



Department
of Energy &
Climate Change

Climate Change Agreements: deadline for data submission and sub-metering requirements

Version 1.0

03/05/2013

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Climate Change Agreements: deadline for data submission and sub-metering requirements

Introduction

1. Prior to the start of the new scheme it was identified that some sites did not have the required sub-metering at their facility to provide 12 months of energy consumption data necessary for compliance. Therefore, to allow these sites to transition directly into the new scheme, without a loss of CCL discount, the Climate Change Agreements (Eligible Facilities) Regulations 2012 were amended. The amendment provided an extended period for the submission of 12 months data to the 31st May 2014. **In order to enter into a Climate Change Agreement (CCA) after the 31st May 2014, sub-metering will need to be installed on or before 31st May 2013 to produce the required 12 months data. This document provides further clarification for complying with the 70% rule and associated sub-metering requirements.**

The 70% rule

2. In the current CCA scheme, where the energy supplied to the installation is greater than or equal to 70% of the total energy supplied to the site, the CCA facility is considered to be the same as the site and discount from the Climate Change Levy (CCL) can be claimed for 100% of the energy supplied (see figure 1).

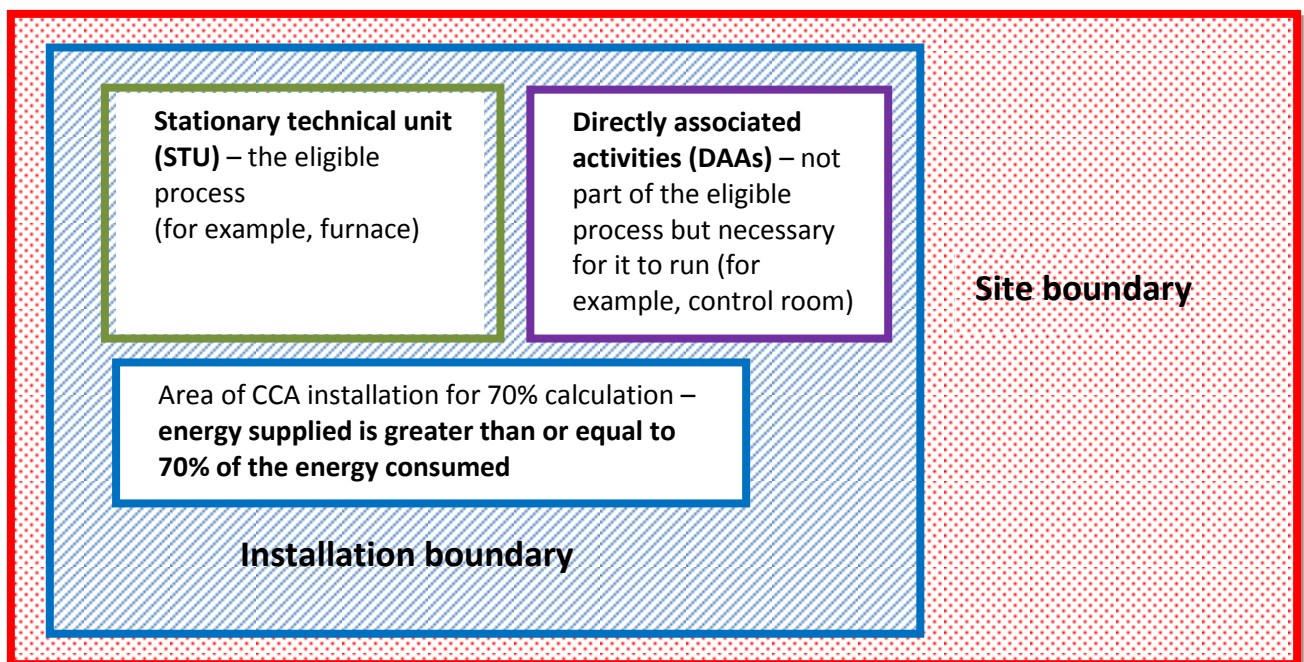


Figure 1. CCA facility boundary (red) where the energy supplied to the installation is greater than or equal to 70% of the total energy supplied to the site.

3. On the other hand, where the energy supplied to the installation is less than 70% of the total energy supplied, the whole site is eligible to be covered by a CCA and the CCA can only cover the installation and up to an optional additional 3/7ths of energy supplied to the installation (see figure 2). Where this occurs, the CCA facility is defined as either the installation or the installation and up to an additional 3/7ths of energy.

