakings are all on a single clearly defined contiguous area, then the supply from the local generation to all or any of the undertakings will be considered to be on-site generation.

A different [emission factor](#) is used for on-site generated electricity because the transmission and distribution losses associated with electricity supplies from the national grid do not apply.

Where an [undertaking](#) generates [self-supplied](#) electricity [on-site](#) using a source of energy or technology specified in section 41(5) of the Energy Act 2008 and which was commissioned on or after 1<sup>st</sup> January 2008, and where the generation is eligible for [ROCs](#) or [FITs](#) and has not at any time received either [ROCs](#) or [FITs](#), or any other public financial incentive, the electricity from this generation will be zero rated for CRC purposes. Such supplies will still be required to be reported, but will not count towards your annual CO<sub>2</sub> emissions.

### 3.2.3 Electricity supply and gas supply

#### Electricity supply

An electricity supply is a supply of electricity under CRC when it meets **one** of the criteria listed in [Table 3.1](#).

**Table 3.1: Electricity supplies under CRC**

Criterion <sup>1</sup>	Definition
Measured through a meter <sup>2</sup>	<p>In relation to <b>England, Wales and Scotland</b>, a meter is 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. <sup>3</sup></p> <p>In relation to <b>Northern Ireland</b>, a meter is device where the electricity supplied is charged for as measured by the device but not including meters that measure supplies to domestic accommodation.</p> <p>If the type of meter changes mid-year from a profile class 01 or 02 to a reportable supply such as profile class 3 or vice versa, the supply quantity for the period when the meter was a 'supply meter' for CRC purposes should be reported in your annual reports as 'supply'.</p>
An unmetered supply	An unmetered supply is a supply connected to a licensed distributor's network but has no meter on it.
A self-supply	See <a href="#">section 3.2.2</a> .

<sup>1</sup> Only one criterion needs to be met.

<sup>2</sup> [Annex H.2](#) contains a table to help you identify the reporting requirements for your meters.

#### Gas supply

- Gas is only counted as a CRC supply where it is used for [heating purposes](#)
- Gas used for generating electricity is not included in CRC
- Gas used in a CHP plant is assumed to be for electricity generating purposes and is excluded from the scope of CRC

A gas meter is a meter that has supplied more than 73,200 kWh 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 assessing whether a gas supply is in CRC the criteria of supplying

73,200 kWh is for the whole year irrespective of any changes of ownership or supplier during the year.

[Annex H.2](#) contains a table to help you identify the reporting requirements for your meters.

### Gas used for heating purposes

Where gas is used to create heat, it is included in CRC irrespective of what the heat is used for except where it is used to generate electricity. The following therefore apply;

- Gas used for cooking, drying, air conditioning and so on is included.
- Gas used in a process where it is used to create heat as part of the process is included. This includes drying, surface finishing, operating engines and other processes that require heat.
- Gas used as a feedstock in a process is not included. A feedstock is the basic material from which a product is manufactured or made.

### Gas de-minimis

Where your total gas supply used for heating purposes is less than 2% of your total CRC electricity use in the first annual reporting year of a phase you can exclude your gas supplies from your annual reporting. You will have to make this decision before you submit your first annual report of the Phase and apply it for the rest of the phase irrespective of any changes in your gas or electricity supplies.

### 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 main exceptions:

- the [landlord and tenant rule](#)
- the [franchisees and franchisor rule](#)

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

[Annex F](#) has details on the more complex scenarios of [private finance initiatives](#) (PFIs), [private equity funds](#) and [trusts](#).

Please also see the sections on [facilities management companies](#) and the [unconsumed supply rule and meaning of own use](#).

### The unconsumed supply rule and the meaning of own use

An energy supply that your organisation doesn't consume for its own use is not your responsibility under CRC. Where you are passing on some or all of your supply to another undertaking, this is an unconsumed supply **provided** the supply is metered. If an unconsumed supply is not metered then it is the responsibility of the original receiving organisation. The exceptions are where the landlord has responsibility for the supply under the landlord and tenant rule, or a franchisor is responsible for the supply to its franchisee under the franchisee and franchisor rule,

What is unconsumed supply for one organisation might be a supply for another under CRC. The party receiving and consuming the supply is responsible for it under CRC if it qualifies in its own right.

For example, provided the landlord and tenant rule does not apply, 'A' is responsible for the supply it uses and can exclude supplies to 'B' as unconsumed where all of the following circumstances exist:

- 'A' receives a gas or electricity supply
- 'B' receives a supply directly from 'A'
- the supply to 'B' is metered or sub-metered

In these circumstances 'B' is responsible for the supplies it has received from 'A' and if it is in CRC will have to report them.

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 CRC participants, then 'A' can report the total supply.

### The landlord and tenant rule

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

The landlord and tenant rule provides the following.

- A landlord is responsible for the supply where the landlord receives or pays for the supply and passes it on for the tenant to consume.
- Where a landlord has asked a third party to supply their tenants with electricity or gas, then the landlord is deemed to be responsible for that supply regardless of whether the third party or the landlord are counterparties to the energy contract.
- The tenant is responsible for the supply where the tenant receives a supply from someone **other** than the landlord or third party acting on the behalf of the landlord. The tenant is responsible for that supply as the consumer in the usual way.

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

This rule applies to:

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

In lease and leaseback arrangements where 'X' leases a premises to 'Y' who subsequently leases it back to 'X', 'Y' is considered the landlord of 'X' for the purposes of the CRC scheme.

Where the landlord is responsible for a tenant's supply and this supply is used in a CCA facility, as defined by the [specified facility certificate](#), or a site with an EU ETS installation then the landlord can exclude the relevant supplies.

### Construction leases

The landlord tenant rule does not apply to construction leases. For the purposes of the CRC scheme, a construction lease is a lease entered into between 'A' and 'B' for a minimum period of 30 years where 'B' covenants:

- to obtain all necessary consents and approvals and to erect fencing or erect a building on the premises within two years from the start of the lease
- to install all necessary gas, electricity and water supplies to the premises to comply with statutory requirements no later than two years from the start of the lease and
- if required by 'A', to remove any buildings or works constructed on the premises by them at the end of the lease

'A' in turn covenants to compensate 'B' for any improvements made to the premises by 'B' during the period of the lease.

Providing the above conditions are met unconsumed supply can be claimed by the landlord organisation.

## The franchisee and franchisor rule

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

If you are a franchisor you are responsible for the energy supplies of your franchisees where there is a franchise agreement. However, the landlord and tenant rule overrides the franchisee and franchisor 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.

Where a franchise agreement exists, 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 agreement exists for the purpose of CRC where **all** four of the rules below are satisfied.

**Rule 1:** The franchisee carries on a business activity which is for the sale or distribution of goods, or the provision of services ('the franchise business').

**Rule 2:** The franchisee business is carried on under a name which the franchisor provides to the franchisee.

**Rule 3:** The premises where the franchise business is carried on are used exclusively for that business by the franchisee.

**Rule 4:** Those premises have an internal or external appearance agreed by the franchisor and that appearance must be similar to that of other premises in respect of which the franchisor has entered into a franchise agreement.

Where a franchise does not satisfy all four rules, relevant franchisees are not required to participate with the franchisor group and must assess whether they qualify for CRC in their own right.

A franchise agreement does not exist where:

- the franchisee and the franchisor are group undertakings in relation to each other
- in relation to the franchise premises, the franchisee occupies those premises with the permission of the franchisor

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

## 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 and is not acting on behalf of the 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.

## Private finance initiative scenarios

If you are in a PFI scenario, please refer to [Annex F2](#) for supply responsibility details.

## Private equity fund scenarios

If you are a private equity fund, please refer to [Annex F3](#) for supply responsibility details.

## Trust fund scenarios

If you are a trust fund, please refer to [Annex F4](#) 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

All electricity supplied via profile 01 or 02 meters or domestic meters in Northern Ireland is outside the scope of CRC. In addition, any 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 include:

- private owner occupied housing
- accommodation provided on caravan 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 until the next phase. You should ensure such decisions are documented in your [evidence pack](#).



Accommodation provided for the purposes outlined in [Table 3.2](#) is **not** classed as ‘domestic accommodation’ under CRC and therefore supplies to these types of accommodation are included in the scheme.

**Table 3.2: Accommodation included in CRC**

Activity	Examples of specific use included in CRC
Education	University halls of residence (including accommodation not supplied by the educational institute), 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, 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 them from not 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 don’t need to report the quantity of heat supplied to you.

If your organisation generated the heat using gas or electricity, except where the heat is generated at a CHP, you will need to report the input supply (as appropriate). If the heat is



generated using any other fuel then you do not need to report either the input fuel or the heat that is generated.

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

### Transport rules

Energy consumed for the purposes of transport is excluded from CRC where it is used by the types of transport listed in [Table 3.3](#). All other transport is included in CRC.

This document has been withdrawn 16/02/2020

**Table 3.3: 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 off-site facility for onward transport via rail or inland waterway.	

Where your organisation consumes a supply of electricity for the purposes of transport and part of the supply is unmetered (that is, it is not sub-metered), you can choose to include these electricity supplies in your [Annual Report](#) 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 qualifying supplies during the qualification year and also applies to supplies of electricity during the CRC phase. You must make such decisions before you submit your first Annual Report for the phase and can't alter them during the phase. Such decisions should be documented in your [evidence pack](#).

The same rule applies where gas is used for transportation purposes.

## Rules on supply for the generation, transmission or distribution of electricity; or the transport, supply or shipping of gas

Imported or self supplied electricity used directly for the generation, transmission or distribution of electricity or the transport, supply or shipping of gas is not treated as a supply, and does not, therefore, need to be reported under CRC..

Likewise, gas used directly for the generation, transmission or distribution of electricity is not treated as a supply.

Where you are an authorised supplier of gas, self supplied gas used for the transport, supply or shipping of gas is not treated as a supply.

Electricity and gas supplies which fall within these categories are excluded from CRC. However, electricity or gas supplies to associated activities such as call centres and offices at the same location as the above activities are not excluded from reporting.

## Rules on street lighting and other unmetered electricity supplies

If you qualify for CRC you must report all unmetered electricity supplies. Unmetered supplies typically are for street lighting, cctv and similar. An unmetered electricity supply is a supply which is connected to a licensed distributor's supply but does not have a meter. This applies to both passive and dynamic unmetered electricity supplies.

### 3.2.6 Supplies covered by a CCA or EU ETS

#### CCA facilities

Electricity and gas supplies consumed in a facility that is subject to a CCA target ('CCA facility') are not included in CRC.

If you have a certified CCA facility, all the energy supplies used within the facility as covered by your target unit identifier (TU ID) are excluded from CRC for qualification and compliance. This includes supplies to the stationary technical unit, directly associated activities and any other supplies included under the CCA specified facility certificate. Where the whole of the site is not covered by the specified certificate facility, other supplies of electricity or gas to the site that meet CRC supply rules must be reported under CRC.

When submitting their first annual report for the phase, all CRC participants with a CCA facility may decide to include the supplies to the CCA facility in their CRC report. This sets the scope of the supplies reported for each subsequent year of the phase. A change in the treatment of the supply after the submission of the first annual report of a phase is not permitted.

If a CCA site audit discovers that a site had not included relevant energy use in its qualification assessment for CRC but it was below the 70% threshold, the organisation the site belongs to will be required to re-assess its CRC qualification if it is not registered or include the non-CCA energy if it is a participant. If the site does now qualify for CRC it will be required to:

- register for CRC
- report the data for any missed years
- buy CRC allowances and surrender to offset emissions

If an organisation believes it has overestimated its CCA energy consumption in the CRC qualifying year, it should contact its CRC scheme administrator to discuss how to rectify the situation. HM Revenue and Customs will also expect any outstanding Climate Change Levy to be paid and, depending on the circumstances, the organisation could be at risk of enforcement action from its CRC scheme administrator, including [civil penalties](#).

## EU ETS installations

Electricity and gas supplies consumed for the purposes of operating an EU ETS installation are excluded from CRC. Where a site has a permitted EUETS installation all gas and electricity supplies to that site may be excluded from CRC.

However, you must report on electricity and gas supplies to other parts of the undertaking or group not on the site covered by an EU ETS permit that meet the CRC supply rules.

## The landlord and tenant rule and CCA or EU ETS

Where a landlord tenant situation exists and the tenant has a CCA facility or operates an EU ETS installation, the landlord can exclude the supplies to the CCA facility or site with an EU ETS installation as if they were the holder of the CCA facility identifier or EU ETS permit.

## Metallurgical and Mineralogical Facilities

Supplies used in metallurgical or mineralogical (Met Min) facilities which are exempted from the Climate Change Levy (CCL) are excluded from CRC.

You will be able to exclude all the supplies to a Met Min facility from the point at which your certificate allowing exclusion from the CL is valid. Any other supplies on the site not covered by the Met Min exclusion will still need to be reported in CRC.

### 3.2.7 Dealing with new supplies and loss of supplies

If your organisation gains new supplies, they must be reported in your [annual report](#) if they meet the CRC supply rules.

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 through acquiring additional assets.

If during a compliance year you acquire a new electricity supply other than as a result of a designated change, provided it meets the supply rules you need to report the supply for the period you received it. If a supply changes its profile type such that it becomes a meter other than a profile 01 or 02 or a domestic meter in Northern Ireland, you need to report the supply for the period it met the supply rules. Unmetered supplies are not excluded if they are on a profile 1 or 2 supply as they are not metered supplies.

If you acquire a new gas supply other than as a result of a designated change you need to report this supply only if the total supply for the compliance year exceeds 73,200 kWh. This has the following consequences.

- If you acquired an existing supply during a compliance year you will either need to obtain supply data for the period you did not own it, or estimate the total supply for the year to establish if it exceeded 73,200 kWh.

- If a new supply is set up where there is a new link to the gas network with a new meter, then the 73,200 kWh criterion only applies for the period the supply exists during the compliance year.

Simply changing supplier does not constitute a new supply.

Unless there has been a designated change, where you lose a supply you need to report on that supply for the period you owned it or up to the point it ceased to be a CRC supply.

Where a designated change takes place, the responsibility for all the CRC supplies associated with the change lies with the new owner for the whole of the compliance year in which the change took place. For example, if Group D sold participant equivalent E to Group F on 1 September 2016, then Group F is responsible for reporting all the supplies of participant equivalent E for the whole of the compliance year 2016 to 2017. Group D should not report any of the supplies of participant equivalent E in compliance year 2016 to 2017. Other rules apply to designated changes in the public sector – see [Annex G](#).

### 3.2.8 Collecting your CRC supply data

You can collect your CRC supply data in one of the following ways:

- **Taking meter readings (either manually or through automated systems).** 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.** Note that if supplier statements don't arrive in time or are inaccurate when you receive them, you'll have to use an alternative data source or [estimate](#) the supplies.

Energy suppliers are required to provide an annual statement of supplies on written request from a participant. The statement must be provided within 6 weeks of the end of the reporting period. You may, in agreement with your supplier, adjust the period of reporting of the supplies such that the start and end of the supply year can be within 31 days of the 1 April. The supply data must include a full year so that if the start day is the 15<sup>th</sup> April then the end date must be the 14<sup>th</sup> April the following year.

All these methods are acceptable. Keep these records, or an evidence trail to them, as your primary evidence in your evidence pack. If you have multiple supply figures for the same meter, you are recommended to 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'll 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 can 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?

When submitting your annual reports you will be asked to specify whether a supply is classified as actual or an estimate under CRC on the 'Record Energy Use By Type' screen – see page 12 of the screenshot guidance, [Annual reporting screenshots](#) (PDF, 454KB).

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. Note that you may be liable to a [penalty](#) for inaccurate reporting where any of the supplies or emissions reported differ by more than 5% from the supplies or emissions which should have been reported, ignoring any estimation adjustments.

CRC definitions of estimated supply (see below) will be different from your suppliers' definitions of estimated supply. It is therefore important that you review your supply records in accordance with the rules given below to find out 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.

### Electricity supply and gas supply – 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 to 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 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 to 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 10% uplift to the emissions associated with that supply to account for the supply figure potentially being inaccurate. It is therefore in your organisation's interest to ensure meter readings are taken so that you won't have to classify any of your supplies as estimates.

## 4. Reporting requirements

This section summarises the information you need to enter in your [annual reports](#). If you want more 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 guidance on exactly where to enter data see <https://www.gov.uk/government/publications/crc-energy-efficiency-scheme-annual-reporting>

### 4.1 Preparing to submit your annual report

Before submitting your annual report each year it's important all the following have happened.

- You have told the CRC administrator about any [designated changes](#) during the year. See [section 7.2.4](#) for how to do this.
- The CRC administrator has made the necessary changes to your CRC structure in your records held on the [CRC Registry](#).
- You have at least one authorised contact (the [primary contact](#) or [secondary contact](#)) or [account representative](#) who is able to enter the system to submit your annual report.

[Accessing your account](#) (section 7.1) explains what you need to do to make sure 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 FIT payments
- the quantity of electricity you generate in your organisation for which you are issued with a ROC
- the quantity of electricity you generate in your organisation for which you claim [FITs or ROCs and self-supply](#)
- the quantity of on-site self supplied renewable electricity eligible for but not received ROCs or FITs or other public funding
- 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 or a metallurgical or mineralogical facility) separated into: imported and [on-site generated](#) electricity supplies; and supplies that count as [actual](#) and supplies that count as [estimated](#) under CRC rules
- total supplies associated with the supplies for each PE in your [CRC organisational structure](#)

[Actual and estimated supplies](#) are entered 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 only enter the actual supplies classified as an estimate in the 'Estimated Supply' column. Where an [un-metered supply](#) is being reported this will not count as an estimated supply



Separate step-by-step screenshot guidance, [Annual reporting screenshots](#) (PDF, 454KB), is available 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. If not then please go to [section 4.4](#).

### 4.3.1 Electricity generation from CHP plants

The following rules apply to organisations that generate electricity from 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 whether it is a supply or self supply.
- **CHP plant operators who are participants.** Gas supplied to CHP plants is treated as being primarily used for electricity generating purposes. It's therefore outside the scope of CRC and doesn't need to be reported in your annual report.

Examples are provided in [Annex 1](#).

### 4.3.2 Electricity generation from renewables

You need to include any electricity for which you are responsible under CRC that is generated by renewable as well as your other electricity supplies in your annual consumption. See [Annex I.2](#) provides for further details on electricity generation from renewables. You will also be required to report on electricity generated from renewable sources separately in your annual report.

Any electricity which is

- self-supplied
- generated using a source of energy or technology specified in section 41(5) of the Energy Act 2008 and
- which was commissioned on or after 1<sup>st</sup> January 2008 and
- where the generation is eligible for [ROCs](#) or [FITs](#) and has not at any time received either [ROCs](#) or [FITs](#), or any other public financial incentive the electricity from this generation

will be excluded for CRC purposes

#### Generation covered by ROCs

Enter the quantity of electricity in kWh you have generated for which you have been issued with a ROC on the 'Emissions associated with renewable electricity' screen. 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 you generate covered by ROCs that you enter is **not** included in the calculation of [CRC emissions](#). It is recorded simply to gather information on electricity



generated. However all the electricity which you use (unless it is for an excluded use), regardless of whether it's covered by a ROC, is reported as a [supply](#) on a different screen and forms part of your CRC emissions.

### Generation covered by FITs

Enter the quantity of electricity in kWh that you have generated for which you have received FIT payments on the 'Emissions associated with renewable electricity' screen. 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 is **not** included in the calculation of CRC emissions. It is recorded simply to gather information on electricity generated. The electricity which you use, regardless of whether it's covered by a FIT, is reported as a supply on a different screen and forms part of your CRC emissions.

### Generation you self-supply that is covered by ROCs and FITs

On the 'Emissions associated with renewable electricity' screen, enter 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 ROC. Note that this does not include electricity you export to third parties. It also excludes electricity generated by an undertaking within your organisation and supplied to a separate undertaking within your CRC organisational structure is not classified as self-supply. You can leave this field blank or enter '0' if this isn't applicable to your organisation.

### Generation of on-site self-supplied electricity from renewable sources

Any electricity which is

- self-supplied
- generated using a source of energy or technology specified in section 41(5) of the Energy Act 2008 and
- which was commissioned on or after 1<sup>st</sup> January 2008 and
- where the generation is eligible for [ROCs](#) or [FITs](#) and has not at any time received either [ROCs](#) or [FITs](#), or any other public financial incentive the electricity from this generation

you must report in the total quantity of electricity self-supplied.

Please note that although you are reporting this use as part of the renewables generation section, electricity covered by this definition is excluded from the calculation of CRC emissions and as such should not be included as part of your non-renewable electricity use.

## 4.4 Corporate responsibility questions

You will be asked to answer the following four questions.

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

## 4.5 Turnover and revenue expenditure

You may choose to enter your turnover / revenue expenditure. This voluntary field can be left blank if you do not wish to enter this information.

If you decide to enter the data then:

- companies must enter the most recent turnover for all the UK based parts of their organisation from their most recent set of audited accounts
- government departments and public bodies must enter the most recent annual revenue expenditure

## 4.6 Report summary and data submission

Once all your data are entered you can download a PDF summary of these data before submitting the 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 the report is submitted, the PDF summary of your data will be sent as an attachment in emails to the [senior officer](#) and [authorised contacts](#). 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 23 to 24 of the screenshot guidance, [Annual reporting screenshots](#)

This document has been withdrawn 16/02/2020

## 5. CRC allowances

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 (tCO<sub>2</sub>).

