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# Enhancing the CRC Annual Report publication

Options for discussion

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# Options for Enhancing the CRC Annual Report Publication

## Introduction

As part of CRC Scheme simplification the Government and Devolved Administrations (DAs) decided to replace the Performance League Table (PLT) from the CRC scheme following the 2011-12 compliance year. The PLT was replaced by the Annual Report Publication (ARP) and the Environment Agency (EA) published the first ARP in November 2013 (Annex A and at <https://www.gov.uk/crc-energy-efficiency-scheme-annual-report-publication>).

For future ARPs DECC and the DAs made clear in the first ARP we would consider the following in consultation with CRC participants:

- presenting renewables data currently provided to the EA to give a more accurate reflection of the green credentials of participants;
- including gas and electricity supply data; and
- including turnover data.

We would also like to take the opportunity to consider developing the ARP in order to:

- support the operation and success of the CRC scheme;
- provide transparency of participants take up of cost-effective energy efficiency measures to act as a reputational driver for energy efficiency; and
- be in line with the Government's transparency agenda enabling publication of data held by Government (including arm's length public bodies like the EA) which is not commercially sensitive for third parties to use.

This discussion paper sets out further thinking on these issues and will be discussed with participants at a workshop on 18 June 2014. For those participants who are unable to make this event, this document is available to all CRC participants on the [CRC pages of the DECC website](#) and we would welcome comments by 2 July 2014 via [this survey](#).

**Please note the Government is not proposing any changes to the volume of data collected under the CRC or any further action by participants, merely how the data held by the regulator should be best published and in what format.** We are seeking the views of participants on what they believe is *reasonable* to meet the aim of enhancing the current ARP within the current CRC scheme rules.

## Consideration/Options

1. The CRC Order 2013 gives the EA a power to publish UK wide information on a participant's performance in relation to energy efficiency achievements, on the basis of information provided in their annual report or which the participant was required to submit at registration.
  
2. The data collected and published by the EA in the ARP contains:
  - aggregated emissions data (converted into emissions) and reported as a total tonnes of Carbon Dioxide (tCO<sub>2</sub>) figure for each participant;
  - overall aggregated energy consumption data which includes one combined gas and electricity figure for all participants;
  - data on the take up of Renewable Obligation (RO) and Feed in Tariff (FIT) schemes;
  - details of company name, trading name, regulator, organisational type (selected from a list of options by the participant), sector and organisational changes, energy use reduction targets, named director responsible for energy use\* and staff engagement\*. There is also a comments box where participants can explain wider context of company's data<sup>1</sup>.
  
3. The ARP's format comprises a spread sheet with 3 tabs presenting participant information with a further tab for explanatory notes and a narrative overview.
  
4. The key issue for DECC and the DAs in enhancing the ARP is whether a way can be found to:
  - i) raise awareness of renewables use and give public recognition of participants' achievements and investments in renewables; and
  - ii) publish more detailed energy use and turnover data to ensure transparency, while avoiding revealing commercially confidential data.
  
5. We will not be asking participants to provide any additional information than is already provided and consequently will not to increase the administrative/reporting requirements on participants that would run counter to the achievements of CRC simplification.

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<sup>1</sup> Those marked \* are voluntary fields

## Renewables

1. DECC and the DAs are keen to understand how best to give public recognition for the investment in the use of onsite renewable generation via the CRC. Participants will be aware that from April 2014 onsite self-supplied renewable electricity is reported against a zero emissions conversion factor where these supplies were eligible for Renewable Obligation Certificate (ROC) or Feed in Tariff (FIT) payments, but were not claimed, and where no other public money has been paid in relation to the installed plant<sup>2</sup>. This means that CRC allowances will not need to be purchased for such eligible renewable energy.
2. The ARP published in November 2013 included information currently captured in the scheme linked to supplies that have been surrendered to claim ROC and FIT payments as previously published in the PLT scorecard. This we believe is helpful but we wish to explore how to further raise the profile of renewables as reported in the ARP by developing a CRC reputational driver which better showcases the green credentials of participants both in terms of emissions savings from onsite renewables and contributions towards decarbonised grid supplies.
3. We have two suggestions for achieving this. The first is to include a new narrative section on renewables within the explanatory document written by the EA and which accompanies the publication of the ARP. The purpose of which is to provide a commentary highlighting the total use of renewables and what it means for the contribution towards carbon reductions from all participants. This we believe will demonstrate that energy efficiency and renewable generation policies are joined up and provide a good reflection of the green credentials of participants both in terms of emissions savings from onsite renewable consumption and contribution towards decarbonised grid supplies.
4. The second relates to how renewable energy use will be represented in the ARP for each participant and whether the total amount of emissions avoided through the generation and use of on-site renewables (where renewables could be assumed to have zero emissions) could be presented as an overall indication of the contribution of an organisation towards the UK's objectives to drive emissions reductions by incentivising the uptake of cost-effective energy efficiency opportunities.