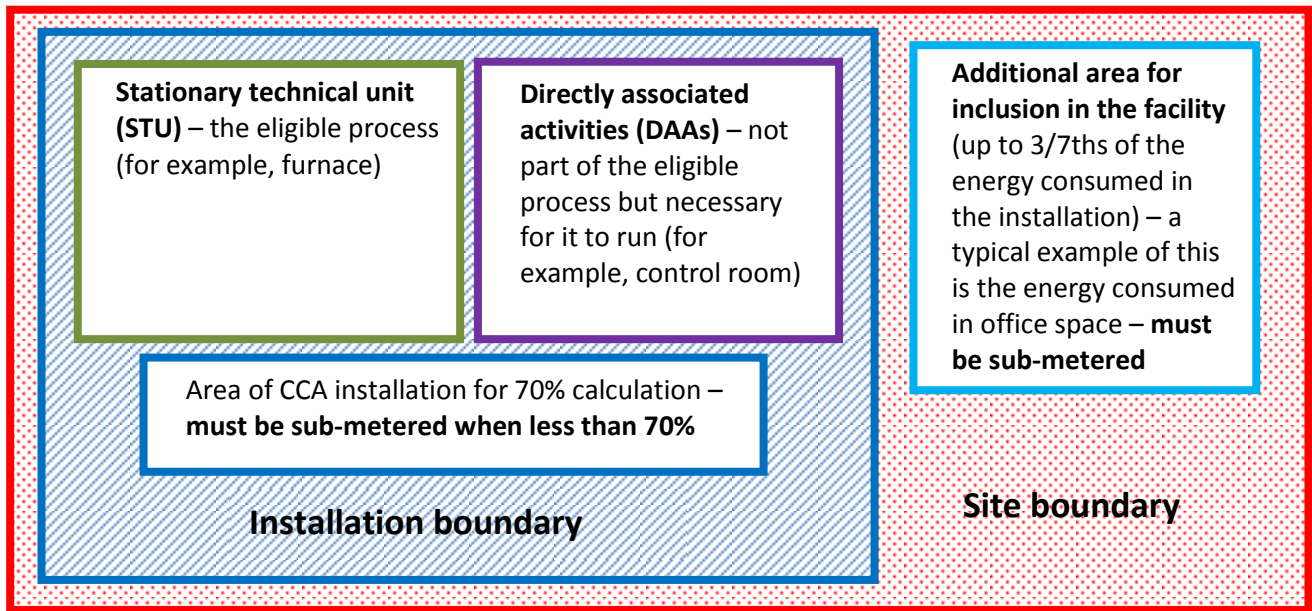


Figure 2. CCA facility boundary (dark blue or dark blue and light blue combined) where the energy supplied to the installation is less than 70% of the total energy supplied to the site.

Sub-metering requirements for compliance with the 70% rule

4. In order to demonstrate compliance with the '70% rule'¹, the 2012 Regulations require that the supply of energy during the previous 12 month period must be used to determine the intended supply of energy in the following 12 month period. Accordingly, before applying to join the CCA scheme, a site should estimate the energy supplied to the installation over the previous 12 months using any existing sub-meters, spot-metering or calculation based on equipment rating and the hours used. The methodology for any estimation must be site specific and must be clearly set out when completing the facility eligibility form in the CCA IT Register.
5. If it is determined that the proportion of energy supplied to the installation over the previous 12 month period was greater than or equal to 70% of the total energy supplied to the site, the only meters needed are fixed site meters. If, on the other hand, the energy supplied to the installation was less than 70% of the total energy supplied to the site, the energy supplied to the installation and any additional 3/7ths must be separately sub-metered.