For each compliance year from 2014 to 2015 onwards, participants must [order](#), [pay for](#) and [surrender](#) allowances to cover their annual [CRC emissions](#) as reported in their [annual report](#) for that year. [Table 5.1](#) shows the annual dates for ordering, payment, allocation and surrender. Where a start date falls on a non-working day the start day is the first working day following, and where the end date falls on a non-working day the end date is the last working day before.

From 2014 participants will be able to purchase allowances in a [forecast sale](#) or from a [buy to comply sale](#) for the compliance year they were issued and for any subsequent year in the same [phase](#). The [validity of allowances](#) bought from the two types of sale is explained in section 5.1. You may buy allowances from either or both of the sales, and provided the allowances are valid as shown on the table 5.2 below they can be surrendered against your commitment.

**Table 5.1: Deadlines for the ordering, payment, allocation and surrender of CRC allowances**

Action required	Annual deadline
Order forecast sale allowances	1 April to 30 April
Payment for forecast sale allowances	2 June to 20 June
Allocation of forecast sale allowances	2 June to 15 July
Order buy to comply sale allowances	2 June to 31 July
Payment for buy to comply sale allowances	1 Sept to 19 Sept
Allocation of buy to comply sale allowances	1 Sept to 15 October
Surrender of allowances	Last working day in October

Where a start date falls on a non-working day the start day is the first working day following, and where the end date falls on a non-working day the end date is the last working day before.

### 5.1 Validity of allowances

Each year there will be two fixed price Government sales of allowances – one forecast sale at the beginning of the year, and one buy to comply sale after the end of the reporting year. The price at the forecast sale will be lower than the price at the buy to comply sale, giving participants an incentive to forecast their emissions before the start of the year and buy

allowances in advance. However, participants have the choice to purchase allowances at either sale and also have the option of hedging risks by trading allowances.

Forecast sale allowances are valid for all compliance years from the year in which they are sold for the rest of the phase. They are not valid to meet the surrender obligation for previous compliance years.

Buy to comply allowances are valid retrospectively for the compliance year just ended (31 March) and for any subsequent year in the phase.

Allowances are not transferrable from one phase to another.

[Table 5.2](#) shows the validity of allowances purchased in the various sales in Phase 2.

**Table 5.2: Validity of allowances**

Forecast sale	Compliance year validity	Buy to comply sale	Compliance year validity
April 2014	2014-2015 to 2018-2019	June / July 2015	2014-2015 to 2018-2019
April 2015	2015-2016 to 2018-2019	June / July 2016	2015-2016 to 2018-2019
April 2016	2016-2017 to 2018-2019	June / July 2017	2016-2017 to 2018-2019
April 2017	2017-2018 to 2018-2019	June / July 2018	2017-2018 to 2018-2019
April 2018	2018-2019	June / July 2019	2018-2019

If you purchase too many allowances in one year, you can retain these allowances in your [CRC compliance account](#) for surrender in future years in the phase or transfer to other participants. However, allowances issued in one phase are not valid in respect of CRC emissions made in a subsequent phase. Once all Phase 2 surrender obligations have been met, any remaining unused allowances will become invalid. You are therefore recommended to reconcile the number of allowances you have by the end of the phase to ensure you don't lose the value of these allowances.

## 5.2 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 (if authorised to do so) 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.

### 5.2.2 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. An OTP will only be required in order to transfer allowances. The OTP works by sending a single use passcode to a mobile phone whose number is recorded on the CRC Registry that allows the user to perform the required actions.

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 in phase 1 you will automatically be marked as having successfully undergone an ID check when the OTP functionality goes live.

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.

## 5.3 Ordering and allocation of allowances

Each year an organisation must ensure it has sufficient allowances at least equal to 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 forecast sale, the buy to comply sale or from the open market via a trade. It is important to ensure you buy allowances that are [valid](#) for the surrender period you need as allowances bought in different sales have different validities. For instance you can't purchase forecast sale allowances in April 2016 to comply with the 2015 to 2016 surrender obligation.

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) and any subsequent year in the phase. So any unused allowances from one year can be banked for future use in the same phase or traded in the secondary market.

The Environment Agency 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](#)

### 5.3.1 Sale window

The [Allocation Regulations](#) specify the sale window (application periods) for forecast and buy to comply sales for each compliance year of the phase. The sale windows for Phase 2 are shown in [Table 5.1](#).

During these periods your authorised contacts can submit orders for allowances via the CRC Registry. You can make as many orders as you like within each sale window to enable you to buy sufficient allowances to meet your annual surrender obligation. Please check that the allowances you are buying are valid for the surrender obligation you are meeting.

An email confirming your order will be sent to your authorised contacts and senior officer. Attached to this email will be a [Memorandum of Account](#) with payment details. If the recipients of the email are not making the actual payment themselves they should pass the Memorandum of Account to the appropriate department/person for payment to be arranged.

Allowances may also be bought from or sold to other participants. The validity of the allowance remains as it was when sold in its original sale window. You should check the validity of any allowances purchased against the surrender obligation.

### 5.3.2 Allowance price

Allowance prices for each compliance year are set by Government and are published on the [CRC web pages](#).

### 5.3.3 Memorandum of Account

A Memorandum of Account (instead of an invoice) is issued to the authorised contacts 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 M](#) for an example of a Memorandum of Account.

The allowance payment is a requirement under the [Allocation Regulations](#). It is not a payment for either goods or services. Note that neither the Environment Agency nor DECC will issue invoices for allowances.

The government sale of allowances is not subject to VAT.

### 5.3.4 Payment

Payment for your ordered allowances is required in a separate payment window. The payment windows for Phase 2 are shown in [Table 5.1](#).

Payments must be made to the DECC bank account specified in the Memorandum of Account and **not** to the Environment Agency's bank account. All payments must be:

- made by electronic transfer such as BACS (BACS is the preferred method of payment), CHAPS or Government Banking Service (GBS) transfer (for members of GBS)



- from an account with a credit institution<sup>1</sup> 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
- 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.

It is important 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 for you to be allocated all 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 and where payment of cleared funds is received by the end of the payment window. Deadlines for payments are specified in the [Allocation Regulations](#) and so 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.

If you have not ordered and paid for sufficient allowances by the payment deadline, you may well 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](#).

The CRC team will reconcile all payments received with allowance orders.

### 5.3.5 Underpayment

The CRC team will contact you if your total payment is less than your request for allowances. Either the balance can be paid for the full amount so that cleared funds are received by the end of the payment window, or you will be allocated 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.

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<sup>1</sup> 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.



DECC may deduct from the repayment any banking charges incurred during the transaction.

### 5.3.6 Overpayment

The Environment Agency will contact you if the total payment is more than your request for allowances. You will be allocated the number of allowances you requested in your original request. Any balance remaining will be refunded by DECC as soon as reasonably practicable.

DECC may deduct from the repayment any banking charges incurred during the transaction.

### 5.3.7 Late payment

Any payments that clear into the receiving account after the end of the payment window will be invalid.

### 5.3.8 Administration fee

The [Allocation Regulations](#) give the Environment Agency the power to recover administration costs in respect of allocating allowances. The Environment Agency hasn't yet charged an administration fee for each transaction and is required to consult before making any such charge in the future.

### 5.3.9 Allocation period

The allocation periods are shown [Table 5.1](#). Allowances need to be surrendered by the last working day in October each year.

You are allowed to make more than one order for allowances via the [CRC Registry](#), but payments must be cleared before allowances can be allocated. Your order is likely to be processed more quickly if you make an individual payment in full for each individual order.

Providing a valid order is made, allowances will be allocated as soon as reasonably practicable in the allocation period. The authorised contacts and senior officer will be sent an email confirming that allowances have been allocated to your [compliance account](#).

## 5.4 Surrendering allowances

To comply with the [CRC Order](#) you need to surrender allowances equal to the quantity of [CRC emissions](#) calculated from your [annual report](#) for the compliance year that has just passed. Please note that any commitment remaining or credited from previous years will be included in your commitment. This is known as your 'surrender commitment'. 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 the screenshot guidance, [How to surrender allowances](#)

### 5.4.1 Surrender deadline

The surrender deadline is the last working day in October each year after the annual report is due. Participants must surrender sufficient allowances to match their surrender obligation.

#### 5.4.2 Not enough allowances surrendered

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

#### 5.4.3 Too many allowances surrendered

You only need to surrender allowances equal to your surrender commitment for the relevant compliance year. 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, where the over surrender is related to a reporting error, you can make a request to the Secretary of State for repayment in relation to the over surrendered allowances as set out on the [CRC.gov.uk](#) web pages. . Any repayment made by DECC may be subject to deduction of banking charges incurred during that transaction.

### 5.5 Special allocation of allowances

You can make a request for a special allocation of allowances if you are in receipt of an enforcement notice or civil penalty requiring you to surrender 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](mailto: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 the CRC Helpdesk immediately should you be issued with more allowances than you have paid for. Follow-up checks will be made by the Environment Agency in such cases. If it finds out you have received excess allowances, your [authorised contacts](#) will need to move them on the CRC Registry to the voluntary surrender account. If you have already sold or otherwise dealt with the allowances, you will be required to pay for them in full.

### 5.7 Transfer of allowances to the secondary market

Unused allowances can 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). To be able to transfer allowances you will require a [One Time Passcode](#).

Secondary market transactions are subject to VAT.

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

For details on how to transfer allowances and place adverts on the notice-board download the screenshot guidance, [How to trade allowances](#) (PPT, 5.0MB).

## 5.8 Validating reporting data before allowance purchases

CRC is a self-certification scheme. It's not the responsibility of 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, you are recommended to seek independent expert advice on the CRC scheme and its implications for your organisation.

This document has been withdrawn 16/02/2020

# 6. Evidence packs and audits

This section provides an overview of:

- [what information you need to keep in your evidence pack](#)
- [the audit process](#)
- [when civil 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 during registration and in your [annual reports](#). You also need to record any changes to the information submitted.

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

In general you will need to keep evidence relating to:

- [organisational information and responsibilities](#) (corporate structures, personnel and procedures)
- [qualification and registration](#)
- [reporting](#)
- [changes that affect your data](#), including organisational changes
- [excluded uses](#)

You'll find details of what records should be kept for each of these important topics in the checklists in [Annex K](#).

### 6.1.2 What should the evidence pack look like?

There's no set format that your evidence pack must follow. The checklists in [Annex K](#) are intended to help you collect the appropriate information about each topic for an audit (whether internal or external).

It's 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, the information.

### 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
- each annual reporting year.

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

For the whole time you are a participant in the CRC scheme you need to keep all records for at least six years after the end of the relevant compliance year. This includes records related to Phase 1.

#### 6.1.5 What happens if adequate records are not kept?

If you fail to keep an evidence pack, or it is incomplete, the administrator may take enforcement action. [Annex D](#) lists the penalties available under the [CRC Order](#). If the administrator imposes a financial penalty, it 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 (as applicable) within your organisation.

You should therefore keep records of:

- who your contacts for CRC are (including proof that the [senior officer](#), who has 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 it is 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 for all the applicable supplies from all undertakings or bodies in the group
- any disaggregated PEs
- any disaggregated non-PEs
- 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 K](#) for specific details of what records relating to organisational information and responsibilities you should retain and maintain so as to comply with CRC.

#### 6.1.7 Qualification and registration

To ensure the administrator can check you've assessed your organisation's qualification for the relevant phase of CRC correctly, you should keep records of:

- all sHHMs during the qualification year
- your total amount of qualifying supplies in the qualification year

- the amount of qualifying electricity for each individual PE in your group
- your organisational structure on 31 March of the qualification year
- your CRC registration summary (as a PDF)

### 6.1.8 Reporting

So you can report the correct information for those undertakings for which you have CRC responsibility and enable the administrator 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](#) (for each year) (excluding supplies to EU ETS installations and CCA facilities)
- records of meter types, locations and other meter-related information – where meter accuracy is requested in the checklists in [Annex K](#), 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 any unmetered supplies including bills or annual statements for such supplies
- records of whether supplies are classed as [actual supplies](#) or [estimated supplies](#) under CRC and, for estimated supplies, 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 renewable [self-supplied](#) electricity [on-site](#) using a source of energy or technology specified in section 41(5) of the Energy Act 2008 and which was commissioned on or after 1<sup>st</sup> January 2008 and where the generation is eligible for [ROCs](#) or [FITs](#) and has not at any time received either [ROCs](#) or [FITs](#), or any other public financial incentive the electricity from this generation will be excluded for CRC purposes. evidence of your audited [turnover](#) figure (if reported)
- evidence to support your answers to the [corporate responsibility questions](#) (if answered)
- your annual report summary documents (PDFs).

[Annex K](#) gives specific details of what records you should retain and maintain to ensure the administrator can check your [annual reports](#) are correct.

### 6.1.9 Changes that affect your data

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 you have notified the CRC team and it has made the appropriate changes to your account
- any changes to CCA or EU ETS coverage

- 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 the Environment Agency, SEPA, NIEA or Natural Resources Wales

[Annex K](#) 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.

## 6.2 Audits

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

The compliance audit process is outlined below. It is recommended that you [visit the compliance auditing page on the Environment Agency's website](#) ([www.environment-agency.gov.uk/business/topics/pollution/127514.aspx](http://www.environment-agency.gov.uk/business/topics/pollution/127514.aspx)) for further information on compliance audits.

It is important that you carry out your own [internal audits](#) as part of the auditing process.

### 6.2.1 Who will carry out the CRC compliance audit?

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

### 6.2.2 What are the selection criteria?

Organisations are selected for audit based on a number of criteria that help the Environment Agency, SEPA, NIEA or Natural Resources Wales prioritise which ones to audit. Factors considered include:

- risk of non-compliance
- complexity of organisational structure
- compliance history

### 6.2.3 What is the CRC compliance audit process?

An email is sent to 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 its purpose will be explained and tailored to each participant.



Prior to the teleconference or meeting you may be asked 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

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

### The teleconference (or web conference)

The teleconference or web conference should last about an hour. You will be given the opportunity to provide an overview of how CRC responsibilities are being managed within your organisation. The auditor will then discuss the following with you as appropriate to your organisation:

- [internal audits](#) (Has one been carried out? 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 reports](#)
- emissions associated with supplies in annual reports for auditing past years
- PE supplies
- special events (meter breakdowns and changes in supplier or ownership)
- annual [turnover](#) (private sector) or [revenue expenditure](#) (public sector) where relevant

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, primary data or other relevant information may be requested.

### Follow-up email

Following the teleconference you will receive an email summarising what was discussed and highlighting any further actions that may be required. You may also be asked for further information as discussed/agreed during the teleconference.

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

Ten working days are allowed for you to provide any requested information. Please let the auditor know as soon as possible if you feel it will take you longer to collate this information.

### Information review

Once you have provided the requested information, the auditor will review the data and prepare an interim audit report. If you have provided the information required and the Environment Agency, SEPA, NIEA or Natural Resources Wales (as appropriate) is satisfied that any outstanding issues have been resolved, it may [pass](#) the compliance audit at this stage. You will be notified of the outcome as soon as possible and sent a copy of the audit report.



Where there are unresolved issues the audit process will continue and you will be asked for further information. There could be several reasons why it hasn't been possible to pass the audit at this stage. The auditor 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

### Site visit and meeting

Occasionally the auditor may ask to hold an on-site meeting to discuss any outstanding matters or actions with you and, if necessary, examine documents held on-site.

A copy of your evidence pack must be available at the site you choose for the meeting so the auditor can inspect it. You will be asked about specific documents related to any unresolved issues – you'll be informed of these issues before the meeting. You should ensure the relevant people are available so that documents can be easily identified and located.

It's your responsibility to provide the auditor with any requested documents.

### 6.2.4 Audit outcomes

An audit report will be prepared following the site visit and information review. You will be sent a copy of this report 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

The auditor has identified issues that may have resulted in a breach of the [CRC Order](#) and a non-compliance. You will be asked to take corrective action against agreed timescales for the required improvements to be made. All non-compliances will be reviewed.

## 6.3 Internal audits

You are required to conduct an internal audit annually. You should keep a record of the checks made 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 an [authorised contact](#) and a senior member of staff within the organisation such as a director or your [senior officer](#). This person must be someone who exercises management control over the appropriate activities. The signed document must be kept with your evidence pack.

Smaller scale audits that focus on a particular area could 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 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

## 6.4 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 the administrator could apply. If it imposes a financial penalty, it may also [publish](#) your failure to comply with the CRC Order and the penalty amount.

# 7. Account maintenance

Much of the reporting and other requirements of CRC are fulfilled using the participant's online account in the [CRC Registry](#). Several step-by-step guides on how to use the Registry can be downloaded from <https://www.gov.uk/government/policies/reducing-demand-for-energy-from-industry-businesses-and-the-public-sector--2/supporting-pages/crc-energy-efficiency-scheme> from where you can also access the Registry.

This section explains:

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

## 7.1 Accessing your account

Different names are given to the different roles in an organisation's CRC account. The people with the ability to enter a CRC account are termed:

- [primary contact](#) (must have one per account)
- [secondary contact](#) (must have one per account)
- [account representative](#) (up to three per account)

These three roles are collectively known as [authorised contacts](#).

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 an account representative, agents can access your Registry account and carry out their appointed roles.

### 7.1.1 Changing contacts or adding new contacts

Any existing authorised contact can:

- add new contacts to their account
- assign them a role as primary/secondary contact or account representative

To add a new person enter your account and click on the 'Manage Contacts' button on the homepage.

Make sure you enter the organisation name for each added contact so that the reference and PIN letters are sent to the correct place.

To assign a role to a contact click on the appropriate phase (e.g. Phase 2) and then click "Assign Contact Roles". You can then select the appropriate contact for each role using the drop down boxes.

## Note

- 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 PIN won't be issued.
- 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 are added as a new contact for your organisation's CRC account, the CRC team will send you a letter containing your CRC Registry number. Your **senior officer** will be sent a PIN letter. You'll need both letters the first time you log in to the Registry. Do check you have access to the Registry well before any deadlines so that you're able to comply with CRC scheme requirements.

To enter your CRC account for the first time 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) (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: XXXXXXXXXXXX'. **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, CRCXXXXXXX.
9. Enter the PIN sent to your senior officer. You will now be in your account.

Steps 8 and 9 above are termed '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. These actions will take you straight into your account. You won't need to use the reference number or PIN for future logins.

### 7.1.2 Existing authorised 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 sent to you and PIN in the letter 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 7.1.6](#) for what to do if you lose your Government Gateway ID or password.

### 7.1.3 Existing authorised contacts who haven't enrolled

If you haven't enrolled 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 take the following steps to enrol.

1. Go to the [CRC Registry login page](https://crc.environment-agency.gov.uk/crcregistry/web/login?execution=e1s1) (<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.

From then on, all you need to do to access your CRC account is to 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](mailto:CRChelp@environment-agency.gov.uk) or phone 03708 506 506) to ask for it to be re-sent.

### 7.1.6 What to do if you have lost your CRC Registry login ID or password

An existing contact has three options if they have lost their login ID or password.

#### Option 1

If you are an existing contact and have enrolled for your CRC account and subsequently lost your username or password, you can ask the CRC Helpdesk ([CRChelp@environment-agency.gov.uk](mailto:CRChelp@environment-agency.gov.uk)) for a reminder of your ID or password. You will need to provide your CRC reference number/account number and the PIN number which you used to enrol.

It takes between two and seven days for you to receive your reminder letter for your username or password from the Government Gateway and an additional three days if both the username and password are requested.

If you are using a Government Gateway account that is not registered in your name, security reasons mean it won't be possible to re-issue a username and password. In this instance you'll 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 no-one can get into your account from your organisation and you are unable to follow option 1, then you'll need to contact the CRC Helpdesk ([CRChelp@environment-agency.gov.uk](mailto:CRChelp@environment-agency.gov.uk)). The steps outlined in option 1 will be taken on your behalf so you can enter the account. Authorisation will be requested from your [senior officer](#) to make these changes.

## 7.2 Designated change maintenance

### 7.2.1 What is a designated change?

Designated changes are changes to the organisation structure registered on the [CRC Registry](#) of a scale or type described below. You must inform the CRC team, via the Registry, within three months of a designated change occurring.

#### Private sector

You must tell the CRC team if your organisation undergoes one of the following organisational changes:

- a participant or [participant equivalent](#) (PE) is purchased by a non-participant
- a participant or PE is purchased by, or merges with, another participant
- a PE leaves its parent group to become a standalone organisation

Where a non-PE has disaggregated and become a participant, it's not considered to be a participant for designated change purposes.

For a minor organisational change you do not need to inform the CRC team via the Registry. You do, however, need to keep a record of the change 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 PEs)
- 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 as a whole, the primary member or one of the PEs goes into administration, liquidation or receivership you need to tell the CRC team about this change by emailing the CRC Helpdesk ([CRChelp@environment-agency.gov.uk](mailto:CRChelp@environment-agency.gov.uk)). You will be advised on a case-by-case basis what you need to do to ensure your organisation is compliant with CRC.

#### Public sector other than government departments

The merger of your organisation with another public body is classed as a designated change and the CRC team must be informed.