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<sup>2</sup> The changes which took effect on 1 April 2014 were set out in the [consultation and Government response \(web link\)](#)

5. In Phase 2 the following four fields relate to renewable energy use:

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>2012/13 Renewable Obligation Certificate (ROC) (tCO<sub>2</sub>)</b>	<b>2012/13 Feed In Tariffs (FIT) (tCO<sub>2</sub>)</b>	<b>2012/13 Self Supply ROC &amp; FIT (tCO<sub>2</sub>)</b>	<b>2012/13 Self Supply Non ROC &amp; FIT (tCO<sub>2</sub>)</b>

The raw data in these fields show the use of renewable activities by participants which are helping towards decarbonised grid supplies in tCO<sub>2</sub> (A and B) and avoiding emissions generation from using onsite renewable sources (C and D). To show the total amount of emissions avoided through the generation and use of on-site renewables, it is proposed this would be done by adding the figures in columns C and D and presenting them in a new column – ‘*amount of emissions avoided that would have come from non-renewable sources*’. The data in the ARP would therefore be presented under the following headings:

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>2014/15 Onsite renewable supplies where Renewable Obligation Certificate (ROC) have been claimed (tCO<sub>2</sub> equivalent avoided)</b>	<b>2014/15 Onsite renewable supplies where Feed In Tariffs have been claimed (FIT) (tCO<sub>2</sub> equivalent avoided)</b>	<b>2014/15 Onsite Self Supply ROC &amp; FIT (tCO<sub>2</sub> equivalent avoided)</b>	<b>2014/15 Onsite Self Supply Non ROC &amp; FIT (tCO<sub>2</sub> equivalent avoided)</b>	<b>2014/15 Amount of emissions avoided that would have come from non- renewable sources (tCO<sub>2</sub> equivalent avoided – self supply)</b>

6. Column E would therefore represent the amount of non-renewable CO<sub>2</sub> emissions that had been avoided through using onsite renewables.
7. We would welcome any suggestions from participants on the suggestions relating to renewables.

**Question 1 – Do you support the proposal to expand the narrative section of the ARP in respect of renewables by providing a commentary highlighting the total use of renewables?**

**Question 2 - Do you support the proposal for presenting for each participant the concept of '*amount of emissions avoided that would have come from non-renewable sources*'? If not, please explain your reasoning. Please provide specific examples to support any concerns.**

**Question 3 – Do you have any other proposals on raising the profile of renewables or public recognition within the CRC by better use of existing data that you think should be considered? Please set out in detail how it would work.**