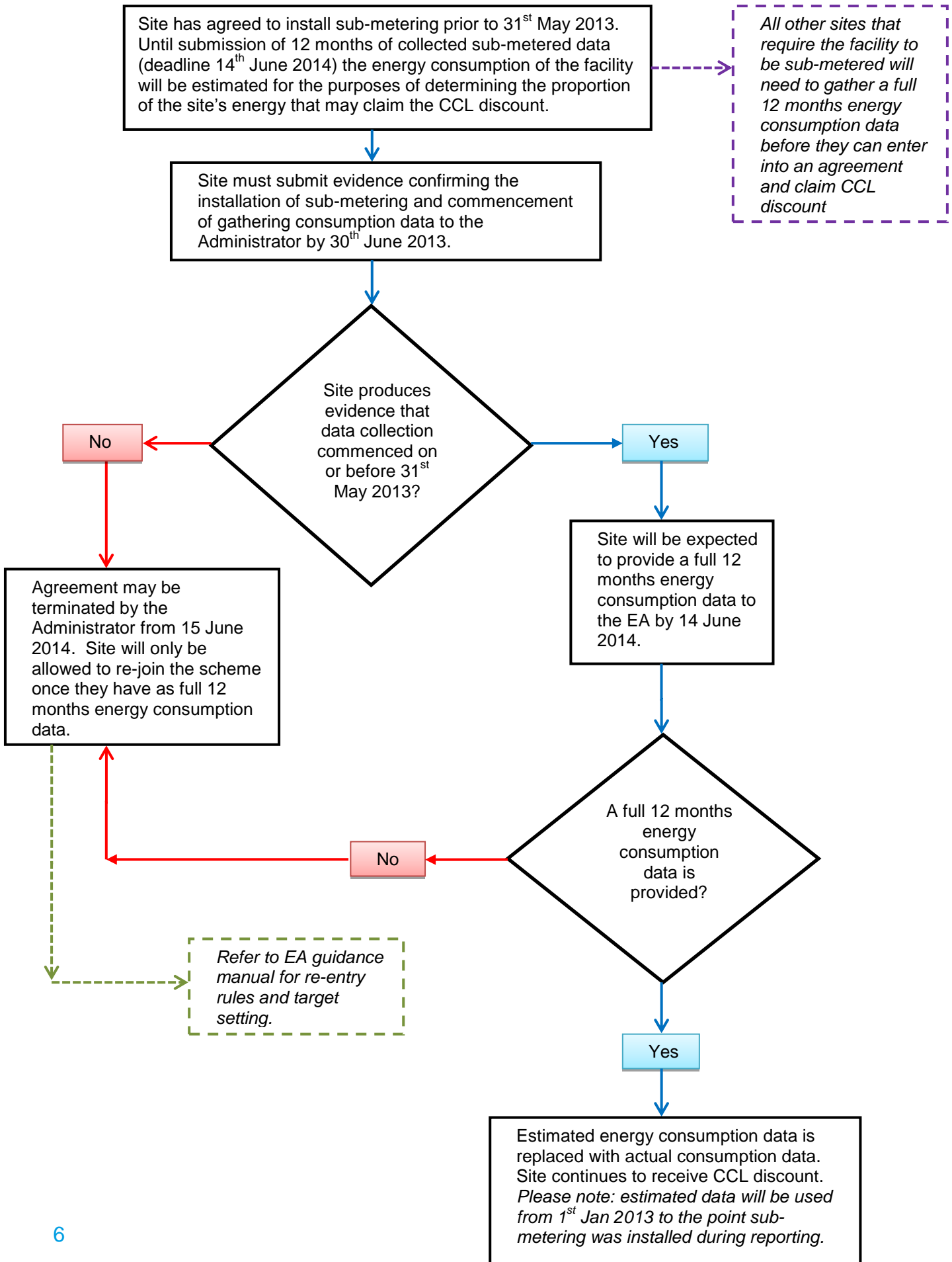
¹ The '70% rule' is the colloquial term for the requirement in regulation 3(1)(a) of the Climate Change Agreements (Eligible Facilities) Regulations 2012.

Extended deadline for compliance

6. Where 12 months energy consumption data is unavailable due to sub-metering not being installed or where a site does not have a full 12 months of full site data to calculate baseline energy use, sites now have until the 31st May 2014 to collect 12 months data². This extended deadline was introduced in the regulations to support the transition to the new CCA scheme, avoiding any loss of Climate Change Levy discount.
7. **To meet the requirement of producing the 12 months sub-metered data by 31st May 2014 a site must install sub-metering and begin gathering data on or before 31st May 2013.** All facilities that need sub-metering to gather the necessary 12 months data will be required to provide the Environment Agency (the Administrator) with confirmation that this has commenced by 30th June 2013. If sub-metering is not installed on or before 31st May 2013 the facility will not be able to produce 12 months data and therefore will not be eligible to be covered by a CCA after the 31st May 2014.
8. After 31st May 2013, the earliest time at which the Administrator will enter into an agreement is 12 months after the required sub-metering is installed and the collection of energy consumption data has commenced. For example, if a site requires sub-metering and does not install and use it to collect data on the energy consumption of the facility until 15th June 2013, then the facility may not be covered by a CCA until after 15th June 2014.
9. **All facilities that have installed sub-metering on or prior to 31st May 2013 will be required to submit their energy consumption data to the Administrator by 15th June 2014.** Where, after 31st May 2014, facilities are unable to produce data for the previous 12 month period the agreement may be terminated by the Administrator and reported to HMRC for review (see Annex A for more information on timings).
10. A site that has their CCA terminated by the Administrator will only be allowed to re-join the scheme when sub-metering has been installed and they are able to produce a full 12 months energy consumption.

² This does not apply to Greenfield sites which are able to gather the 12 months actual energy consumption data during the first 12 months of their participation in the scheme.

Annex A – sub-metering decision tree



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