You don't need to inform the CRC team of any other types of change such as when:

- a new public body is formed – it won't have to participate in the phase unless there is a government decision that it must but it must evaluate its qualification for the next phase
- part of a public body transfers to another – the participants involved should report their energy supplies until or from the date of the change

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## 7.2.2 Changes to non-PE disaggregated participants

If a [participant equivalent](#) is a disaggregated participant it must follow the designated change rules outlined in [section 7.2.1](#).

If the undertaking is a disaggregated non-PE participant the following rules apply.

If the disaggregated non-PE participant leaves the parent group and operates on its own or joins a non-CRC participant, it is not required to report a designated change. It can choose whether to continue to participate as a separate participant for the remainder of the phase or to notify the CRC team of the change and be excluded for the remainder of the phase.

If the disaggregated non-PE participant it leaves the parent organisation to join another CRC participant, it can either continue to operate as a disaggregated participant or close its account and report its energy use to the new parent participant group. In either case the CRC team must be informed so that the necessary adjustments can be made on the CRC Registry.

If your organisation is closing down, please notify the CRC Helpdesk (email: [CRChelp@environment-agency.gov.uk](mailto:CRChelp@environment-agency.gov.uk) or phone 03708 506 506). Once all necessary compliance activities are completed, your account will be closed.

## 7.2.3 Government department /devolved administration

The CRC team must be informed if one of the following organisational changes occurs within a government department/devolved administration:

- 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 G](#).

## 7.2.4 Notifying the CRC team of a designated change

1. To notify the CRC team of a designated change:
2. Log into your CRC account on the [CRC Registry](#).
3. Click on 'Phase 2'.
4. Click on 'Inform of Designated Change' and then submit the data requested.

## 7.2.5 Reporting supplies after a designated change has happened

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



## Private sector

If you have bought a participant or PE, and the new acquisition has become part of your participant group, you will need to include in your [annual report](#) the CRC energy supplies associated with the participant or PE for the full year in which the change occurred. You will still need to report the full year's energy supplies even if you have only owned it for a short period of time. If your new acquisition has decided to stay as a separate participant then it will report its own energy use and purchase allowances accordingly.

If you have sold a participant or PE, you don't need to report its energy supplies for the compliance year in which the change occurred.

## 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/devolved administration

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

### 7.2.6 CRC team's response to notification of a designated change

The CRC team will change your structure on the [CRC Registry](#) and tell you how the updating will affect your organisation. You won't be able to submit your [annual report](#) for the compliance year until these changes are made.

### 7.2.7 Checklist for designated and small organisational changes

#### Do you need to change your primary member?

The [primary member](#) is the [undertaking](#) in the group responsible for compliance on its behalf. You will need to consider whether a change of primary member is appropriate. You'll need to ensure the [senior officer](#) is a director or equivalent of the primary member. Due diligence checks will be carried out on the primary member if it is an organisation that hasn't been checked by the CRC team before. [See section 7.4 for how to change your primary member.](#)

#### Do you need to change your contacts or an account representative?

If you change your [compliance account holder/primary member](#), you don't necessarily need to change your [authorised contacts](#). Only the [senior officer](#) needs to be part of the primary member organisation, so provided the senior officer still approves the named contacts and the single or several account representatives to work on behalf of the organisation, then this is acceptable.

## 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 the CRC team 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. The exception is when the acquisition has remained a disaggregated participant.

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 section 3.2.7 for how to deal with new supplies and loss of supplies](#)).

## 7.3 Changing participant equivalent or parent details

The [authorised contacts](#) for the account can update the name, trading name, address, SIC code for the PE, and highest UK parent in their structure. They can also update the name and address of any overseas parent.

To do this:

1. Click on 'Phase 2' in the box named 'Phase' on the account home page.
2. Click on 'Change Parent and/or participant equivalent' in the box named 'Registration'.

To amend a particular PE or parent, click on their name on your CRC structure.

## 7.4 Changing a primary member or 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 the [authorised contacts](#) 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.

The choice of senior officer depends on what type of organisation the primary member is.

- 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 authorised contacts. 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:

1. Enter your account.
2. Click on 'Phase 2' in the box called 'Phase' on the account home page.
3. Click on 'Change Primary Member/Compliance Account Holder' in the box called 'Registration'.
4. Select from the dropdown list which PE or parent you would like to be the new primary member and then click 'Next'.

If you wish to select an entity that is not a PE or a 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. Due diligence checks on the new primary member will be made if these haven't been carried out previously within the phase.

## 7.5 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 one of the [authorised contacts](#) can 'Nominate an Agent' in the [CRC Registry](#). The person nominated can then enter your account and 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 who appointed them. To successfully nominate an agent, this person needs to have registered and enrolled in the CRC Registry. They then need 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, you won't be able to nominate them. Agents who want to trade will first need to pass the relevant security checks and register for OTP.

To appoint an agent:

1. Enter your account.
2. Click on 'Appoint/Remove An Agent' in the box called 'My Profile' on the account home page.
3. Click on 'Select Agent'.
4. Enter their 'Agent ID' number and press 'Search'.
5. Click on the underlined Agent ID number.
6. Click 'Next'.
7. Enter the password that you use to enter your CRC account.
8. Click 'Close'.

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 wishes this agent to continue to have access, another named person on the account must appoint the agent to act on their behalf. 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 details 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)

This document has been withdrawn 16/02/2020

# List of abbreviations

<b>AMR</b>	automatic meter reading
<b>ARP</b>	Annual Reporting Publication
<b>CCA</b>	climate change agreement
<b>CHP</b>	combined heat and power
<b>CO<sub>2</sub></b>	carbon dioxide
<b>CRC</b>	CRC Energy Efficiency Scheme
<b>CV</b>	calorific value
<b>DECC</b>	Department of Energy and Climate Change
<b>Defra</b>	Department for Environment, Food and Rural Affairs
<b>EU ETS</b>	European Union Emissions Trading System
<b>FIT</b>	Feed-in Tariff
<b>FM</b>	facilities management
<b>GHG</b>	greenhouse gas
<b>HCF</b>	hundred cubic feet
<b>HHM</b>	half hourly meter
<b>ID</b>	identifier
<b>kWh</b>	kilowatt hour
<b>kVA</b>	kilovolt-ampere
<b>LLP</b>	limited liability partnership
<b>MPAN</b>	Meter Point Administration Number
<b>MPRN</b>	Meter Point Reference Number
<b>MSID</b>	Metering System Identifier
<b>MWh</b>	megawatt hour

<b>NIEA</b>	Northern Ireland Environment Agency
<b>OTP</b>	One Time Passcode
<b>PE</b>	participant equivalent
<b>PFI</b>	private finance initiative
<b>ROC</b>	Renewables Obligation Certificate
<b>SEPA</b>	Scottish Environment Protection Agency
<b>sHHM</b>	settled half hourly meter
<b>SPV</b>	special purpose vehicle
<b>tCO<sub>2</sub></b>	tonnes of carbon dioxide

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# Glossary

Term	Description
<b>Actual supply</b>	For electricity or gas, if during the applicable compliance year (April to March), there are at least two actual meter readings at least half a year apart, the supply is classified as an 'actual' supply.
<b>Allocation Regulations</b>	The CRC Energy Efficiency Scheme (Allocation of Allowances for Payment) Regulations 2013 (as amended) (referred to as the Allocation Regulations) set out the requirements for the government sale and allocation of CRC <a href="#">allowances</a> .
<b>Allowance</b>	An allowance is equal to one tonne of carbon dioxide. Allowances must be purchased and surrendered to cover a <a href="#">participant's</a> total <a href="#">CRC emissions</a> .
<b>Annual Report Publication (ARP)</b>	A report published annually by the Environment Agency of the emissions of all CRC participants.
<b>Annual report</b>	The report is a summary of an organisation's <a href="#">CRC supplies</a> . Unless otherwise agreed by the administrators, the report must be provided using the online <a href="#">CRC Registry</a> by the last working day in July after the end of the annual reporting year. The online submission of the data detailed in <a href="#">section 4.2</a> constitutes the annual report.
<b>Annual Supply Statement</b>	Energy suppliers are required to provide an annual statement of supplies on written request from a participant. The statement must be provided within 6 weeks of the end of the reporting period. You may, in agreement with your supplier, adjust the period of reporting of the supplies such that the start and end of the supply year can be within 31 days of the 1 April. The supply data must include a full year so that if the start day is the 15 <sup>th</sup> April then the end date must be the 14 <sup>th</sup> April the following year.
<b>Authorised contact</b>	A <a href="#">primary</a> or <a href="#">secondary contact</a> , <a href="#">account representative</a> or appointed agent for a participant.
<b>BACS/CHAPS</b>	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 (Clearing House Automated Payment System) is a same day UK electronic transfer.
<b>Blocking</b>	To prevent or restrict the operation of a <a href="#">participant's</a> account.

Term	Description
<b>Buy to comply sale</b>	A buy to comply sale takes place after the end of a compliance year and allows participants to purchase <a href="#">allowances</a> 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 <a href="#">forecast sale</a> . Allowances purchased in a buy to comply sale will be valid for the remainder of the <a href="#">phase</a> in which they are purchased.
<b>Compliance account</b>	This is the name given to an organisation's CRC account once registration is complete, the contacts and the single or several account representatives 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 <a href="#">enrolled</a> contacts.
<b>Compliance account holder</b>	This is the organisation nominated to act for the <a href="#">participant</a> to ensure compliance with CRC. The compliance account holder is also commonly referred to as the <a href="#">primary member</a> .
<b>Compliance account representative</b>	An account representative is a named individual who, like the <a href="#">primary contact</a> and <a href="#">secondary contact</a> , is authorised by the <a href="#">senior officer</a> to act on behalf of the <a href="#">participant</a> organisation. An account representative can also order, transfer and surrender <a href="#">allowances</a> as appropriate. An account representative is an <a href="#">authorised contact</a> .
<b>Construction lease</b>	<p>A construction lease is a lease entered into between 'A' and 'B' for a minimum period of 30 years where B covenants</p> <ul style="list-style-type: none"> <li>• to obtain all necessary consents and approvals and to erect fencing or erect a building on the premises within two years from the start of the lease</li> <li>• to install all necessary gas, electricity and water supplies to the premises to comply with statutory requirements no later than two years from the start of the lease and</li> <li>• if required by 'A', to remove any buildings or works constructed by 'B' on the premises at the end of the lease</li> </ul> <p>'A' in turn covenants to compensate 'B' for any improvements made to the premises by 'B' during the period of the lease.</p>
<b>CRC emissions</b>	CRC emissions = Emissions from <a href="#">CRC supplies</a> (applying any applicable <a href="#">estimation uplift</a> )
<b>CRC Order</b>	The UK legislation that sets out the rules of the CRC scheme. The term 'CRC Order' is used in this manual to refer to the CRC Energy Efficiency Scheme Order 2013 as amended by the CRC Amendment Order 2014. This replaces the CRC Energy Efficiency Scheme Order 2010 and CRC (Amendment) Order 2011.



Term	Description
<b>CRC Registry</b>	<p>This is the online system where contacts for participants log in to:</p> <ul style="list-style-type: none"> <li>• <a href="#">update contact details</a></li> <li>• update organisational details</li> <li>• change their <a href="#">primary member</a></li> <li>• <a href="#">notify the administrators of designated changes</a></li> <li>• submit <a href="#">annual reports</a></li> <li>• <a href="#">order and surrender CRC allowances</a></li> <li>• use the emissions calculator</li> <li>• <a href="#">appoint agents</a></li> </ul>
<b>CRC supplies</b>	<p>CRC supplies are electricity supplied through any meter except a profile 01 or 02 meter or a domestic meter in Northern Ireland and gas supplied through a meter that supplied more than 73,200 kWh in a compliance year (excluding <a href="#">excluded uses</a>, supplies to a site with an EU ETS installation or CCA facility) plus a <a href="#">10% uplift for estimates</a>.</p>
<b>Designated change</b>	<p>Designated changes are changes to the organisation structure registered on the CRC Registry of a scale defined in <a href="#">section 7.2.1</a> of this manual.</p>
<b>Determination of an annual report</b>	<p>The scheme's administrators have the power to determine a participant's <a href="#">annual report</a> if they have not submitted the report by 40 working days after the reporting deadline. These determinations are 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>
<b>Disaggregation</b>	<p>Where a participant is a group of undertakings, it is able to nominate any undertaking (<a href="#">participant equivalent</a> or <a href="#">non-participant equivalent participant</a>) to participate independently. Where disaggregation has occurred, there is no joint and several liability between the parent group and the disaggregated undertaking.</p>
<b>Dynamic supply</b>	<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 market.</p> <p>Dynamic supply is characterised by:</p> <ul style="list-style-type: none"> <li>• a set of equipment that is fixed to land which performs a common function (for example, street lighting)</li> <li>• electricity supply to one of the set (for example, a lamp post) is recorded daily by a device that is not a metering device</li> <li>• use of that record as a benchmark to determine the overall supply to the entire set of equipment over a given period</li> </ul>

Term	Description
<b>Emission factors</b>	Emission factors are the standard conversion factors used to convert the supplies into carbon dioxide (CO <sub>2</sub> ) emitted. Imported electricity, on-site generated electricity and gas in CRC each have a standard conversion emission factor, applied per unit of CRC supply. <a href="#">See Annex C for emission factors</a>
<b>Estimated supply</b>	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 to March), there are <b>not</b> at least two actual meter readings at least half a year apart. See <a href="#">section 3.2.9</a> for further details of estimated supplies.
<b>Estimation uplift</b>	Where a supply is classified as a CRC <a href="#">estimated supply</a> , it must be recorded in the 'estimated supply' column in the <a href="#">annual report</a> . An uplift that equates to a 10% addition to the <a href="#">CRC emissions</a> associated with that supply will be applied by the <a href="#">CRC Registry</a> .
<b>Evidence pack</b>	This is the collation of data which <a href="#">participants</a> must keep as a record to: <ul style="list-style-type: none"> <li>• substantiate the information provided at registration and in their <a href="#">annual reports</a></li> <li>• detail information about their company structure and any significant events or changes that would affect their emissions</li> </ul>
<b>Excluded uses</b>	These include: <ul style="list-style-type: none"> <li>• <a href="#">domestic</a> accommodation</li> <li>• caravan sites</li> <li>• emergency and temporary accommodation</li> <li>• <a href="#">transport</a></li> <li>• Metallurgical and Mineralogical uses</li> </ul>
<b>Fiduciary capacity</b>	A person legally appointed and authorised to hold assets in trust for another person, often with the legal authority and duty to make decisions.
<b>Forecast sale</b>	A forecast sale allows <a href="#">participants</a> to purchase <a href="#">allowances</a> 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 <a href="#">buy to comply sales</a> . Allowances purchased in forecast sales will be valid for the current compliance year and all remaining compliance years to the end of the <a href="#">phase</a> .
<b>Gas meter</b>	A gas meter in the CRC scheme is a device that measures more than 73,200kWh of gas supply during a compliance year. If during a given compliance year the supply amount does not exceed the 73,200kWh threshold it will not be a reportable supply for that compliance year.

Term	Description
<b>Grid average emission factor</b>	The carbon dioxide (CO <sub>2</sub> ) 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. <a href="#">See Annex C for emission factors</a> . See <a href="#">on-site generation</a>
<b>Hard facilities management provider</b>	A facilities management organisation that typically provides construction design and maintenance as well as energy management. See also <a href="#">soft facilities management provider</a> .
<b>Half hourly light meter (smart meters)</b>	Half hourly light meters (smart meters) were introduced in April 2009 and are designed to be an alternative to traditional settled HHMs, as they are able to provide half hourly data at a lower cost. Where the data is used for half hourly settlement purposes in CRC these meters are counted as HHMs settled on the half hourly market.
<b>Inaccurate annual report (so as to attract penalty)</b>	'Inaccurate' 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 <a href="#">estimation uplift</a> .
<b>Mandated participant</b>	Mandated participants are organisations to whom the qualification criteria do not apply, or apply differently. They are required to register as participants.  There are two types of mandated participant: <ul style="list-style-type: none"> <li>• all UK government departments</li> <li>• local government organisations mandated by the Secretary of State</li> </ul>
<b>Non-domestic meter</b>	A non-domestic meter is a meter that: <ul style="list-style-type: none"> <li>• is designed to measure electricity supplies to non-domestic premises</li> <li>• measures such supplies</li> <li>• is capable of measuring maximum electricity demand</li> </ul> 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.  Please see <a href="#">Table H.2</a> for descriptions of non-domestic meters in Northern Ireland.
<b>Non-participant equivalent participant</b>	A non-participant equivalent participant is where a non-participant <a href="#">undertaking</a> , or group of undertakings, of a participant group has <a href="#">disaggregated</a> to become a <a href="#">participant</a> .
<b>Non-settled half hourly meter</b>	A meter able to measure electricity supplied at least every half hour and in respect of the phase has been read remotely.

Term	Description
<b>On-site generation</b>	On-site generation is where the electricity being used is generated on the same site or immediately adjacent to that site. The generation can be either by the same <a href="#">undertaking</a> that uses the electricity or another undertaking. Where there are a number of undertakings supplied by one generation facility and these are all on a single clearly defined contiguous area, then the supply from the local generation to all or any of the undertakings will be considered to be on-site generation.
<b>On-site self-supplied renewable generation</b>	Where an <a href="#">undertaking</a> generates <a href="#">self-supplied</a> electricity <a href="#">on-site</a> using a source of energy or technology specified in section 41(5) of the Energy Act 2008 and which was commissioned on or after 1 <sup>st</sup> January 2008 and where the generation is eligible for <a href="#">ROCs</a> or <a href="#">FITs</a> and has not at any time received either <a href="#">ROCs</a> or <a href="#">FITs</a> , or any other public financial incentive the electricity from this generation will be zero rated for CRC purposes.
<b>Participant</b>	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 <a href="#">allowances</a> .  <a href="#">See Annex A for the qualification criteria for a participant</a>
<b>Participant equivalent</b>	A participant equivalent (PE) is a single <a href="#">undertaking</a> which is part of a group of undertakings that would have qualified in its own right during the qualification year for a <a href="#">phase</a> . An undertaking is a PE for a whole phase irrespective of any changes in energy use during the phase. An undertaking cannot become a PE mid phase if it did not meet the criteria in the qualification year.
<b>Passive supply</b>	An unmetered electricity supply where the allocation of the unmetered supply is divided across half-hourly periods through a mathematical relationship.
<b>Phase</b>	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 2 is from 1 April 2014 to 31 March 2019.
<b>Main allocation periods</b>	The allocation of CRC <a href="#">allowances</a> for the <a href="#">forecast sale</a> and <a href="#">buy to comply sale</a> during a set period each year as outlined in the <a href="#">Allocation Regulations</a> .

Term	Description
<b>Primary contact</b>	<p>The primary contact can access the <a href="#">CRC Registry</a> and perform the following actions:</p> <ul style="list-style-type: none"> <li>• register a CRC account</li> <li>• submit <a href="#">annual reports</a></li> <li>• <a href="#">notify a designated change</a></li> <li>• <a href="#">change participant equivalent details</a></li> <li>• <a href="#">change primary member/compliance account holder details</a></li> <li>• <a href="#">appoint an agent to act on their behalf</a></li> <li>• order and surrender <a href="#">allowances</a> as appropriate</li> </ul> <p>The primary contact has the same access rights to the CRC Registry as the <a href="#">secondary contact</a>.</p> <p>The primary contact can be anyone as long as they have the authority, given by the <a href="#">senior officer</a>, to act on behalf of the <a href="#">participant</a>.</p> <p>The primary contact can also trade allowances provided they have a valid ID check.</p> <p>The primary contact is an <a href="#">authorised contact</a>.</p>
<b>Primary evidence</b>	<p>For CRC purposes, primary evidence of energy usage (electricity and gas) is considered to be the information – as provided by the supplier of the energy or from readings of meters or estimates by the <a href="#">participant</a> or by someone acting on their behalf – from which the CRC energy usage is determined. Where the original evidence 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 are not considered to be primary evidence.</p> <p>Where participants use their own readings, estimate supplies or document 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 <a href="#">evidence pack</a> 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>
<b>Primary member</b>	<p>The organisation that has been nominated to act for the <a href="#">participant</a> to ensure compliance with CRC. The primary member may also be referred to as the <a href="#">compliance account holder</a>.</p>

Term	Description
<b>Publication of a civil penalty</b>	To publish on a part of the <a href="#">CRC Registry</a> accessible to the public the name of the <a href="#">participant</a> receiving the civil penalty, details of the failure and the penalty amount.
<b>Relevant decision</b>	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.
<b>Revenue expenditure</b>	Public sector organisations do not generally have a <a href="#">turnover</a> 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.
<b>Secondary contact</b>	<p>The secondary contact can access the <a href="#">CRC Registry</a> and perform the following actions:</p> <ul style="list-style-type: none"> <li>• register a CRC account</li> <li>• submit <a href="#">annual reports</a></li> <li>• <a href="#">notify a designated change</a></li> <li>• <a href="#">change participant equivalent details</a></li> <li>• <a href="#">change primary member/compliance account holder details</a></li> <li>• <a href="#">appoint an agent to act on their behalf</a></li> <li>• order and surrender <a href="#">allowances</a> as appropriate</li> </ul> <p>The secondary contact has the same access rights to the CRC Registry as the <a href="#">primary contact</a>.</p> <p>The secondary contact can be anyone as long as they have authority, given by the <a href="#">senior officer</a>, to act on behalf of the participant.</p> <p>They can trade allowances provided they have a valid ID check.</p> <p>The secondary contact is an <a href="#">authorised contact</a>.</p>
<b>On-site self-supplied renewable generation</b>	Where an <a href="#">undertaking</a> that generates self-supplied electricity on site which is eligible for but not receiving <a href="#">ROCs</a> or <a href="#">FITs</a> , it can exclude this energy from CRC. This energy still has to be reported as a renewable supply in <a href="#">annual reports</a> but it does not count towards total emissions.
<b>Self-supply</b>	Where certain public bodies or undertakings supply electricity to themselves. For details see <a href="#">section 3.2.2</a> .

