



Department
of Energy &
Climate Change

CRC Energy Efficiency Scheme: Guidance

Guidance on using the CRC repayment mechanism for surplus allowances

29 July 2013

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Introduction

1. The [CRC Energy Efficiency Scheme Order 2013](#) ('the CRC Order') introduced a mechanism whereby participants that have surrendered more allowances than required ('surplus allowances') to their cancellation account may make a request through their account holder to the Secretary of State for Energy and Climate Change ('DECC') for the repayment of the balance. DECC may repay the balance to the account holder, subject to a possible deduction of any banking charges incurred during that transaction.
2. We have produced this guidance to explain:
 - The conditions under which requests for repayment for surplus allowances will be considered, and;
 - The process account holders must follow to request a repayment.
3. This guidance applies to all CRC participants in the United Kingdom.

Circumstances where requests for repayment will be considered

4. In accordance with the CRC Order, repayments in respect of surplus allowances are at the discretion of DECC.
5. DECC will consider making repayments in relation to surplus allowances only in the following circumstances:
 - A) A participant has surrendered allowances commensurate to their reported emissions, but a reporting error is subsequently discovered by the participant or as a result of audit by the scheme administrator. As a result, the participant has surrendered to their cancellation account surplus allowances.

- B) An organisation has registered for participation in the CRC Scheme in error, and subsequently surrendered allowances.
6. Repayment requests will be considered on a case by case basis. The account holder making a request to DECC must provide sufficient evidence to support the claim that there was an initial reporting or registration error.
 7. DECC will use information provided by the account holder in its request for repayment and by the relevant scheme administrator to establish whether either of the above circumstances apply.

Price of repayment

8. Repayments will be made at the price at which the surplus allowances were originally purchased in a Government allowance sale or a special allocation.
9. DECC will not repay account holders in relation to allowances purchased in the secondary market.

Allowances surrendered from a 'mixed' account

10. Paragraphs 11-12 apply to participants who have surplus allowances in their cancellation account, where the participants had surrendered allowances from a 'mixed' account, i.e. an account containing both:
 - Allowances purchased directly from Government; and,
 - Allowances purchased on the secondary market.
11. When surrendering allowances, the CRC Registry will not allow participants to specify the allowances they wish to surrender. Where paragraph 10 is applicable, account holders will not therefore be able to specify whether they wish to surrender from their account allowances purchased directly from Government or on the secondary market.
12. To ensure consistent treatment, all account holders for whom paragraph 10 is applicable may still request a repayment. Where DECC is satisfied that the surrender of surplus allowances was as a result of a reporting or registration error, account holders will be repaid up to the total cost of the CRC allowances purchased directly from Government, subject to any deduction of banking charges that may be applied in relation to that transaction. DECC will not repay account holders in relation to allowances purchased on the secondary market.

2011/12 Allowance sale special provisions

13. During the 2011/12 CRC compliance year, the Environment Agency introduced special provisions for participants who were unable to order and surrender allowances due to technical difficulties related to digital certificates. Although participants that used the special provisions did not technically surrender allowances, they were deemed compliant with the provisions in the CRC Order.
14. Participants who were unable to surrender allowances via the Registry in the 2011/12 compliance year, for this reason, may still request a repayment in respect of surplus allowances.

Process for requesting and receiving repayment for surplus allowances

Submitting a request for repayment

15. If you wish to request repayment in respect of surplus allowances, the account holder must complete a [repayment request form](#), and submit it to DECC by email or letter at:
 - crc@decc.gsi.gov.uk; or,
 - CRC Repayments, Department of Energy and Climate Change, Area 1A, 3 Whitehall Place, London, SW1A 2AW.

Receiving a response and repayment

16. DECC will aim to confirm receipt of all repayment requests within 5 working days.
17. DECC will aim to determine whether to repay participants in respect of surplus allowances within one month of receipt of the repayment request, and will notify the account holder once a decision has been made.
18. DECC (and/or the Environment Agency on DECC's behalf) may need to request additional information from the account holder in order to determine whether the repayment request meets the conditions outlined in this guidance. Where this is the case, the timeframe outlined in paragraph 17 may be extended to account for any time taken to receive and review additional information.
19. Where DECC agrees to a request for repayment, the amount to be repaid will be transferred within two months of notifying the account holder that the repayment request has been agreed. The amount to be repaid will normally be transferred to the bank account from which the surplus allowances were originally purchased, or an alternative account where agreed with DECC.

20. In accordance with the CRC Order, any repayment made by DECC may be subject to a deduction of any banking charges incurred during the transaction.

Support

21. Further guidance on matters related to the CRC Scheme is available on the [Environment Agency website](#).

22. If you have any queries, please contact crc@decc.gsi.gov.uk.

23. This guidance document may be amended as required. The latest version will be available online at the [Gov.uk website](#).

