Climate Change Agreements scheme: updated estimates reflecting the results of the first target period (2013-14)

This update follows the publication by the Environment Agency of the <u>Climate Change</u> <u>Agreements Biennial Progress Report</u> on the first Target Period, 2013-2014¹, and provides revised estimates relating to the Climate Change Agreements (CCA) scheme that reflect the results from the first Target Period. It updates the figures published in the press release that was issued in April 2013².

Based on participants' performance in the first Target Period, if scheme participants meet their targets for 2015-2020, then over all four Target Periods (2013-2020) this will:

- Deliver an overall 12% energy efficiency improvement across all industry sectors over the lifetime of the Scheme from 2013 to 2020, against agreed baselines³;
- Reduce emissions of carbon dioxide by 22 million tonnes;
- Reduce primary energy consumption by approximately 109 TWh.

53 industrial sectors are eligible for the CCA scheme. This includes operators with processes that are also eligible for the mineralogical and metallurgical (min met) exemption from paying CCL which came into effect on 1 April 2014. Around 7,500 facilities were certified for the second target period of the scheme.

During Target Period 1 (2013 – 2014), 28TWh of energy – equivalent to 5.6 million tonnes of carbon - was saved under CCA targets, relative to the agreed baselines.⁴

¹ Published 29 October 2015.

² Press notice 2 April 2013.

³ In the majority of cases, the baseline year used for setting CCA targets was 2008. We have calculated the energy consumption and emissions that would have occurred for all target units in the base year assuming the same level of throughput in the base year as for the target period. We have then used this reference baseline data to calculate energy and emissions savings.

⁴ We have calculated the energy consumption and emissions that would have occurred for all target units in the base year assuming the same level of throughput in the base year as for the target period. In absolute terms, i.e. not making any allowances for any throughput changes between the base year and the target period, the emissions savings were 6.2 million tonnes of carbon dioxide emissions (tCO₂e) compared to the sector base year.

Background

The estimates of benefits to 2020 above are indicative as they assume that productivity levels and fuel mixes will remain unchanged from 2013-14 levels.

Participation in CCAs is voluntary. Eligible sectors that agreed stretching energy efficiency or emissions reduction commitments can receive up to 90% reduction in CCL on electricity and 65% reduction on CCL on gas. Sector commitments are set as percentage values of energy efficiency improvement.

For more information on CCAs, please see the guidance on the <u>Environment Agency</u> <u>webpages</u>.