Term	Description
<b>Senior officer</b>	<p>The senior officer must be somebody who exercises management control over the <a href="#">primary member</a> for the <a href="#">participant</a>.</p> <p>The senior officer has responsibility for the participant's compliance with CRC. This means that:</p> <ul style="list-style-type: none"> <li>• enforcement and civil penalty notices will be sent to the senior officer</li> <li>• they authorise the <a href="#">primary</a> and <a href="#">secondary contacts</a> and the single or several <a href="#">account representatives</a> to act on behalf of the organisation</li> <li>• they receive notifications of the submission of <a href="#">annual reports</a>, and the order, allocation and surrender of <a href="#">allowances</a></li> <li>• they receive emails from the administrators with information about the scheme</li> </ul> <p>The senior officer is not able to access the CRC account on the <a href="#">CRC Registry</a> unless they are also named as the primary or secondary contact or as an account representative.</p>
<b>Settled half hourly meter (sHHM)</b>	<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 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 settled on the half-hourly market. These are:</p> <ul style="list-style-type: none"> <li>• mandatory HHMs (which are HHMs required to be installed in certain situations)</li> <li>• voluntary HHMs</li> <li>• <a href="#">half hourly (HH) light meters</a></li> </ul> <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>
<b>Single entity</b>	<p>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.</p>



Term	Description
<b>Soft facilities management provider</b>	A facilities management organisation that typically provides energy supplies and other services such as cleaning and general facilities provision. See also <a href="#">hard facilities management provider</a> .
<b>Special purpose vehicle</b>	An entity created solely for the purpose of a specified financial transaction, for example, acquiring selected assets.
<b>Specified facility certificate</b>	A certificate given by the Secretary of State or the Environment Agency to the Commissioners for HM Revenue and Customs 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.
<b>Subsistence fee</b>	<p>This is an annual fee payable to the administrators to cover their costs including:</p> <ul style="list-style-type: none"> <li>• dealing with enquiries and provision of the CRC Helpdesk</li> <li>• administrative changes to accounts</li> <li>• IT system maintenance and hosting</li> <li>• compliance audits, visits and tracking</li> <li>• receipt of evidence packs</li> <li>• Government Gateway costs</li> <li>• communication with participants, UK administrators and DECC</li> <li>• administration costs, including annual billing</li> </ul> <p>The fee payable by <a href="#">participants</a> each year is detailed in the <a href="#">CRC charges guidance available to download from the Environment Agency's website</a> (<a href="http://www.environment-agency.gov.uk/business/regulation/115485.aspx">www.environment-agency.gov.uk/business/regulation/115485.aspx</a> <del>this address from here as it is accessed from the hyperlink</del>).</p>
<b>Turnover</b>	<p>This should be the organisation's annual turnover taken from the <b>latest audited</b> published accounts and be the turnover irrespective of 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 <a href="#">participant equivalent</a> (PE) has <a href="#">disaggregated</a> from its parent and has registered as a separate <a href="#">participant</a>, 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 PE or PEs.</p>
<b>Undertaking</b>	An undertaking as defined in section 1161(1) of the Companies Act 2006. It includes an unincorporated association that carries on a charitable activity.



Term	Description
<b>Un-metered supply</b>	An un-metered supply is a supply of electricity which is connected to the distribution system of an authorised supplier (within the meaning of the Electricity Act 1989) which is not supplied through a meter.
<b>Year</b>	1 April to the following 31 March inclusive.
<b>Zero rated supply</b>	A zero rated supply is an electricity supply that has to be reported as part of the <a href="#">annual report</a> but which does not count towards total emissions. It is not necessary to purchase <a href="#">allowances</a> to cover zero rated emissions.

This document has been withdrawn 16/02/2020

# Annex A: Qualification criteria for Phase 2

Qualification for CRC is determined on the basis of your qualifying supplies of electricity over the course of the qualification year. For Phase 2 this was 1 April 2012 to 31 March 2013.

Your organisation will qualify for a phase and will remain in CRC for the whole of that phase, even if at some point during the phase your settled half hour electricity drops below the qualifying threshold. Equally if you did not qualify due to your qualifying electricity being below the threshold during the qualification year, your organisation will not be required to participate for the whole of the phase even if your electricity use increases above the threshold. You could be required to enter CRC as a participant only if you acquire or merge with an existing CRC [participant](#) or [participant equivalent](#)

Qualification for CRC is based on electricity supply across organisations and groups of [undertakings](#) rather than on 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 qualifying electricity supplies to all the sites that are part of that organisation.

Groups need to establish qualification on the basis of the qualifying 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 2 is assessed on the basis of two criteria.**

Your organisation qualifies for CRC if:

1. you had at least one half hourly electricity meter (HHM) settled on the half hourly market within your organisation in the qualification year **and**
2. your total supplies of [qualifying electricity](#) measured by a settled half hourly meter (sHHM), are equal to or greater than 6000 MWh in the qualifying year.

There is a specific category of participants called a [mandated participant](#). Mandated participants are organisations to whom the qualification criteria do not apply, or apply differently. They are required to register as participants.

There are two types of mandated participant:

- all UK government departments
- all devolved administration departments and local government organisations mandated by the Secretary of State

# Annex B: Disaggregation

If your organisation is a group participant you can decide to disaggregate group members such that one or more of your subsidiaries acts as a [participant](#) in their own right within CRC. So although the [undertakings](#) remain as subsidiaries of your group for all other purposes, within CRC the disaggregated part of your group registers, pays the registration and subsistence fees, submits annual reports and purchases allowances as a separate participant from the parent group.

Public bodies cannot disaggregate.

The rules governing how collegiate universities and their colleges must register and comply are set out in [the qualification guidance for Phase 2](#) (PDF, 596KB).

The disaggregated participant will appear in the Annual Reporting Publication as a separate participant. The link between the parent group and disaggregated participant will be indicated as part of the publication.

You may disaggregate your subsidiaries either as a group or individually as you see fit. Each disaggregated subsidiary must continue to be part of CRC either as a [single entity](#) participant or part of a group participant.

You can disaggregate one or more of your subsidiary undertakings, irrespective of whether they are a [participant equivalent](#) (PE) or not.

## Rules for disaggregation:

- Any undertaking within a group can disaggregate except the highest UK parent.
- There must be mutual consent between the parent and disaggregated participants for the disaggregation.
- You can disaggregate undertakings either singly or as a group.
- You can request disaggregation at any time, either during registration or at any other time.

Disaggregation will apply from the beginning of the compliance year after the application is made. (An application up to the end of April will count as being in the previous compliance year.) For example if a request to disaggregate is made in October 2015 then the disaggregating participant continues to be part of their parent participant until 1 April 2016.

Joint and several liability will apply to all undertakings within a disaggregated participant, but they will not be jointly liable with their parent participant group.

If the [compliance account holder](#) is moving to the disaggregated participant the parent participant must appoint a new compliance account holder at the time of the request for disaggregation.

The parent participant needs to register and give consent for the disaggregation before the disaggregating participant registers.

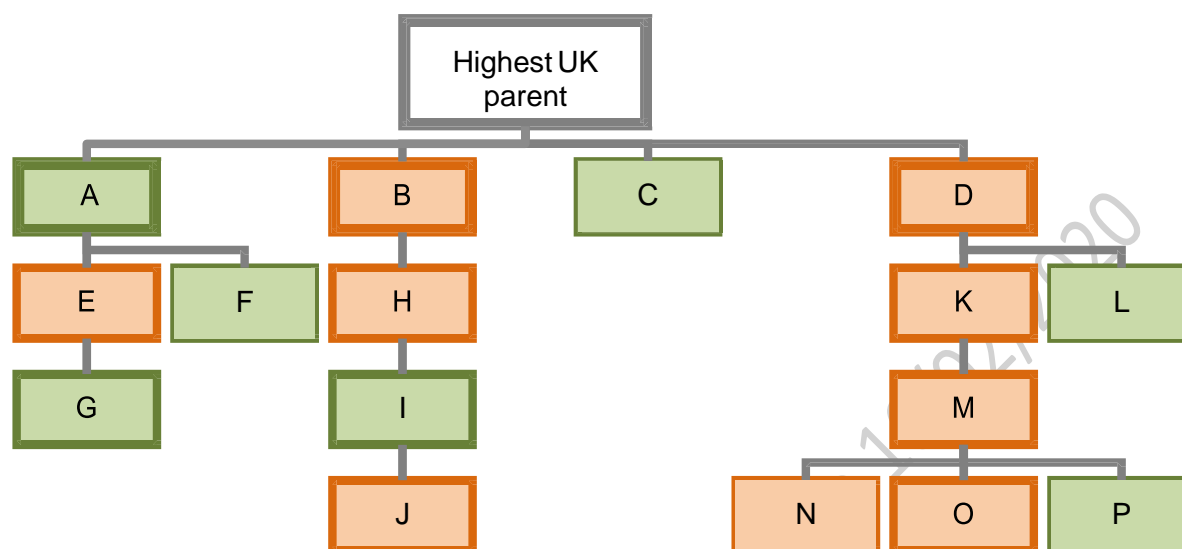
A disaggregated participant can further disaggregate their subsidiaries.

To carry out a disaggregation after registration log in to the CRC Registry, click “Phase 2”, click “Registration” and then “Grant Permission to Disaggregate”. You will then be able to mark Participant Equivalent(s) as having permission to disaggregate and/or provide details of the Non-Participants Equivalent(s) to be disaggregated.

## Example

In this example organisational structure (Figure B1) undertakings shown in red are participant equivalents (PEs), those shown in green are not. 'A' is the compliance account holder. Five scenarios are presented.

**Figure B1: Parent participant organisational structure**



### Scenario 1: Disaggregation of a group of undertakings with the highest parent as a PE

The highest UK parent decides to disaggregate 'B' and all its subsidiaries during registration.

During the disaggregation process on the [CRC Registry](#) the parent participant is presented with a list of the PEs in its registration. In this case as the top parent of the new participant is a PE, it's necessary to tick the box against 'B', 'H' and 'J' as they're the PEs disaggregating. Nothing needs to be done about 'I' as it's assumed that, as a subsidiary of 'B', consent to disaggregate has been granted.

'B' must then register as a new participant, including 'H' and 'J' as PEs in its registration. As part of the registration process 'B' is asked if it's a disaggregating participant. As the answer is 'yes' 'B' is next asked for its parent participant's CRC number. The Registry automatically checks the parent registration for consent to disaggregate by matching the company names and numbers from B's registration with those on the parent participant's registration.

### Scenario 2: Disaggregating where the highest parent is a non-PE undertaking

The parent participant decides to disaggregate 'I' and 'J' as a group.

In this case the highest parent of the new disaggregated parent is not a PE. The Registry doesn't require details of non-PE's company name and number to be entered when consent is given for disaggregation but does want details of the undertaking that is to be the highest UK parent, that is, 'I'. It's also necessary to tick against 'J' to indicate its consent to disaggregation.

'I' then needs to register as a new participant, including 'J' as a PE in its registration. As part of the registration process 'I' is asked if it's a disaggregating participant. As the answer is 'yes' 'I' is next asked for its parent participant's CRC number. The Registry automatically checks the parent registration for consent to disaggregate, matching the company names and numbers from I's registration with those on the parent participant's registration.

### **Scenario 3: A single or group of undertakings is disaggregated leaving a further subsidiary in the parent participant**

The parent participant decides to disaggregate a group consisting of 'H' and 'I' but leaving 'J' in the parent participant group.

During the disaggregation process the parent participant is presented with a list of the PEs in its registration. In this case as the top parent of the new participant is a PE, it's necessary to tick the box against 'H' as it's the PE that is disaggregating. There's no need to do anything about 'I' as it is assumed that, as it is a subsidiary of 'H', 'I' has agreed to disaggregation.

'H' then needs to register as a new participant. As part of the registration process 'H' is asked if it's a disaggregating participant. As the answer is 'yes', 'H' is next asked for its parent participant's CRC number. The Registry automatically checks the parent registration for consent to disaggregate, matching the company name and number from H's registration with those on the parent participant's registration. The Registry keeps 'J' as a member of the parent participant's registration.

### **Scenario 4: Disaggregation a group of undertakings and the disaggregated group wishes to further disaggregate undertakings**

The highest UK parent decides to disaggregate 'B' and all its subsidiaries during registration. 'B' then decides to disaggregate 'J'.

'B' disaggregates following the process outlined in Scenario 1. The new participant 'B' is the parent participant and follows the process outlined in Scenario 1 to disaggregate 'J'.

### **Scenario 5: Compliance account holder of parent participant is in the disaggregating group**

The highest UK parent decides to disaggregate 'A' and all its subsidiaries.

As the compliance account holder of the parent participant will be part of the newly registered disaggregated participant, it's necessary to appoint a new compliance account holder for the parent participant before disaggregation takes place. Before 'A' registers as a disaggregated participant, the parent participant must change the details in the account maintenance part of the Registry to appoint another undertaking which is not in the group being disaggregated as the compliance account holder. The process in Scenario 2 is then followed as 'A' is not a PE.

# Annex C: Emission conversion factors and unit conversions

## C.1 Emission conversion factors

Emission factors are set each year in line with national greenhouse gas (GHG) emission factors . A separate emission factor is set for self-supplied electricity. The emissions factors will be published on the [CRC web pages](#)

To calculate the tonnes of CO<sub>2</sub> associated with each unit of fuel, the [CRC Registry](#) makes the following calculation:

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

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

Please read this section carefully as incorrect conversions can lead to order of magnitude differences.

### C.2.1 Electricity

The energy measurement unit for electricity supply under CRC is kilowatt hours (kWh). You therefore need to convert all supplies of electricity for which you are responsible into kWh.

### C.2.2 Gas

Like electricity, the energy measurement unit for gas supply under CRC is kilowatt hours (kWh).

## Energy conversions

In most cases your gas bills will show the amount supplied in an order of magnitude of watt hours. Where a supply is not measured in watt hours, you need to multiply the quantity of supply by the appropriate conversion factor from [Table C.2](#) to convert it to kWh.

**Table C2: Energy conversion table**

From/to – multiply by	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	0.0000001	• 1

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

## Volume conversions

Many gas supplies are measured in cubic feet (cu. ft) or cubic metres (m<sup>3</sup>). Follow the [example](#) below to convert your gas readings to kWh.

### Example conversion to kWh

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

**Step 1:** Multiply the units used by 0.02832 to give 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 = 39.25 MJ/m<sup>3</sup>):

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

**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 73	<ul style="list-style-type: none"> <li>• Immediate fine of £5,000 for failure to register by the deadline</li> <li>• Further £500 per working day for each subsequent working day of delay up to a maximum of 80 working days; and</li> <li>• <a href="#">Publication</a> of non-compliance</li> </ul>
Failure to disclose information on registration	Article 73	<ul style="list-style-type: none"> <li>• £500 per meter not reported in the registration; and</li> <li>• <a href="#">Publication</a> of non-compliance</li> </ul>
Failure to submit an annual report on time	Article 74	<ul style="list-style-type: none"> <li>• Immediate fine of £5,000 for failure to report by the deadline; and</li> <li>• <a href="#">Publication</a> of non-compliance</li> </ul> <p>Where the report is provided <b>no more than 40 working days late</b>, 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 the report is provided after the last working day of October after the end of the applicable year or not at all:</p> <ul style="list-style-type: none"> <li>• £45,000 fine</li> <li>• <a href="#">CRC emissions</a> 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</li> <li>• The participant must immediately purchase and surrender <a href="#">allowances</a> equal to the CRC emissions (including the doubling)</li> <li>• £40 per tCO<sub>2</sub> penalty for each allowance not surrendered by the deadline (penalty is only applicable to the CRC emissions before the figure is doubled)</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>• Transfer of any allowances to third parties is <a href="#">blocked</a></li> <li>• Publication of non-compliance</li> </ul>



Non-compliance	CRC Order	Penalties
		<ul style="list-style-type: none"> <li>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.</li> </ul>
Failure to provide accurate information or notifications (in relation to registration or designated change)	Article 75	<ul style="list-style-type: none"> <li>£5,000 fine; and</li> <li><a href="#">Publication</a> of non-compliance</li> </ul>
Inaccurate annual reports	Article 76	<ul style="list-style-type: none"> <li>£40 per tCO<sub>2</sub> of so much of those supplies or emissions that were inaccurately reported and</li> <li><a href="#">Publication</a> of non-compliance</li> </ul> <p>'Inaccurate' means where any supplies or emissions differ by more than 5% to those that should have been reported ignoring any estimation adjustments.</p>
Failure to surrender allowances	Article 77	<ul style="list-style-type: none"> <li>Participant must immediately acquire and surrender the allowances shortfall</li> <li>£40 per tCO<sub>2</sub> of so much of the emissions represented by the allowances shortfall</li> <li>Transfer of any allowances to third parties is blocked; and</li> <li><a href="#">Publication</a> of non-compliance</li> </ul> <p>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.</p>
Later discovered failures to surrender allowances (so long as the error is identified within five years of the submission date for the report containing the error)	Article 78	<ul style="list-style-type: none"> <li>Shortfall allowances will be added to the quantity of allowances required to be surrendered in the next reporting year; and</li> <li><a href="#">Publication</a> of the non-compliance</li> </ul> <p>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 most recent sale of allowances before the shortfall was discovered.</p>

Non-compliance	CRC Order	Penalties
Failure to maintain records in respect of the information used to compile an annual report or relevant to any designated change	Article 79	<ul style="list-style-type: none"> <li data-bbox="715 297 1401 427">• £40 per tCO<sub>2</sub> of so much of the CRC emissions of the participant in the annual reporting year immediately preceding the year in which the non-compliance is discovered; and</li> <li data-bbox="715 443 1155 477">• <u>Publication</u> of non-compliance</li> </ul>

This document has been withdrawn 16/02/2020

# 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 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 one 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 using from your chosen method does not underestimate supply.**

### E.2.1 Technique 1: estimated energy bills

Estimated bills from suppliers can be used 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 or the reading does not meet the requirements of the distributor's licence conditions.

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  $X \text{ m}^3$  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  $2X \text{ m}^3$ .

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 should 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: 2,240,658 HCF

Supply between 1 April 2009 and 1 February 2010 = 2,240,658 – 2,090,658 = 150,000 HCF

Metered period: 306 days, missing 59 days at the end of the period

Supply in period: 150,000 HCF converted to kilowatt hours (kWh): 4,706,226 kWh (see [Annex C.2](#)). Conversion factors used in this example calculation are as follows:

- temperature and pressure correction factor = 1.02264 (the figures for temperature and pressure correction, and calorific value (CV) are usually printed on the gas bill)
- HCF (corrected) × 2.832 to convert to cubic metres (m<sup>3</sup>)
- m<sup>3</sup> × CV of 39.0000 MJ/m<sup>3</sup> to convert to mega joules (MJ)
- MJ divided by 1,000 to convert to GJ
- GJ × 277.78 (1GJ = 277.78 kWh) 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 = 5,613,636 kWh

**Step 4:** Participant B reports the supply in its annual report.

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

**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 for the reporting period. Calorific values can be obtained monthly from supplier's invoices or daily from the [National Grid website](http://www.nationalgrid.com/uk) (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 should 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 and production volumes)

### **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 these 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 =  $£150,000 / 0.0687 = 2,183,406$  kWh.

**Step 4:** Participant D will report the supply for the purpose of the annual report.

Reported supply in period: 2,183,406 kWh

**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: 8.69 pence/kWh, estimated as 35.6% supply
- night units: 4.78 pence/kWh, estimated as 7.4% supply
- other time units: 6.00 pence/kWh, estimated as 57% supply
- average unit price =  $(8.69 \times 35.6) + (4.78 \times 7.4) + (6.00 \times 57)/100 = £0.0687$

## E.3 Treatment of errors

If you report supplies of emissions as part of your [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 CO<sub>2</sub> for the emissions or supplies inaccurately reported and publication (see [Annex D](#)).

Please notify the CRC Helpdesk (by emailing [CRChelp@environment-agency.gov.uk](mailto:CRChelp@environment-agency.gov.uk)) as soon as possible if you spot an error in your reports.

**An accurate estimate is not considered to be an error.**

## E.4 Mixed usage

If you're 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 are not required to apply the mixed use estimation technique 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.

#### **E.4.1 Landlord's responsibilities under CRC in mixed use buildings**

If the landlord holds a supply agreement for the building, it will be the landlord's responsibility to estimate the proportion of domestic and non-domestic supply for the building.