## Energy use or supply data

8. Energy use and supply data is submitted by participants and converted into emissions data by applying an emissions factor, dependent on fuel use. This aggregated emissions data in tCO<sub>2</sub> was published for each participant as part of the PLT and this practice has continued with the ARP.
9. The PLT did not previously include energy use data and we recognise that some CRC participants – particularly manufacturers - have raised concerns over commercial confidentiality with publication of energy supply data when broken down by type (gas or electricity) or on an aggregated basis. The concern expressed in the past has been that such information particularly at site level may reveal production volumes and/or commodity costs to competitors.
10. DECC and the DAs are keen to understand further the concerns of participants to publishing energy use data and to balance the benefits and risks of publishing it by fuel type or on an aggregate basis. Publication of emissions and energy use data by fuel type (i.e. on-site generation of electricity and gas) or on an aggregate basis for each participant could facilitate helpful comparison of participants' energy efficiency achievements based on factual information submitted by participants (i.e. trends in emissions derived from electricity and gas and contributions towards de-carbonisation objectives) and thus enhance the ARP as a reputational driver and the Government's transparency agenda.
11. DECC and the DAs would therefore be interested to hear views on the following options:
  - i) for each CRC participant, publication of **all** on-site energy use data by kWh on an individual fuel type basis broken down into electricity and gas;
  - ii) for each CRC participant, publication of **all** energy use data by kWh on an aggregate basis;
  - iii) option i) or ii) with a de minimis threshold with no publication which can identify energy use on a single site
  - iv) for each CRC participant, publication of **all** on-site energy use data by kWh on a voluntary opt-in basis on an individual fuel type basis broken down into electricity and gas;
  - v) for each CRC participant, publication of **all** energy use data on an aggregate basis by kWh on a voluntary opt-in basis.
12. We would welcome views on options i) and ii) with specific evidence explaining why energy use data should not be published or why we should apply a de minimis threshold. We would also welcome any suggestions on how any possible commercial confidentiality concerns might be addressed. For Options iv) and v), we believe concerns around commercial confidentiality will be addressed by the provision of an opt-in functionality for energy use data, but this would require an associated change to the CRC Registry.

**Question 4 - Do you agree that it would enhance the ARP and improve the reputational driver in the CRC if energy use/supply data broken down by fuel type or on an aggregate basis for each participant was published? If not, please explain your reasoning.**

**Question 5 – Would you support publication of all organisations' energy use/supply data by fuel type or on an aggregate basis for each participant in the ARP? If not, please explain your reasoning. Please provide specific examples to support your concerns.**

**Question 6 – For options i) and ii), would you support de minimis threshold with no publication for single sites? If not, please explain your reasoning. Please provide specific examples to support your concerns.**

**Question 7 – Would you support a voluntary opt-in basis option to provide protection and can you see any unintended consequences? If not, please explain your reasoning. Please provide specific examples to support any concerns.**

**Question 8 – Do you have any other proposals that you think should be considered in relation to the publication of energy use/supply data?**

## Turnover data

13. We would like to explore whether the publication of up to date turnover data on a voluntary basis would provide a helpful context to emissions changes within an organisation.
14. Participants are not under any legal requirement within the CRC Order 2013 to provide turnover data but many (39% did so for 2012-13) have volunteered this information to the EA in their annual reports. We believe that submission of this data may decline following the replacement of the PLT and its metrics by the ARP. Turnover information submitted to date has not always related to the year for which energy consumption was reported.
15. The EA have not previously released turnover information because of concerns (as with energy use data) concerning commercial confidentiality for some participants. These concerns are however, mitigated by the fact that a number of participants already publish turnover as a matter of course and those participants who regard it as sensitive are unlikely to voluntarily provide it to the EA.
16. Provision could be made within the CRC Registry to enter the date for the most recently confirmed turnover data. This change would make it useful were turnover published for third parties to carry out some analysis and comparisons of participants' energy efficiency performance.
17. It is acknowledged that without a change to the CRC scheme rules, the EA would require the express permission of each participant who had provided turnover data to publish this information. We would therefore be interested to learn the views of participants whether a move to provide up to date turnover data (by asking for the year that the turnover relates) on a voluntary basis would be a helpful change to the ARP. This voluntary change might add to the reporting requirements for those who did so and it would have an IT cost to the CRC Registry, but we believe it would increase the value of the data.

**Question 9 – Do you agree with the proposal to publish up to date turnover data on a voluntary basis in future ARP publications? If not, please explain your reasoning. Please provide specific examples to support any concerns.**

**Question 10 - Given provision of turnover data would remain voluntary, would stating to what year their turnover figure referred to increase the administrative/reporting burden significantly on participants?**

**Question 11 – Do you have any other proposals that you think should be considered in relation to the publication of turnover data?**

### **When changes to an enhanced ARP should be published**

18. The timing of the first ARP in November 2013 was chosen to best fit with other CRC activities and to allow time for operational work, including enforcement activities, changes to the CRC Registry and preparation for publication by the EA. Taking this into account, it is envisaged that no further changes to the ARP (along the lines set out in this document) will be made until the first compliance year of Phase 2 (2014-15) and published towards the end of 2015. This means that the next ARP publication will be within the current format.

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