Sub-metering in place:

- Use the sub-metering to calculate and remove energy supplies associated with domestic accommodation from the total of each supply.

No sub-metering in place:

- 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.4.2 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.4.3 District heating and benchmarks**

Where there is a need to estimate the percentage of gas input used to heat domestic and non-domestic properties, benchmarks given on Display Energy Certificates 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.4.4 More than one undertaking sharing the same premises

Where sub-metering is in place between undertakings / participant equivalents 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. Figure E.1 shows scenarios where the estimation uplift would and would not need to be applied to the supply figure reported in the annual report.

**Figure E.1: 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.	A facilities management (FM) company supplies B.
Tenancy arrangement: 	B supplies A. A <b>pays or does not pay</b> B for the supply.	B supplies A. A <b>pays or does not pay</b> B for the supply.
Landlord/tenant relationship (B is the landlord and A is the tenant)	B reports <b>all</b> supply (B+A). (In this scenario, the estimation uplift would not need to be applied.)	FM company reports any of its own supply (FM) if it is occupying any part of or the whole building. B reports <b>all</b> remaining supply [that is, (B + A) – FM].

The reporting obligations shown in Figure E.1 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 in Figure E.1, 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 Figure E.1 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 (ft<sup>2</sup>). A-A UK is the landlord. The building is shared by:

- A-A UK (parent company) – 20,000 ft<sup>2</sup>
- A-B Limited (undertaking of the parent company) – 20,000 ft<sup>2</sup>
- A-C LLP (undertaking) – 15,000 ft<sup>2</sup>
- A-D UK Limited (undertaking of the parent company) – 40,000 ft<sup>2</sup>
- FacMan Limited (facilities management company contracted by A-A UK) – 5,000 ft<sup>2</sup>

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 5,000 ft<sup>2</sup> out of 100,000 ft<sup>2</sup>, 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.

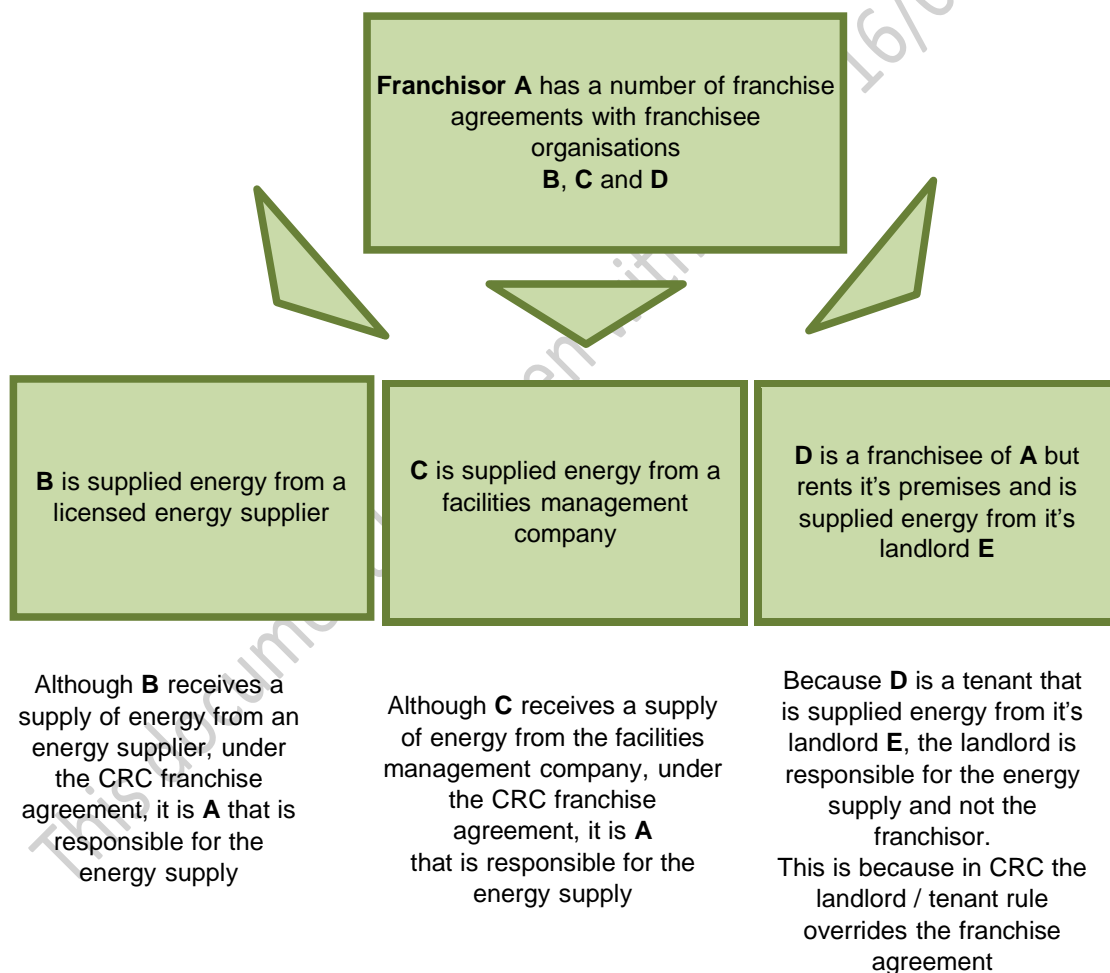
A-A UK (the landlord) estimates its supplies using the same method – reporting 95% of the supply in its annual report based on the proportion of the floor space occupied. The 10% estimation uplift also applies to these supplies.

# Annex F: Complex structure and supply responsibilities

## F.1 Franchises

If you are a franchisor you are responsible for the energy supplies of your franchisees (Figure F.1).

**Figure F.1: Supply rules for franchise agreements**



## F.1.1 The franchisee and franchisor rule

Where a franchise agreement exists and all four of the rules below are met, franchisees are required to participate in the CRC as a group, if they meet the qualification criteria as a group.

**Rule 1:** The franchisee carries on a business activity which is for the sale or distribution of goods, or the provision of services ('the franchise business').

**Rule 2:** The franchisee business is carried on under a name which the franchisor provides to the franchisee.

**Rule 3:** The premises where the franchise business is carried on are used exclusively for that business by the franchisee.

**Rule 4:** Those premises have an internal or external appearance agreed by the franchisor and that appearance must be similar to that of other premises in respect of which the franchisor has entered into a franchise agreement.

Where a franchise does not satisfy all four rules, relevant franchisees won't be required to participate with the franchisor group and must assess whether they qualify for CRC in their own right.

A franchise agreement does not exist where the franchisee and the franchisor are group undertakings in relation to each other, or in relation to the franchise premises, the franchisee occupies those premises with the permission of the franchisor.

### 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.

**Rule 1: The franchisee carries on a business activity which is for the sale or distribution of goods, or the provision of services ('the franchise business')**

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 business is carried on under a name which the franchisor provides to the franchisee**

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 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
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.	Possibly (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)

Type of work	Example	Example	Responsibility for emissions lies with franchisor?
	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 one or more manufacturers 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 franchise business is carried on are used exclusively for that business by the franchisee.**

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.	Possibly (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.	Possibly (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	Possibly (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.	Possibly (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.	Possibly (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	Possibly (see note 3 below)



Type of work	Example	Example	Responsibility for emissions lies with franchisor?
		manufacturer.	

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: Those premises have an internal or external appearance agreed by the franchisor and that appearance must be similar to that of other premises in respect of which the franchisor has entered into a franchise agreement**

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.

## F.2 Public private partnerships and private finance initiatives

A public private partnership is a venture between the public sector and private sector companies to provide 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 develop 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 provide 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 1162 of the Companies Act 2006.

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.

### **F.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 and tenant rule](#). If your landlord has requested a third party to supply you with energy then the supply is deemed to be provided by your landlord.

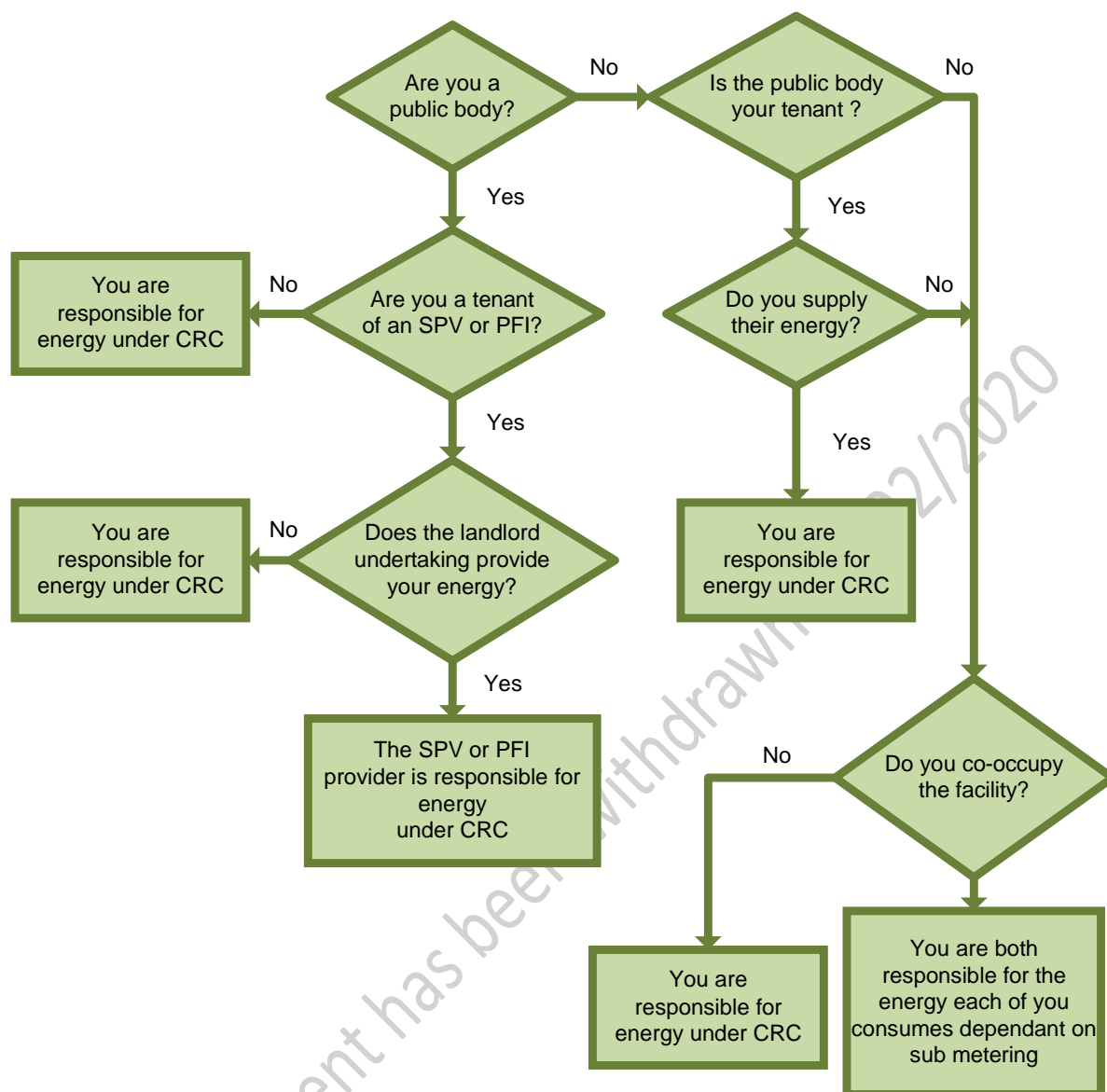
The detail below may also help you determine the supply responsibility in PFI scenarios:

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 and tenant rule, the PFI provider would have supply responsibility if it was the entity that had the contract with the energy supplier or had requested a third party to supply energy to the public body, and the public body would have supply responsibility if it had the contract with the energy supplier or via a third party who had not been requested by the landlord to supply the energy.

The decision tree in [Figure F.2](#) should help you decide on responsibility for supply in PFI situations.

This document has been withdrawn 16/02/2020

**Figure F.2: Decision tree for PFI situations**



**Notes:**

1. For the purposes of this decision tree where a landlord requests a third party to supply the tenant with energy the landlord is responsible for that supply
2. In a co-occupied facility sub metering will be required in order to claim an unconsumed supply between the parties.

**F.2.2 Energy supply scenarios**

Given the variety of arrangements in the PFI sector, various energy supply scenarios are examined below to provide guidance on 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) provider<sup>1</sup> (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 that 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 FM provider. The public 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'.<sup>2</sup>

Where the project documents provide for reimbursement to be made in respect of a lesser percentage of the metered supplies (either because the FM provider and/or the SPV are deemed to be using some of the supplies or otherwise), the supply contract holder (FM provider or SPV) should account for all these supplies in CRC unless the supplies are separately metered or sub-metered.

## 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'.

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<sup>1</sup> 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.

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 SPV should account for all these supplies in CRC unless the supplies are separately metered or sub-metered.

#### 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' rule<sup>1</sup> 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 which has sole occupancy of a premises, and which receives and pays for these supplies, the PFI provider should account for such supplies in CRC.

#### 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 FM provider/SPV is deemed to be using some of the supplies or otherwise), the supply contract holder (FM provider or SPV) should account for these supplies in CRC unless the supplies are separately metered or sub-metered.

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.

### F.3 Private equity funds

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<sup>1</sup> 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.

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.

### F.3.1 Which entities might form a group for the purposes of the 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 the 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 the 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 the



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 the 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.

### F.3.2 Application of the CRC scheme concept of PEs

The CRC concept of PEs applies to private equity funds in exactly the same way as it would apply to any other group that contains PEs. This means that the rules for disaggregation and designated changes are the same.

### F.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 can 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 under the 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 under the 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 the 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.

## F.4 Trusts

For CRC purposes there are specific rules relating to trusts and where the responsibility for the energy used by the assets held in the trust lies.

For the purposes of CRC, trusts can hold assets in one of two ways:

- shareholdings or analogous interests in companies or other undertakings
- directly in real property (such as a freehold or leasehold interest in land or buildings)

### Assets as shareholdings or other analogous interests in undertakings

Where a trust holds shares, the assets aren't considered as being owned by the trustees but as being owned by the beneficiaries of the trust. Therefore where the beneficiaries of a trust are public bodies or undertakings, the shareholdings are treated as being owned by these public bodies or 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), any qualifying electricity supplied to such an undertaking must be aggregated with that consumed by the relevant beneficiary (and its wider group) for the purposes of assessing qualification for the CRC.

### Assets as real property

Where the trust holds real property assets, special provisions are made for different types of trusts.

Where the trust has a single beneficial owner, or a beneficiary of the trust with a beneficial entitlement to more than 50% of the trust, the supplies to the properties held under the trust are counted as supplies to the beneficial owner. This means that if the beneficial owner is a public body or undertaking, the energy use of the premises must be counted towards the supplies of the beneficial owner for the purposes of assessing their qualification and compliance with CRC.

Where a trust doesn't have a majority beneficiary and has a regulated operator (as authorised under the Financial Services and Markets Act 2000 that is a public body or undertaking, the CRC responsibility will lie with the regulated operator acting on behalf of the trust. For qualification purposes, all trusts for which the operator has responsibility will be aggregated; however these trusts will be allowed to disaggregate under the disaggregation rules.

For all other trusts that don't meet the criteria above, CRC responsibility will remain with the trustee where it's a public body or undertaking. For qualification purposes, where the trustee is a public body or undertaking, all trusts for which the trustee has responsibility will be aggregated, although these trusts will be allowed to disaggregate under the disaggregation rules.

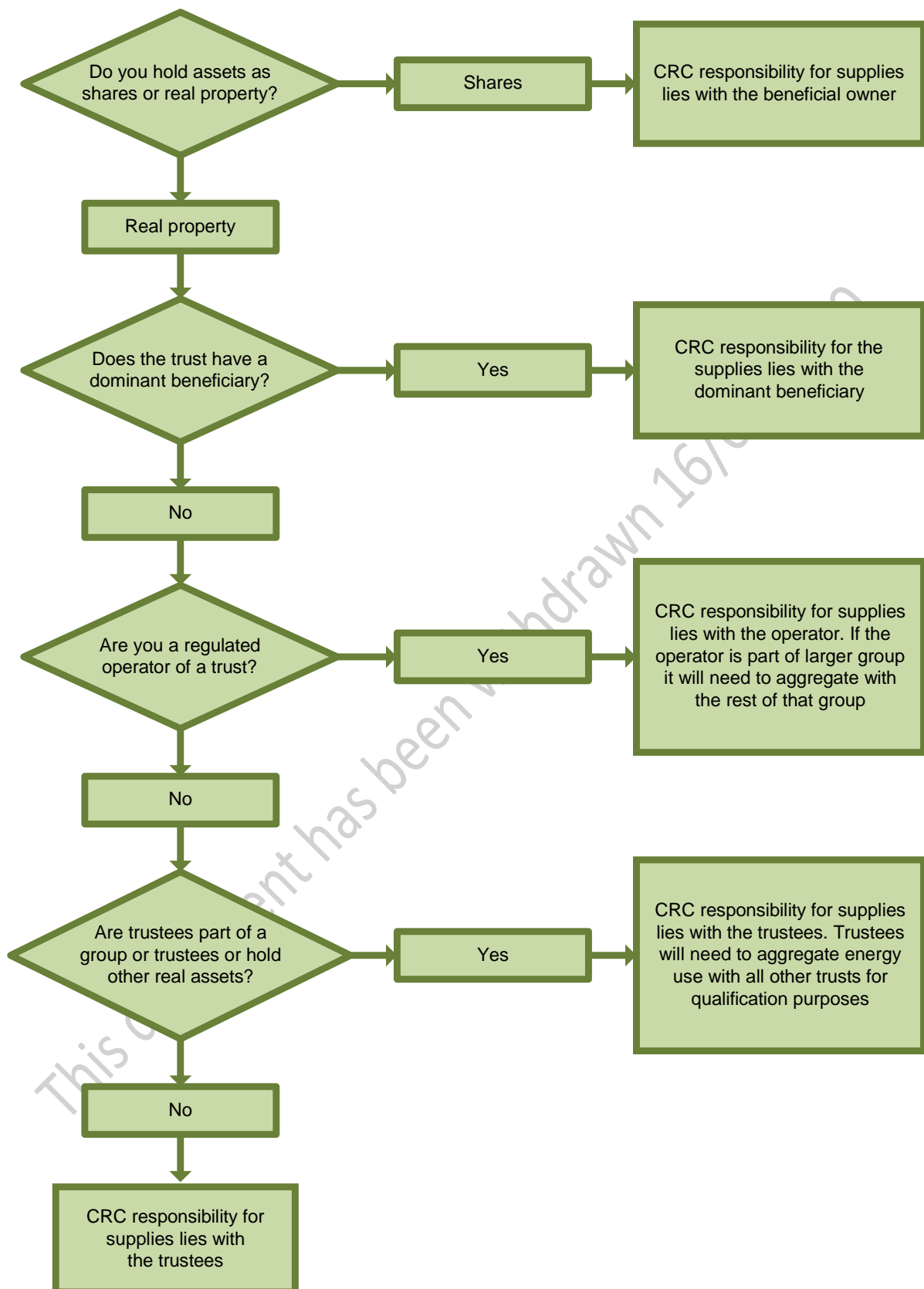
Where there is no majority beneficiary or regulated operator and the trustee is an individual, the supplies fall outside the scope of the CRC.

Where there is more than one public body or undertaking acting as trustee the trustees must decide which one of them is responsible for the supply.

### Assets held by more than one trust

Where assets are held by more than one trust, the flow diagram in [Figure F.3](#) will help you to work out who is responsible for supplies within your trust so you can determine whether you qualify under the CRC.

Figure F.3: CRC decision tree for trusts



# Annex G: Organisational structure changes

## G.1 Introduction

Buying, selling or merging a large organisation or subsidiary can have a significant effect on your [CRC emissions](#) and must be notified and recorded in the CRC Registry.

Private sector organisations must tell the CRC administrator via the [CRC Registry](#) if they have sold or purchased a PE or a PE has become a standalone company. Public sector organisations are required to tell the CRC administrator 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](#).

This annex is aimed at organisations that undergo significant changes to their structure after registering for CRC. It covers:

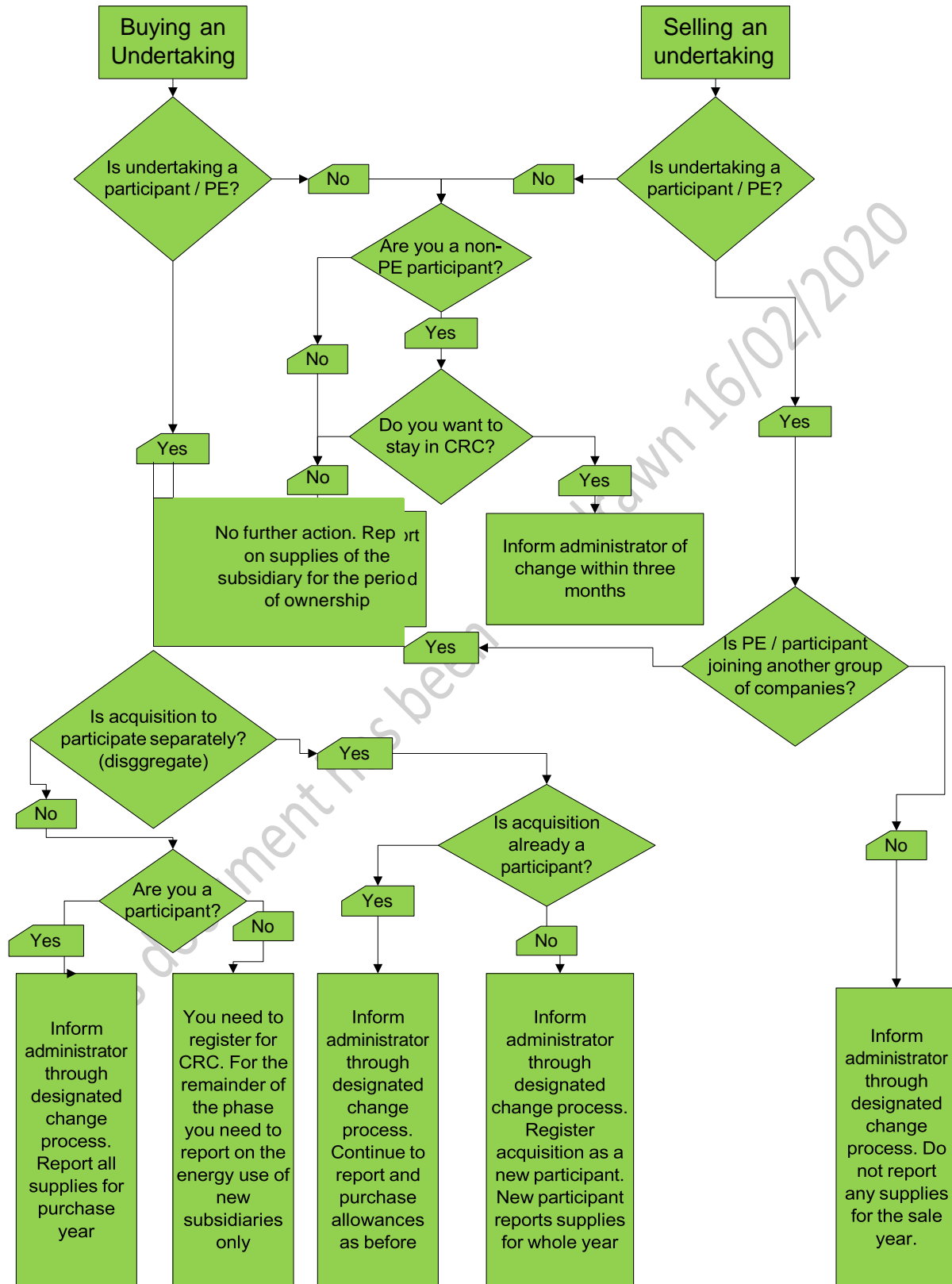
- changes you need to tell the CRC administrator about
- changes you don't need to tell the CRC administrator about during a [phase](#)
- how those changes may affect or have affected your annual reporting
- how to notify the CRC team of changes and the information you need to provide

The different rules governing changes in the [private sector](#), [public bodies](#) and [government departments](#) are detailed in this annex.

This document has been withdrawn 16/12/2015

## G.2 Private sector changes

Figure G.1: Decision tree for designated changes in the private sector



## G.2.1 Changes that you must tell the CRC administrator about – ‘designated changes’

You need to notify the CRC administrator 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](#).

Where a non-PE has become a participant as a result of a [disaggregation](#) and subsequently changes ownership and either becomes a standalone company or joins a non-participant group it can either choose to continue in CRC or request the administrator to close its account.

## G.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 a PE or participant. They are:

- a [participant](#) or [participant equivalent](#) is purchased by a non-participant
- a participant or PE is purchased by (or merges with) another participant
- a PE leaves its parent group to become a standalone organisation
- a [non-PE participant](#) leaves its parent group and becomes either a standalone organisation or joins a non-participant group

These three types are described in turn below. Other instances where control is transferred without the majority of shares being transferred are discussed in [section G.2.3](#) and subsequent sections.

### Type 1: Transfers involving a participant and a non-participant

This applies where a CRC participant or a PE is purchased by a group or undertaking that was not required to register as a participant for CRC.

Where this occurs there are three options.

- Where an existing participant is joining the non-participant group, allow the participant to continue to participate separately.
- Where it is a PE, including all its subsidiaries, that is included in the change, join the new group to register as a participant and participate as such.
- Register the new parent group as a CRC participant. 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 PE it has acquired. The new owner won't 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. 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.

In any case you'll need to inform the CRC administrator of the change within three months of the change occurring. The participant that sold the PE or itself must also notify the CRC administrator of the change.

If you purchase a CRC participant or PE, you should ensure that the seller provides you with the information you need to be able to report on your relevant energy supplies and surrender allowances to offset your emissions.

## Type 2: Transfers between CRC participants

Where the majority of the shares of a participant or a PE are purchased by another participant, both participants must notify their CRC administrator of the change within three months of it taking place.

You can decide whether or not the new acquisitions are to participate separately or become part of your participant group.

If you decide that the new acquisitions are to participate separately then if:

- they are an existing participant you simply need to tell the CRC administrator about the change through the designated change process
- they are a PE and not a participant they will need to register as a new participant, becoming responsible for the supplies for the whole year in which the change took place

If you are the purchasing organisation and you decide the new acquisitions won't participate separately, you are responsible for reporting on the supplies of, and surrendering allowances for, the participant or PE you have acquired as part of your total CRC emissions from the start of the compliance year in which you made the purchase. You'll need to ensure that the seller provides you with the information you need to be able to do this.

### Merger between two participants (or participating PEs)

When two participants merge under a new undertaking, there are three alternatives.

- The new undertaking will take on the responsibility that was held by the previous participants or PEs.
- Each previous participant will continue to participate separately.
- Where one or more of the participants is not an existing participant, they will need to register as a new participant. They will be responsible for the supplies for the whole year in which the change took place.

## Type 3: A PE becomes a standalone organisation

Where a PE leaves a participant's group and becomes an organisation in its own right, both the PE and the participant must notify the CRC administrator of the change within three months.

The newly independent PE 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.

### G.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 a PE, 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.

## **G.2.4 Designated changes relating to charities**

A designated change will take place when a charity that is a participant or a PE leaves or joins a group. The impact of CRC on a charity is determined by its legal structure. 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.

## **G.2.5 Changes to group structure not involving the sale of 100% of the share capital of an undertaking**

Previous examples generally refer to the acquisition or disposal of the entire issued share capital of an [undertaking](#). However, 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 a PE 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' (a PE) 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/PE, you will need to report the supplies associated with it for the full year in which the change occurred. Even if you have only owned it, for say three months, you'll 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/PE, you don't 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](#).

## G.2.6 Changes that you don't need to tell the CRC administrator about

These are typically changes on a smaller scale than designated changes. These changes include:

- a transfer of assets only
- small changes (that is, not involving an PE or entire participant, but excluding where a non-PE is a disaggregated 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 the 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.

## Small changes

These are changes that happen below the level of a PE. Any sales, purchases or demergers of subsidiaries (or groups of subsidiaries) that are not PEs don't have to be reported to the CRC administrator unless they are a disaggregated non-PE. However, you'll 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-PE 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](#).

## Disaggregated non-PEs

Where a disaggregated participant consists only of non-PEs then any change of ownership is treated as a small change. But as disaggregated non-PEs have a registration they will need to contact the administrator within three months of the change to request one of the following.

- Their disaggregation is linked to their new owner if that owner is a CRC participant.
- Their registration is closed if their new owner is a CRC participant and they do not wish to continue as a disaggregated participant.
- Their registration is closed if they are becoming a group on their own or their new owner is not a CRC participant.

## Creation of new PEs

PEs 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 a PE during the course of a phase, you don't need to notify the CRC administrator of the existence of that subsidiary until you register for the next phase.

## Permanently cease carrying on a scheme activity

If a PE permanently ceases carrying on a scheme activity. You should note this in your evidence pack but you don't need to tell the CRC administrator. The PE will still appear in your [annual report](#) when you next submit one and you should enter '0' against its emissions.

## G.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, although these are subject to special rules for universities in England.
- 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.

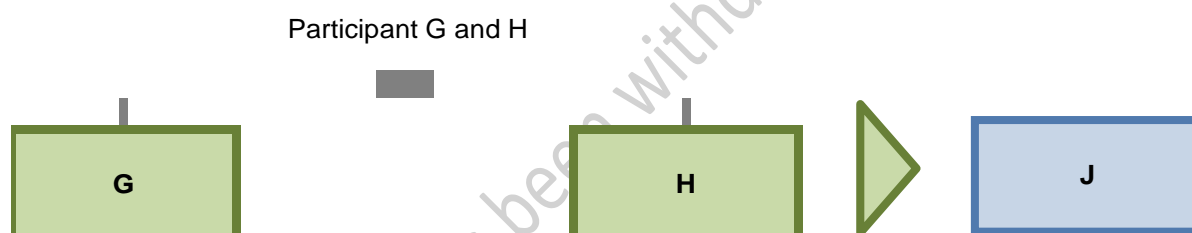
### G.3.1 Changes you need to tell the CRC administrator about

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 (31 March).

#### Example

G and H merge to form a new public body, J.



The newly merged public body (J) must notify the CRC administrator 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. The registrations of G and H for will be closed for the remainder of the [phase](#).

### G.3.2 Changes you don't need to tell the CRC administrator about

You don't need to inform the CRC administrator 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](#). The CRC administrator also doesn't need to be notified of small changes to public body structure. However, you must record any such changes in your [evidence pack](#).

### G.3.3 Closure of a public body

If information is received that a participant has closed down, the CRC administrator will give notice that its account in the CRC Registry will be closed.

Please contact the CRC team as soon as you become aware that there is a possibility that a participant may no longer exist. A registration will not be closed until the CRC administrator is satisfied that any outstanding obligations on the participant have been met, for example, reporting and financial obligations including subsistence fees and allowances.

## G.4 Government departments

### G.4.1 Changes you need to tell the CRC administrator about

The only changes to a department you must tell the CRC administrator about are:

- [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 using the [CRC Registry](#) within three months of the change occurring. Departments A and B do not need to re-register. When C registers, it needs to list all the settled half hourly meters for which the corresponding parts of A and B were responsible when the change occurred. If those parts didn't have separate meters from the rest of the department it won't need to enter any meters. New contacts for managing CRC participation must be provided as part of C's registration.

##### Reporting

After a change occurs, there is a period in which [CRC emissions](#) are counted by both the new department and the old departments. This minimises the time it takes to include a department in the CRC scheme while ensuring 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 needs to submit an annual report. In subsequent years (that is from year 3 on), C needs 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 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 don't need to report on or surrender allowances for supplies that were the responsibility of those parts of their departments that made 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 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 from one department to another.



### Notification

D and F must notify the CRC administrator 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 continues to be responsible for reporting and surrendering allowances for E's supplies. F reports on its supplies less E's supplies. In the year after the change occurs, F takes responsibility for E's supplies and D no longer needs to report on them.

## 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.



**Notification**

The new department, J, must inform the CRC administrator of this change within three months of the change occurring.

**Registration**

J must make a new registration. On receipt of this registration, the registrations of G and H are closed 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, meaning that the supplies of G and H are combined for the whole of the year. J needs to keep relevant records of both G and H in its evidence pack.

This document has been withdrawn 16/02/2020

# Annex H: Supplies and meters

## H.1 Definitions used in the CRC in relation to energy supply

### H.1.1 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.

### H.1.2 Measurement of energy

For a supply to count as a CRC supply electricity must be measured by a metering device, except profile 01 and 02 meters, and gas must be measured by a metering device that measured more than 73,200 kWh in the compliance year and be charged for. Please note that a [self supply](#) does not need to be metered.

### H.1.3 '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 is considered a [supply](#) for the purposes of the CRC scheme. The percentage calculation may be based on various factors including:

- relative amount consumed
- the size of an area occupied
- financial reimbursement

### H.1.4 Types of metering devices that measure electricity supply 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 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.

### H.1.5 Unmetered Supplies

An unmetered supply is a supply attached to the distribution network of a licensed supplier but where there is no meter. Unmetered supplies can be either [passive](#) or [dynamic supplies](#).

In both cases they are reportable supplies for CRC. Where an unmetered supply is attached to a profile 1 or 2 supply point then it is still a reportable supply as it does not qualify for an exclusion as the supply is not metered

## H.2 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 are classified as CRC supplies.

This document has been withdrawn 16/02/2020



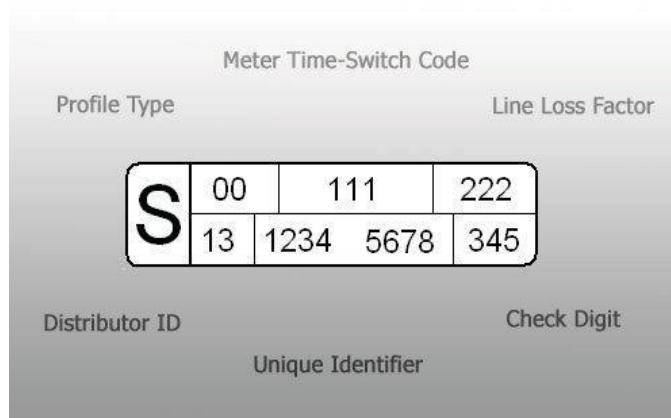
**Table H.1: Meter type identification**

Supply	Meter type/profile	CRC supply
Electricity	Settled half hourly meter	Yes
	Non-settled half hourly meter	Yes
	Dynamic supply	Yes
	Meter profile 00	Yes
	Meter profile 01	No
	Meter profile 02	No
	Meter profile 03	Yes
	Meter profile 04	Yes
	Meter profile 05	Yes
	Meter profile 06	Yes
	Meter profile 07	Yes
	Meter profile 08	Yes
Gas	Meter measuring more than 73,200 kWh in a compliance year	Yes

For the purpose of the 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 that are measured through electricity meters of profile type 01 and 02. Such supplies do not count as CRC supplies.

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 H.1: Example of a Meter Point Reference Number**



### H.3 Northern Ireland electricity meters and CRC status

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 are required where a site's maximum input capacity exceeds 70 kilovolt-ampere (kVA). [Table H.2](#) summaries electricity meter options in Northern Ireland.

This document has been withdrawn 10/2/2020

**Table H.2: Summary of electricity meter options in Northern Ireland**

Meter option	Features	CRC status
Settled half hourly meter pre 1 November 2007, non-mandatory	<ul style="list-style-type: none"> <li>Installed by the energy supplier before 1 November 2007.</li> <li>Half hour data are used by supplier for billing.</li> </ul>	Included
Settled half hourly meter post 1 November 2007, mandatory	<ul style="list-style-type: none"> <li>Required by market if electricity supply is greater than 70 kVA.</li> <li>Half hour data are used by supplier for billing.</li> </ul>	Included
Half hour meter: voluntary	<ul style="list-style-type: none"> <li>At or less than 70 kVA but installed on request of customer or supplier.</li> <li>Half hour data are used by supplier for billing.</li> </ul>	Included
Half hour meter: voluntary (sub-meter not used for billing)	<ul style="list-style-type: none"> <li>Meter has been installed at request of customer.</li> <li>Half hour data are not used by supplier for billing purposes.</li> <li>Half hour data can be accessed by customer through their own systems.</li> </ul>	Included
Half hourly functionality but not enabled (a non-domestic meter)	<ul style="list-style-type: none"> <li>Meters have half hour capability which is not enabled as meters have no communications.</li> <li>Meters are read manually.</li> <li>Half hour data are not extracted by supplier or customer.</li> <li>Billed on 'index' prices.</li> <li>Referred to as a 'seasonal time of day' or STOD meter.</li> </ul>	Included
Non half hourly meter (a non-domestic meter)	<ul style="list-style-type: none"> <li>Manually read (although estimates are frequent for hard-to-access locations).</li> <li>No half hour functionality.</li> <li>Billed on quarterly or monthly basis.</li> <li>Generally flat rate 'tariffs' (for example, Popular) or dual rate (for example, Nightsaver).</li> </ul>	Included
All non-domestic meters and supply to commercial / industrial premises		Included

Note: The mandatory fitting of >70 kVA meters was introduced on 1 November 2007, following the inception of the Single Energy Market.

This document has been withdrawn 16/02/2020

# Annex I: Electricity generation

Electricity used directly for generating, transmitting or distributing electricity, or used for transporting, shipping or supplying gas does not need to be reported under CRC. However, 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 must be reported in the [annual report](#).

All other electricity supplied to an electricity generating plant is required to be reported in your annual report unless it is consumed for the purposes of operating an EU ETS installation or CCA facility.

## I.1 CHP plants

### I.1.1 Treatment of heat

For CRC purposes, the principal purpose of a CHP is considered to be the generation of electricity. The heat generated from a CHP is not covered in CRC.

### I.1.2 Reporting responsibilities for electricity generation (input fuel and electricity generated)

Under the CRC you are responsible for reporting a [supply](#) where you hold the agreement and receive that supply or it is a self supply.

[Table I.1](#) summarises the reporting requirements for the input fuel (gas) and the electricity generated from a CHP plant. Examples of different scenarios are provided to put these rules in context.

**Table I.1: Summary of CHP reporting requirements in CRC**

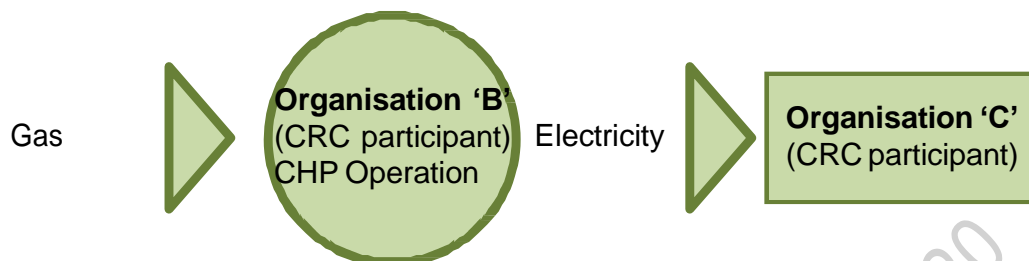
	Included in annual report?	
	Self-supplied electricity (used by generating organisation)	Electricity exported
CHP plant not in EU ETS or CCA	Yes – all electricity* Gas not included	No
CHP plant in CCA	Yes – all electricity not used in CCA facility* Gas not included	No
CHP plant in EU ETS	Electricity used on site with an EU ETS installation not reported.	No

\* electricity directly used for the generation, transmission or distribution of electricity or the transport, supply or shipping of gas are not included.

### 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 I.1).

**Figure I.1: CHP plant (supply) to another organisation**



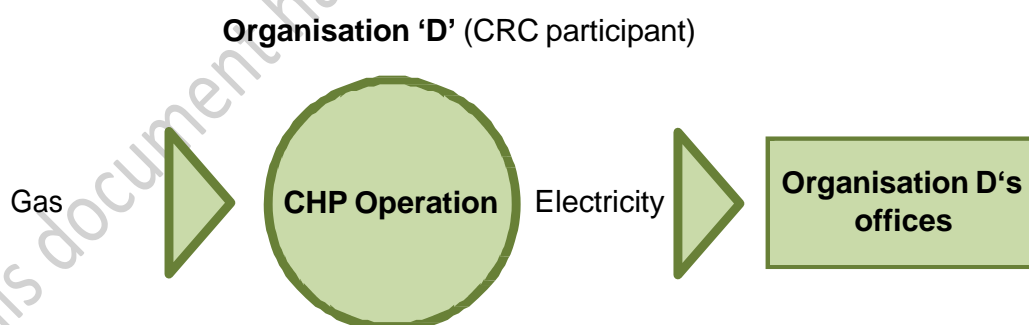
If B is a non-EU ETS installation, it doesn't need to report any of its gas supplies. It only needs to report electricity it uses that is not used directly for generating, transmitting or distributing electricity, or used for transporting, shipping or supplying gas.

If B is an EU ETS installation, it is not required to report the gas supply or any electricity supplies used on the site with the EU ETS installation in its annual report or the electricity generated and supplied to C. Any supplies to C may be required to be reported by C if they meet the supply rules and C is a CRC participant.

### Example 2: CHP plant self-supply

Organisation D operates a CHP plant and uses gas input to provide itself with electricity and heat (within the same legal undertaking) (Figure I.2).

**Figure I.2: CHP plant (self-supply)**



D should not report any gas supplies used in the CHP.

D is responsible for reporting its self-supply of electricity in its annual report and for buying and surrendering CRC allowances to cover the emissions.

If it is an EU ETS installation, D is not required to report the input fuel supplies in its annual report or electricity supplies used on the same site as the EU ETS installation. However, it does need to report the self-supplied electricity used in the rest of the undertaking.

## 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 plant is not required to report the electricity supplied.

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.

## Renewable CHP plants

The following apply where the primary input fuel into a CHP plant is a renewable fuel such as biomass, landfill gas or sewage gas.

The generator is not required to report that fuel as part of their CRC supplies but is required to identify in the [annual report](#) the amount of electricity generated from renewable sources.

Recipients are required to report the electricity supply in their annual report if it meets the supply rules.

The following cases provide examples of these rules.

### Case 1

Company A operates a CHP plant. It uses a renewable primary input fuel to supply heat and electricity to company B. B is a CRC [participant](#). A does not claim ROCs/FITs for the electricity supplied to B.

B is required to report the electricity supply from the CHP plant in its annual reports.

Note: The outcome would be the same if there was a single or several recipients of electricity supplied 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 annual reports.

Note: The outcome would be the same if there was a single or several recipients of electricity supplied 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 as self-supplied on-site generation. The electricity used does count towards its total emissions and is subject to a requirement to purchase and surrender allowances. If the CHP is on-site the emission factor will be the on-site generation emission factor.

### Case 4

Company F operates a CHP plant. It uses a renewable primary input fuel to provide heat and electricity to itself. The process is eligible for ROCs or FITs. It is a CRC participant and has not claimed ROCs/FITs or other public funding for the electricity supplied to itself.

The electricity used does not count towards its total emissions and is not subject to a requirement to purchase and surrender allowances. F is required to report the electricity self-supply from the CHP plant as self-supplied on-site generation from renewable sources not claiming ROCs or FITs or other public funding.

## District heating schemes

District heating schemes where electricity is not generated are required to report their gas supplies under CRC where the gas supply exceeds 73,200 kWh in a compliance year. Where the scheme supplies only domestic accommodation there is no requirement to report the gas supply under CRC.

If the district heating scheme supplies a mix of domestic and commercial premises it must report the proportion of the gas used to supply the commercial premises. Normal [supply responsibility](#) rules apply for the reporting of the electricity consumed by the district heating facility.

## I.2 Generation from renewables

Any imported electricity to a renewable generation facility is reportable under the CRC if it meets the [supply rules](#). It can only be excluded if it is 'self-supplied' electricity or is used directly for the generation, transmission or distribution of electricity or the transport, supply or shipping of gas.

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.

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)
- they claim Feed-in-Tariffs (FITs)
- they are issued with a ROC or claim FIT **and** [self-supply](#)
- they self-supply
- Where an undertaking generates self-supplied electricity on-site using a source of energy or technology specified in section 41(5) of the Energy Act 2008 and which was commissioned on or after 1st January 2008, and where the generation is eligible for ROCs or FITs and has not at any time received either ROCs or FITs, or any other public financial incentive, the electricity from this generation will be excluded for CRC purposes.



## I.2.1 Reporting supplies from renewables

In CRC, electricity supply from renewables is reported:

- at the grid average emission factor if it is imported; or
- at the on-site generation emission factor if it is generated on-site; or
- Where an undertaking generates self-supplied electricity on-site using a source of energy or technology specified in section 41(5) of the Energy Act 2008 and which was commissioned on or after 1<sup>st</sup> January 2008, and where the generation is eligible for ROCs or FITs and has not at any time received either ROCs or FITs, or any other public financial incentive, the electricity from this generation will be excluded for CRC purposes.. In the last case you'll still be required to give the amount of generation as part of your annual report but it won't count towards your total emissions and is not subject to a requirement to purchase and surrender allowances.

This document has been withdrawn 16/02/2024

# Annex J: Reporting

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.1 summarises the information you need to enter on the [CRC Registry](#).

**Table J.1: Data requirements for annual reports**

Input	Comments
<b>Reporting year</b>	Select the appropriate reporting year for which you are entering data from the dropdown list.
<b>Renewables generation</b>	<p>Enter the amount of electricity in kWh you have generated using renewables and:</p> <ul style="list-style-type: none"> <li>• for which you have been issued with ROCs or FITs</li> <li>• which you have self-supplied and for which you have been issued with ROCs or FITs</li> <li>• <a href="#">self-supplied on-site</a> electricity generated               <ul style="list-style-type: none"> <li>○ using a source of energy or technology specified in section 41(5) of the Energy Act 2008 and</li> <li>○ which was commissioned on or after 1<sup>st</sup> January 2008 and</li> <li>○ where the generation is eligible for <a href="#">ROCs</a> or <a href="#">FITs</a> and has not at any time received either <a href="#">ROCs</a> or <a href="#">FITs</a>, or any other public financial incentive the electricity from this generation</li> </ul> </li> <li>• will be excluded for CRC purposes.</li> </ul>
<b>Energy supplies</b>	<p>You need to report the amounts of all energy supplies that make up your <a href="#">CRC emissions</a> across the whole participant organisation, including any subsidiaries and PEs that you may have. Enter details of:</p> <ul style="list-style-type: none"> <li>• supplies of electricity</li> <li>• supplies of gas used for heating purposes</li> </ul> <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 <a href="#">estimation technique</a> to cover a period when actual data are not available).</p> <p>If the supply is <a href="#">classified as an estimate</a> under CRC, it should be entered in the 'Estimated Supply' column on the Registry screen. 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.</p>
<b>Participant</b>	Enter the imported and self-supplied electricity and gas supplies for

Input	Comments
<b>equivalents</b>	each participant equivalent within your group. If a participant equivalent has another participant equivalent below it in the group's organisational structure, do not include its supplies.
<b>Turnover data</b>	<p><b>Turnover</b> data are voluntary. You should record in £ the following data.</p> <p>If you're a public sector organisation, record your revenue expenditure.</p> <p>If you're a private sector organisation, record your turnover.</p> <p>If you're classified as a public body under CRC, but are a body corporate without revenue expenditure, record your turnover.</p>
<b>Additional disclosure of information/ corporate responsibility</b>	<p>The CRC Registry presents a set of four additional questions relating to carbon management within your organisation or group. The response options are 'Yes', 'No' or 'No answer'. You must respond with either 'Yes', 'No', or 'No answer' to proceed.</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>
<b>Comments</b>	There is a box available where you can comment on any factors you feel might have affected your emissions. The maximum number of characters is 2,000. The information may be published as part of the <a href="#">annual report publication</a>
<b>Summary</b>	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.

This document has

# Annex K: Evidence pack

## K.1 Introduction

The evidence pack is where you collate data and records to justify the information submitted to meet the requirements of the CRC scheme. This information will be scrutinised during audits on behalf of or by the CRC administrator.

This annex is intended to help you decide what you need to keep in your evidence pack. It is recommended that you build up your evidence pack during the compliance year and not wait until it has ended.

### K.1.1 Records you need to keep

The different sections of this annex give 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 is recommended should be kept.

### K.1.3 Evidence pack format

Although there is no prescribed format for an evidence pack, the tables and checklists templates presented in each section of this annex provide a framework you may wish to use. Note that some sections may not be relevant to your organisation – use [Table K.1](#) to help you determine which sections apply to you.

The checklists and tables are 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 don't have to complete templates coloured **blue** but these are considered **best practice**.

Example entries in the templates are shown in **green**.

## Best practice

One approach to record keeping is to create a workbook, such as in Microsoft® Excel, using the tables in this annex to provide the column and row headings. It is easier to format the contents of a cell in an Excel file to display data or text than it is in a Word document. Another advantage is that you can insert hyperlinks to other data files.

### K.1.4 Steps to building an evidence pack

Your evidence pack underpins the information you give at the four stages of compliance with the CRC scheme.

#### 1. Registration

You should have provided:

- information about your organisation – the name or registered number of your organisation and, if appropriate, details of its participant equivalent members
- details of any organisation changes since the qualification date
- contact details – for your CRC primary and secondary contacts you need to provide the name, position, phone number, mobile phone number and email address
- a list of MPANs for your settled half hourly electricity meters
- the total supply (in MWh) of qualifying electricity to your organisation
- an indication of whether you have excluded any supplies
- details of your invoice contact
- a purchase order number for subsistence invoices – you may enter this if you require it
- details of your senior officer
- details of the payment method you have chosen for your registration

#### 2. Submission of your annual report

When you submit your annual report online using the [CRC Registry](#) you are asked to enter:

- emissions associated with renewable electricity – electricity you have generated using renewables
- energy supplies
- total supplies of electricity reportable in CRC
- total supplies of gas used for heating purposes
- total emissions from each participant equivalent in your group
- turnover or revenue expenditure of your organisation – if you wish to disclose this information, it should be the figure that is published in your annual report and accounts
- voluntary questions on corporate responsibility – if you choose to answer these questions, keep a copy of documents that demonstrate your corporate responsibility commitments
- report comments – this is a free text box where you can describe any factors you believe might affect your annual emissions

### 3. At any time during a phase

Any organisational change in the undertakings or bodies that make up your organisation should be recorded in your evidence pack. [Designated changes](#) must be notified to the CRC team via the Registry.

### 4. Internal audit

The CRC scheme requires you to carry out an [internal audit](#) of your records at least once a year. You are also required to include an audit certificate in your evidence pack signed by a senior officer who exercises management control in respect of the participant's activities.

## K.1.5 Developing your evidence pack

Start by using [Table K.1](#) to determine which sections of the evidence pack apply to you. Then use [Table K.2](#) to track the status of each section of your evidence pack.

**Table K.1: Checklist**

Annex section	Description of section	Registration– action required		
		Register	Compile an annual report	Record special events
<b>1</b>	<b>Status of evidence pack</b>	Y	Y	
<b>2</b>	<b>Main emissions and qualification data</b>			
2.1	Qualification data	Y		
2.2	Registration	Y		
2.3	Annual report comparison with previous year		Y	
<b>3</b>	<b>Organisation structure</b>			
3.1	Organisation structure – family tree	Y		Y – if any changes have occurred
3.2	Structure and relationships of members	Y		Y – if any changes have occurred
<b>4</b>	<b>Responsibilities</b>			
4.1	Senior officer	Y		
4.2	Members of CRC team	Y – CRC officers	Y	
4.3	Other arrangements within organisation	Y		Y – if any changes have occurred
4.4	CRC written procedures		Y	
<b>5</b>	<b>Emission sources</b>			
5.1	List of supplies		Y	Y

Annex section	Description of section	Registration– action required Register	Participation – actions required	
			Compile an annual report	Record special events
5.2	List of energy suppliers		Y – if applicable	
<b>6</b>	<b>Annual report</b>			
6.1	Summary of most recent annual report		Y	
6.2	Energy supply data		Y	
6.3	Historic records		If a participant in previous phase, keep records relating to your annual reports for six years after the end of compliance year.	
6.4	Carbon management		Voluntary	
<b>7</b>	<b>Special events and changes</b>			
7.1	Change of contacts or responsibilities (CRC officers)			Y
7.2	Change to supply list or supplier			Y
7.3	Change to company structure			Y
7.4	Designated changes			Y
7.5	Meter faults/breakdowns affecting reporting			Y
7.6	Accuracy/consistency over scheme year			Y
7.7	Trends in energy use over scheme year			Y
7.8	Changes to EU ETS/CCA coverage			Y
7.9	Correspondence with the administrator or regulators			Y
<b>8</b>	<b>Exclusions</b>			
8.1	Supply exclusions		Y	Y
8.2	Transport exclusions		Y	Y
8.3	Domestic exclusions		Y	Y
8.4	Not for own use		Y	Y

Annex section	Description of section	Registration– action required	Participation – actions required	
		Register	Compile an annual report	Record special events
	(unconsumed supply)			

This document has been withdrawn 16/02/2020



**Table K.2: Keeping track of the status of your evidence pack**

<b>Annex section</b>		<b>Name of person responsible/ authorised signature</b>	<b>Date completed with any comments</b>	<b>Tick when completed</b>
<b>2</b>	<b>Summary of main emissions and qualification data</b>			
2.1	Qualification data			
2.2	Registration			
2.3	Annual report comparison with previous year			
<b>3</b>	<b>Organisational structure (including disaggregation)</b>			
3.1	Organisation family tree			
3.2	Description of structure and relationships			
3.2.1	Subsidiary undertakings			
3.2.2	Related organisations			
<b>4</b>	<b>Responsibilities (officers and procedures)</b>			
4.1	Nominated senior officer (director or equivalent)			
4.2	Members of CRC team			
4.3	Other organisation arrangements			
4.4	CRC written procedures			
<b>5</b>	<b>Emissions sources (energy supply lists)</b>			
5.1	List of supplies			
5.1.1	Electricity supplies			
5.1.2	Gas supplies			
5.2	List of suppliers			

Annex section		Name of person responsible/ authorised signature	Date completed with any comments	Tick when completed
<b>6</b>	<b>Annual report</b>			
6.1	Summary of most recent annual report			
6.2	Energy supply data			
6.2.1	Data for annual reporting year			
6.2.2	Supplier invoices			
6.2.3	<a href="#">Supplier annual statements</a>			
6.2.4	Estimated readings			
6.2.5	Corroboration of meter readings			
6.2.6	Emission factors			
6.2.7	Explanation of calculations for separating excluded use			
6.2.8	ROCs and FITs			
6.2.9	On-site generation which you have self-supplied and are eligible for but not claiming ROCs or FITs from sources of energy and technologies installed from 1st January 2008.			
6.3	Archived annual reports			
6.4	Additional information on carbon management (voluntary)			
<b>7</b>	<b>Special events/change records (including designated change)</b>			
7.1	Change of CRC contacts/responsibilities			

Annex section		Name of person responsible/ authorised signature	Date completed with any comments	Tick when completed
	assigned to 'officers'			
7.2	Change to supply list or supplier			
7.3	Change to company structure			
7.4	Designated changes			
7.5	Meter faults/breakdowns affecting reporting			
7.6	Meter accuracy/consistency over scheme year			
7.7	Trends in energy use over reporting year			
7.8	Changes to EU ETS/CCA coverage			
7.9	Correspondence with CRC administrator			
<b>8</b>	<b>Excluded supplies</b>			
8.1	Supply exclusions			
8.2	Transport exclusions			
8.3	Domestic exclusions			
8.4	Not for own use (unconsumed supply)			

### K.1.6 How to use the templates

- Enter headline mandatory data into cells highlighted in red in the summary templates. Cells highlighted in orange may also be relevant to your organisation. Cells highlighted in blue are not mandatory but it would be best practice to record this information.
- For each row that is relevant to your organisation at this stage, insert a reference to supporting documentation such as a spreadsheet, report or other document. References to electronic locations are acceptable.

- Ensure the referenced document is retained in the evidence pack. This may be in electronic format in a folder structure or in hard copy, for example, as a schedule or in a separate CRC file.
- Carry out regular reviews to make sure the data in the evidence pack are up-to-date and that you have sufficient information to meet relevant reporting deadlines.
- Ask someone who exercises management control to sign an 'audit certificate' confirming that the records are complete, correct and adequate.

Your pack should contain evidence on any internal review or quality checking of this section, such as the example shown below.

<b>Main emissions data</b>	Completed by:	Reviewed by:	Reference:
Organisation:			
Scheme year end:	Date:	Date:	

## K.2 Summary of main emissions and qualification data

### Purpose of this section of the evidence pack

This section provides an overview of your qualification for CRC and the way you have compiled your annual reports. This will help make audits easier for all concerned. It will also help you manage your own participation in the scheme.

### Deadlines

Qualification data are needed for registration, which must be completed by 31 January 2014. You may also need to use the information in this section of your evidence pack to answer any questions about your registration.

The first annual report for Phase 2 is due by 31 July 2015. Annual reports for the rest of the phase must be submitted within four months of the end of each compliance year.

### Data sources and primary records

Sources of information for this part of the evidence pack include:

- qualification data including settled HHM electricity supplied in 2012 to 2013
- annual reports

## K.2.1 Qualification data

Complete Table K.2.1 with details of your CRC qualification.

2.1	Qualification (1 April 2012 to 31 March 2013)	Information	Document reference	Authorised signature	Completion date
	Qualified as a full participant	Yes or No	[organisation name] CRC qualification analysis.doc	Joe Bloggs	2 January 2014
	Operates a CCA facility or EU ETS Installation	Yes or No *			
	Settled HHM electricity supply	<<insert XXXX MWh>>			

\* If 'Yes', record excluded supplies – see [section L.8.1](#).

## K.2.2 Registration

You must keep records of the data you provided at registration for Phase 2.

Table k.2.2

2.2	Record of registration	Information	Document reference	Authorised signature	Completion date
	Registration summary print-out from CRC Registry included?	Yes or No	[organisation name] CRC registration summary data.doc	Joe Bloggs	10 July 2015

## K.2.3 Annual report/comparison with previous year

It's essential when you've completed your annual report to retain copies of the documents outlined in [Section 4](#). For your summary annual report document, complete Table K.2.3 with details of your annual total CRC emissions for the current and previous scheme year.

Table K.2.3

2.3	Summary – annual report	Current year end [insert] (tCO <sub>2</sub> )	Previous year end [insert] (tCO <sub>2</sub> )	Estimated? (Y/N)	Document reference	Authorised signature	Completion date
	Electricity						
	ROC/FIT output						
	Natural gas						
	<b>Total</b>						
	PE 1 total						
	PE 2 total						
	and so on						

This document has been withheld

## K.3 Organisational structure (including disaggregation)

### Purpose of this section of the evidence pack

This section will help you describe your organisation accurately. You can signpost evidence for your organisational structure and use it to define the scope of your CRC participant group.

### Deadlines

This part of the evidence pack must be completed by the last working day of July following the end of the relevant scheme year.

### Data sources and primary records

Sources of information for this part of the evidence pack include:

- your registration printout – from the CRC Registry, once you have submitted your registration
- your organisational diagram
- list of undertakings, including address and post code
- list of related organisations, such as franchisees, including address and post code
- Companies House records such as annual returns

### K.3.1 Organisation family tree

Keep the printout or download of the information you submitted when you registered for CRC as part of your evidence. This summary identifies your highest parent and your primary member, and contains the participant equivalent details you provided at registration.

For registration you'll need a description of your CRC organisation and an organisational 'family tree' which sets out the organisational structure and covers group undertakings and other organisational arrangements as it stood at 31 March 2013.

Your group structure must be defined according to the definitions in the [CRC Order](#) and **not** according to internally defined structures.

If you have an overseas parent, you should note this in your structure.

You'll also need to record any organisation change between 31 March 2013 and the date when you register for CRC.

It's important to keep your family tree up-to-date following any designated changes (see [Table K.7.8](#)).

3.1	CRC organisation	Tick as appropriate	Document reference	Authorised signature	Completion date
	Confirmation that the summary registration information submitted has been retained as evidence				
	Organisation family tree provided (at 31 March 2013)				
	Record of changes between 31 March 2013 and point of registration				
	Organisation family tree provided – current				

### K.3.2 Description of structure and relationships

Alongside your organisation family tree, you need to provide a description, or a further diagram or an overlay, showing the relationships under CRC. For example, you should explain the relationship of the parent, primary member organisation, any participant equivalents and any undertakings that do not meet the PE 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 you provided at registration.

Explain the organisational type of your 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.

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.

Identify and explain any matters of ownership or responsibilities such as joint ventures, partnerships, PFIs and justify the position taken over whether the affected undertakings have been included in CRC.

If you are an overseas organisation with no UK subsidiaries, please explain the relationship of the parent to the UK activities.



3.2	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 the extent of the organisation or organisational group				
	If an overseas organisation with no UK subsidiaries, there is evidence of relationship to UK activities				

### *Subsidiary undertakings*

Confirm details of any legally defined subsidiaries<sup>1</sup> that have been combined with your highest parent organisation to form your CRC participant organisation.

Indicate any participant equivalents that were disaggregated from your group during registration.

3.2.1	Subsidiary undertakings	Information	Document reference	Authorised signature	Completion date
	Do you have any subsidiary undertakings?	Yes or No			
	Number of subsidiary undertakings included in the registration	<< Insert number >>			
	List of undertakings attached	Yes or Not applicable			
	List of disaggregated PEs attached	Yes or Not applicable			

<sup>1</sup> Relationship of parent and subsidiary in accordance with section 1162 of the Companies Act 2006

## Related organisations

In certain defined circumstances in CRC, the emissions from one organisation are the responsibility of a legally separate entity. Examples include schools, franchises and collegiate universities.

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 [Table K.4.3](#).

3.2.2	Organisations that you have responsibility for	Information	Document reference	Authorised signature	Completion date
	Are there any organisations that you have responsibility for?	Yes or No			
	Number	<< Insert number >>			
	Type	Details of franchises			
	List of related organisations attached	Yes or Not applicable			

## K.4 Responsibilities (officers and procedures)

### Purpose of this section of the evidence pack

This section records information about the people with responsibilities for CRC within your organisation.

When you registered, you proposed the following contacts for CRC:

- a senior officer (a director or someone of equivalent status who exercises management control of the primary member)
- day-to-day contacts (primary and secondary contacts)
- a single or several account representatives
- An invoice contact

You may also have appointed agents to act for you.

It is important that the contact list for these individuals is 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 either internal or external.

## Deadlines

It is recommended that you review and complete the relevant sections by the registration deadline, which is 31 January 2014 for Phase 2.

## Data sources and primary records

Possible sources of information for this part of the evidence pack include:

- documents confirming the appointment of the director or another 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

### K.4.1 Nominated senior officer (director or equivalent)

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 (which is usually the highest UK parent).

Note any changes to your nominated director (or equivalent) during the scheme year in [Table K.7.1.1](#). You'll also need to amend the information held in the CRC Registry.

4.1	Nominated senior officer (director or equivalent)	Information	Document reference	Authorised signature	Completion date
	Name				
	Evidence of position in organisation	Schedule attached			
	Evidence of appointment	Schedule attached			
	Date effective from				
	Contact address				
	Contact telephone number				
	Contact email				

### K.4.2 Participant CRC team members

Record the contact details – name, job description, business address, phone and e-mail details – of all [authorised contacts](#). Any changes in the designated CRC team members during the scheme year should be noted in [Table K.7.1.2](#).

4.2	Other officers	Information	Document reference	Authorised signature	Completion date
	Primary contact	Contact details			
	Secondary contact	Contact details			
	Account representative 1	Contact details			
	Account representative 2	Contact details			
	Account representative 3	Contact details			
	Invoice contact	Contact details			

### K.4.3 Other organisation arrangements

Provide details in [Table K.4.3](#) 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?	Yes or No			
	Identify organisations concerned				
	How is this accounted for/reported to you?	<< Insert schedule or refer to written procedures>>			

### K.4.4 CRC written procedures

Although not a mandatory part of CRC it is best practice for you 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

Keep copies of any procedures in your evidence pack.

If applicable, it is also best practice to integrate these into your ISO9001 and ISO14001 systems.

4.4	Action	Information	Document reference	Authorised signature	Completion date
	Do you have any CRC procedures?	Yes/No			
	If yes, are any of these integrated into ISO9001 or ISO14001 management standards?	Yes/No – comment			
	If yes, date CRC procedures were last reviewed	Confirm date of review			
	If yes, are procedures attached as an annex to the evidence pack?	Yes/No			

## K.5 Emissions sources

### Purpose of this section of the evidence pack

This section contains information about all your emissions sources included in CRC. This evidence forms the basis for your annual reporting figures against which you are required to surrender allowances for each scheme year. You'll need to take into account any supplies you acquired or stopped being responsible for during each reporting year.

### Deadlines

You need to report your CRC emissions each time you produce an annual report. **Data sources and primary records**

Possible sources of information for this part of the evidence pack include:

- finance records for energy purchasing
- supplier statements by premises
- engineering records of meters
- CCA documentation and re-certification
- EU ETS permits and associated monitoring and reporting plans
- ROC account details
- FIT certification identity numbers

### K.5.1 List of supplies

Your supplies can be listed separately or cross-referenced by site on a single schedule. The CRC is not a site-based scheme, but you must identify each meter by location as well as by

reference number. This will allow you to identify the supply of multiple fuels on a single site, track meter changes within a site and cross-reference with EU ETS and CCA sources, which are commonly identified on a site basis. This information will also help you during audits of your compliance with the requirements of the CRC scheme.

One option is to keep these data in a spreadsheet.

Energy supplies to a certified CCA facility or an EU ETS installation are excluded from CRC and so don't need to be included here. Details of CCA facilities and EU ETS installation should be recorded under excluded supplies in [section K.8.1](#). Any changes to their coverage should be reported in [section K.7.8](#).

### Electricity

Only include electricity supplies received through meter profile types 00 and 03 to 08, plus [dynamic](#) and [passive](#) unmetred supplies. Supplies consumed at a CCA facility do not have to be reported in Phase 2.

5.1.1	Electricity sources cross-referenced to meter number and location	Tick to confirm details included	Document reference	Authorised signature	Completion date
	List of meters				
	Meter identification number (MPAN/MPRN)				
	Non-utility meter ID				
	Unmetered supply (UMS) ID: MSID				
	Location identifier (including PEs)				

MSID = metering system identifier

5.1.2	Meter details by electricity supply	Tick to confirm details included	Document reference	Authorised signature	Completion date
	List utility and non-utility meter ID by meter details (UMS covered by Table L.5.1.3)				
	Meter type, manual, 100 kVA, other (please specify)				

	Meter accuracy (design value)				
	Meter used for supply to another organisation (other than tenants)				

5.1.3	Electricity source by unmetered supply (UMS)	Tick to confirm details included	Document reference	Authorised signature	Completion date
	List UMS ID by meter details				
	Calculation methodology				
	Local authorities: indicate when street lighting schedule was last updated. This should be done annually (dynamic and passive supply)	<<Confirm date>>			

### Gas supplies

List all gas sources used for heating purposes. Gas used in a CHP plant and gas supplies consumed at a CCA facility do not have to be reported in Phase 2.

5.1.4	Gas sources cross-referenced to meter number and location	Tick to confirm details included	Document reference	Authorised signature	Completion date
	List of meters				
	Utility meter MPRN				
	Non-utility meter ID				
	Meter type (please specify*)				
	Meter accuracy (design value)				
	Location identifier (including PE)				

\* Turbine, rotary displacement, diaphragm

## K.5.2 List of suppliers

Provide the information required on utility company suppliers of electricity and supplied gas on separate schedules or ideally cross-referenced by site on a single schedule.

5.2.1	Suppliers of electricity and gas	Tick to confirm included	Document reference	Authorised signature	Completion date
	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*

5.2.2	Meter calibration	Tick to confirm included	Document reference	Authorised signature	Completion date
	Meter calibration records should be available demonstrating that the relevant meters are in tolerance				



## K.6 Annual report

### Purpose of this section of the evidence pack

It's essential to collect and retain the evidence to support the data included in your most recent annual report.

You must keep the information relating to your annual report for at least six years after the end of the scheme year to which it relates.

### Deadlines

This section needs to be completed by the last working day in July following the annual reporting year (e.g. 31 July 2015 for the first annual reporting year of 2014 to 2015).

### Data sources and primary records

Possible sources of information for this part of the evidence pack include:

- supplier invoices and [annual statements](#)
- internal records of estimates in the period
- schedule of conversion and emission factors used
- meter read log sheets
- schedule of CHP sets, log sheets/statements for power output
- evidence of qualifying for ROCs and FITs

### K.6.1 Summary of most recent annual report

You should confirm that:

6.1	Summary of records	Information	Document reference	Authorised signature	Completion date
	Headline energy data for the most recent annual report is summarised in Section 2 of the evidence pack	Yes			
	The most recent annual report is attached as a schedule to this section	Yes			

### K.6.2 Energy supply data

List the reportable electricity and gas supplies you use that will be used to calculate your CRC emissions and refer to documents for supporting evidence.

If you use estimates to fill gaps in your information about supplies, you must:

- identify clearly in your supply schedule which sources are estimated – also complete [Table K.6.2.4](#)
- retain data such as statements or invoices from a comparable period that support your estimate
- indicate the estimation technique used

Keep your original records of energy supply in your evidence pack as you may be asked to refer to them during an audit.

6.2.1	Data for the annual reporting year	Energy data	Document reference	Authorised signature	Completion date
	<b>Total energy supply:</b>				
	Electricity	XX kWh			
	Natural gas	XX kWh			
	<b>Renewable electricity generated (refer to <a href="#">Table K.6.2.8</a>)</b>				
	Electricity from renewable sources	xxxxx kWh			
	ROCs/FITs issued/received	Number			
	Electricity covered by ROCs or FIT *	yyyy kWh			
	Self-supplied on-site electricity eligible for ROCs or FITs which have not been claimed (from sources of energy and technologies installed from 1st January 2008).				

\* Check ROC banding for ROCs issued.

Review Tables K.6.2.2 to K.6.2.8 and provide data records for these as appropriate.

### Supplier invoices

Summarise data on a schedule.

6.2.2	Supplier invoices	Information	Document reference	Authorised signature	Completion date
	Copies of all supplier invoices for the period have been collated and are available for inspection	Yes			

### Supplier annual statements

Summarise data on a schedule.

6.2.3	Supplier annual statements	Information	Document reference	Authorised signature	Completion date
	<u>Supplier annual statements</u> have been collated for the CRC year and are available for inspection	Yes			

### Estimated readings

You need a minimum of two meter readings, taken by the energy supplier or the participant, covering at least half of the reporting year to avoid electricity or gas supplies being classed as estimated.

Summarise the basis for any estimated readings on a schedule.

6.2.4	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 Not applicable			

### Corroboration of meter readings

In-house meter read data should follow the CRC year from 1 April to the 31 March.

Retain records of meter readings, including log sheets if you have a manual system.

Actual meter readings taken by you are not subject to the 10% uplift for estimated energy supplies provided you submit at least two meter readings covering half of the reporting year.

6.2.5	Corroboration of meter readings	Information	Type of meter	Document reference	Authorised signature	Completion date
	In-house meter readings (specify manual system or automatic) have been corroborated against supplier invoices for the scheme year	Yes or Not applicable	Manual or automatic system?			

### *Emission factors*

List emission factors used on a schedule.

6.2.6	Emission factors	Information	Document reference	Authorised signature	Completion date
	The emission factors used are those established by the CRC.	Yes or Not applicable			
	List of emission factors used is supplied as a schedule	Yes or Not applicable			

### *Explanation of calculations for separating excluded use*

Provide evidence of the approach taken to calculating the separation of domestic use or the removal of transport related use from mixed use sources.

6.2.7	Separating excluded use	Information	Document reference	Authorised signature	Completion date
	Basis for calculations to separate excluded uses has been supplied as a schedule	Yes or Not applicable			

### ROCs and FITs

Provide details of renewables generation, supply and consumption at the site of generation.

6.2.8	ROCs and FITs	Information	Document reference	Authorised signature	Completion date
	Evidence provided that renewable energy has been generated that claims ROCs or receives FITs	Yes or Not applicable			

### Other energy supplies

You don't need to account for energy supplies of fuel sources other than electricity and natural gas (used for heating purposes) in your annual report. You also don't need to purchase and surrender allowances for these.

### K.6.3 Annual reports supplied and archived

You must keep all records of annual reports for at least six years after the end of the scheme year to which they relate.

If you are selected for an audit, and the information is requested, you must provide all the data you have collected from the previous six years (if applicable).

6.3	Annual reports in phase	Tick when included	Document reference	Authorised signature	Completion date
	Annual report 2014 to 2015 – summary, archived data				
	Annual report 2015 to 2016 – summary, archived data				
	Annual report 2016 to 2017 – summary, archived data				
	Annual report 2017 to 2018 – summary, archived data				
	Annual report 2018 to 2019 – summary, archived data				

## K.6.4 Additional information on carbon management

If given, responses to four questions about each participant's carbon management will be published alongside the publication of annual performance data to help provide context to a participant's overall performance.

If you choose to answer these questions, you'll need to retain evidence to support your responses.

6.4		Information	Document reference	Authorised signature	Completion date
	Have you included evidence that your CRC organisation discloses long-term carbon emission reduction targets in its annual reporting in respect of its CRC energy supplies?	Yes/No or no answer			
	Have you included evidence that your CRC organisation discloses carbon emissions performance against these targets, in its annual reporting in respect of the majority (greater than 50%) of its CRC energy supplies?				
	Have you included evidence that your CRC organisation names a director or person with managerial responsibility with responsibility for overseeing carbon performance, in respect of the majority of its CRC energy supplies, in its annual reporting?				
	Have you included evidence that your organisation actively engages employees to reduce energy supplies?				

## K.7 Special events/change records (including designated change)

### Purpose of this section of the evidence pack

This section is a record of any changes or events that affected your organisation during the scheme year. This could be changes to your organisation's structure, changes in your involvement in the EU ETS or CCAs, changes to energy supplies or details of meter failures.

### Deadlines

All changes must be up-to-date by any reporting deadline – qualification or annual report.

### Data sources and primary records

Possible sources of information for this part of the evidence pack include:

- annual reports
- correspondence with the regulator/CRC 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

### K.7.1 Change of contacts/responsibilities for 'officers'

Complete [Table K.7.1.1](#) if you make any changes to your [senior officer](#) (designated director or equivalent).

Complete [Table K.7.1.2](#) if you make any changes to your [authorised contacts](#) during the scheme year.

You should also update the information in [Table K.4.1](#) and [Table K.4.2](#) as appropriate and update the details on the [CRC Registry](#).

7.1.1	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				

7.1.2	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				

## K.7.2 Change to supply list or supplier

Record details of any changes to your supply list such as new meters or termination of current meters ([Table K.7.2.1](#)) and changes of energy supplier ([Table K.7.2.2](#)).

Update your supply list in [AnnexK 6 2](#) to include these changes as they happen.

7.2.1	Change to supply list	Information	Document reference	Authorised signature	Completion date
	Date effective from				
	Details of change				
	Reason for change				
	Evidence for change				



7.2.2	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				

### K.7.3 Change to company structure

Record in [Table K.7.3](#) changes to your company structure that affect your CRC participation but which are not designated changes. These should be recorded in [Table K.7.8](#).

7.3	Change in organisational structure	Information	Document reference	Authorised signature	Completion date
	Date effective from				
	Details of change				
	Reason for change				
	Evidence for change				

### L.K.4 Designated changes

Record details of any designated changes during the scheme year.

Public sector organisations should also outline any 'machinery of government' or 'government decision' changes.

7.4	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				

### K.7.5 Meter faults/breakdowns affecting reporting

Record details of any meter faults or breakdowns that have affected reporting.

7.5	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				

### K.7.6 Meter accuracy/consistency over scheme year

Note any changes affecting the accuracy of any of your meters during the scheme year and any possible reasons for any declines.

7.6	Meter accuracy/consistency	Information	Reason	Document reference	Authorised signature	Completion date
	Have there been any decreases in accuracy or consistency of meters over the scheme year?	Yes/No?	(Comment on reason, if applicable)			

### K.7.7 Trends in energy use over scheme year

Record any noticeable trends in energy consumption during the scheme year and possible reasons for this increase or decrease.

7.7	Consumption trends	Information	Reason	Document reference	Authorised signature	Completion date
	Have there been any substantial increases or decreases in usage over the scheme year?	Yes/No?	(Comment on reason, if applicable)			

### K.7.8 Changes to EU ETS/CCA coverage

Provide details of any changes to coverage that affect which energy supplies you need to report.

Keep documents in your evidence pack describing the change to EU ETS/CCA coverage.

7.8	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				

## K.7.9 Correspondence with regulator or CRC administrator

Keep records of correspondence such as:

- information requests and formal notifications from the administrator
- error notifications you make to the administrator
- individual correspondence between yourself and the administrator

7.9	Correspondence with regulator or administrator	Information	Document reference	Authorised signature	Completion date
	Has all relevant correspondence with the administrator been included?	Yes or Not applicable			

## K.8 Exclusions

### Purpose of this section of the evidence pack

If you have supplies which are not included in CRC use this section for the evidence in support of:

- supply excluded because it is covered by a CCA
- supply excluded because it is covered by EU ETS
- supply not covered by CRC – transport and domestic supply, supply not for use in the UK, unconsumed supply
- Supplies covered by the metallurgical and mineralogical exclusion from the CCL

You need to keep records of why a supply has been removed, for example, excluded domestic accommodation, transport and supply to others.

You don't need to keep records of excluded sources when compiling your annual report unless these sources have been estimated from supplies used for wider purposes, in which case you need to keep evidence of their estimation.

### Data sources and primary records

Possible sources of information for this part of the evidence pack include:

- evidence you are required to keep in support of your CCA
- CCA energy consumption reports and corresponding emissions
- your CCA underlying agreement, and facility identifiers and target units.
- Where a CCA no longer applies the CCA decertification notices issued by the Environment Agency
- EU ETS 7 annual compliance reporting form
- transport fuel – suppliers' statements or invoices

### K.8.1 Supply list exclusions

If applicable, provide details of excluded EU ETS and CCA supplies in [Table K.8.1](#).

If any CCA facility or target unit is no longer covered by a CCA, you'll need to include its emissions in CRC from the date when the CCA ceased. Please note: If the CCA was in place prior to 1 February 2014 then the facility will be excluded for the whole of phase 2

8.1	EU ETS and CCA exclusions by site and source	Tick to confirm when completed	Document reference	Authorised signature	Completion date
	Site, CCA facility or EU ETS installation address and postcode				
	Type of supply: electricity, natural gas				
	Meter identification details				

### K.8.2 Transport exclusions

Energy is excluded where it is used for transport by trains, airplanes, ships and road vehicles. You don't 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 the CRC, record evidence of the exclusion of the transport element.

8.2	Transport exclusion by source type	Information	Tick when included	Document reference	Authorised signature	Completion date
	Type of source and nature of shared supply	Attached as a schedule				
	Type of electricity supply – please specify					
	Evidence (including emissions calculations) for exclusions			Supplier statement or invoices		

### K.8.3 Domestic exclusions

You don't 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.

You don't need to keep records of all residential supplies except where they are excluded from a mixed use building or you have opted to keep communal areas in mixed use buildings in CRC.

Where residential supplies are excluded from a mixed use building, keep records showing the basis for any deductions carried out for domestic accommodation.

8.3		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					

#### K.8.4 Not for own use (unconsumed supply)

You don't need to include in your CRC emissions energy that isn't for your own use (unconsumed supply), except where you are a landlord providing onward supply to your tenants unless it is a construction lease

Specify in [Table K.8.4](#) unconsumed supply that is calculated from supply that is partly your responsibility.

8.4	Unconsumed supply exclusion by source type	Tick when included	Document reference	Authorised signature	Completion date
	Type of source – electricity, natural gas				
	Evidence (including emissions calculations) for exclusions		Supplier statement or invoices		

# Annex L: Example Memorandum of Account



## WHEN TO PAY:

Please pay the amount due so that cleared funds reach DECC between 1 and 19 September 2015. Do not pay EARLIER than 1 September.

## MEMORANDUM OF ACCOUNT: Payment for CRC allowances 2014 to 2015

<b>Payee:</b> Department of Energy and Climate Change	<b>VAT: Not applicable</b>
<b>Payee Address:</b> DECC CRC 3 Whitehall Place London SW1A 2AW	<b>Reference: «Reference_Number»</b>
<b>Valid Payment Period: 1 - 19 September 2015</b>	

«Nominal\_Highest\_UK\_Parent»  
«Primary\_Name»  
«Street»,  
«Town»,  
«Postcode»

Order Placed By: «Postcode»

CRC Reg No	«Registrant_Number»
Valid Payment Period	1-19 September 2015
Amount GB Pounds Sterling	«Date_Raised»

## Memorandum of Account for payment in respect of Allowances for the CRC Energy Efficiency Scheme 2014-15

Item	Description	GB Pounds Sterling
001	CRC Phase 2 Allowance Payment for 2014-15	«Date_Raised»
	<b>Payment Reference #:</b> «Reference_Number»	
	For your Allowance Request dated «Date_Raised» Your Order Reference «Date_Raised»	
	VAT: Not applicable	0.00
	<b>Total (GB Pounds Sterling)</b>	<b>«Date_Raised»</b>

## 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 you 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 as soon as reasonably practicable and may be subject to deductions for any costs reasonably incurred in making the refund.

You must ensure that cleared funds are received by the payee account between 1 September and 19 September 2015. 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 before 1 September and after 19 September 2013 will be invalid.

Your unique reference code to be used in your BACS\* is the Allowance Payment Reference number «**Reference\_Number**»

It is essential you cite this reference in your BACS\* to ensure the payment can be identified as yours when it arrives.

**# If your payment system does not permit the 12 digit Allowance Payment Reference in full or in the correct sequence, please use one of the following examples: (for Sage)**

<b>BACS PAYMENT</b>  	<p>To make a payment by BACS/CHAPS or GBS Book transfer you will need your <b>Allowance Payment Reference</b><sup>#</sup> and the following details:</p> <p><b>Account Holder Name:</b> Department of Energy and Climate Change  <b>Account Name:</b> GBS RE DECC EA FUNDS  <b>Bank:</b> Citibank  <b>Address:</b> 25 Canada Square, Canary Wharf, London, E14 5LB  <b>Sort Code:</b> 08-33-00  <b>Account Number:</b> 12938227  <b>IBAN:</b> GB80CITI08330012938227  <b>SWIFTBIC:</b> CITIGB2LXXX</p>
Other methods of payments	<p>Payment by BACS* book transfer is preferred.</p> <p>If this is not possible, please phone 01904 455395 between 9am and 5pm, Monday to Friday, between 1 and 11 September 2015.</p> <p>NB This option is only available from 1 September to 11 September to ensure cleared funds are received by the payee account by the payment deadline of 19 September 2015.</p>

**FPXXXXXX (for SAP) XXXXXXCRCFP this will help to reconcile your payment.**

<b>BACS PAYMENT</b>	<p>To make a payment by BACS* you will need your <b>Allowance Payment Reference</b><sup>#</sup> and the following details:</p> <p><b>Account Holder Name:</b> Department of Energy and Climate Change  <b>Account Name:</b> GBS RE DECC EA FUNDS  <b>Bank:</b> Citibank  <b>Address:</b> 25 Canada Square, Canary Wharf, London. E14 5LB  <b>Sort Code:</b> 08-33-00  <b>Account Number:</b> 12938227  <b>IBAN:</b> GB80CITI08330012938227  <b>SWIFTBIC:</b> CITIGB2LXXX</p>
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Please email your payment remittance advice to [fsc-income@environment-agency.gov.uk](mailto:fsc-income@environment-agency.gov.uk) or send it by fax to 01733 464646.

\* Note: or CHAPS or GBS book transfer (for members of the GBS)

You can find out more about the CRC scheme by visiting the [CRC pages on GOV.UK](http://www.gov.uk/crc-energy-efficiency-scheme) ([www.gov.uk/crc-energy-efficiency-scheme](http://www.gov.uk/crc-energy-efficiency-scheme)).

If you have any queries please contact [CRChelp@environment-agency.gov.uk](mailto:CRChelp@environment-agency.gov.uk) or phone 03708 506 506.