



Climate Change Agreements Operations Manual

October 2026

LIT 7911

We are the Environment Agency. We protect and improve the environment.

Acting to reduce the impacts of a changing climate on people and wildlife is at the heart of everything we do.

We reduce the risks to people, properties and businesses from flooding and coastal erosion. We protect and improve the quality of water, making sure there is enough for people, businesses, agriculture and the environment. Our work helps to ensure people can enjoy the water environment through angling and navigation.

We look after land quality, promote sustainable land management and help protect and enhance wildlife habitats. And we work closely with businesses to help them comply with environmental regulations.

We can't do this alone. We work with government, local councils, businesses, civil society groups and communities to make our environment a better place for people and wildlife.

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1. Introduction

The Climate Change Agreements (CCA) scheme is a voluntary scheme administered by the Environment Agency on behalf of the UK government for the whole of the UK. It enables holders of climate change agreements to claim reduced rates of [Climate Change Levy \(CCL\)](#) – a tax on energy delivered to non-domestic users. In exchange, participants are required to meet energy efficiency improvement or carbon reduction targets agreed between government and [sector associations](#).

The previous CCA scheme consisted of 6 [target periods](#). The final target period ended on 31 December 2024, with the corresponding [certification period](#) (Certification Period 7) ending on 30 June 2027. Operators can claim the reduced rates of CCL until 30 June 2027 if they:

- meet their improvement target for the final target period
- continue to carry out eligible activities
- have met other obligations set out in their underlying agreements

Unless an operator notifies us that they wish to participate in the new scheme, we will terminate their [underlying agreement](#) immediately after 30 June 2027.

The new CCA scheme has 3 target periods beginning on 1 January 2026 and ending on 31 December 2030. The final certification period is scheduled to end on 31 March 2033. Target Period 7 began on 1 January 2026 and will end on 31 December 2026. Target Period 8 and Target Period 9 are both 2-year [reporting periods](#), with Target Period 9 ending on 31 December 2030. The final certification period (Certification Period 10) will

begin on 1 July 2031 and will enable eligible operators to claim the reduced rates of CCL relief until 31 March 2033.

This Operations Manual provides guidance on how to apply for and maintain a Climate Change Agreement, including the scheme rules and the Environment Agency's administration of the scheme.

A new or existing operator may take over facilities already included in an agreement. This should be considered when reading this manual, especially [sections 2, 4 and 7](#).

1.1. Using the manual

This manual is intended to be read on-screen as it contains hyperlinks to other sections or to external documents and websites. If you follow an internal link and wish to return to your previous location, you can press ALT and left arrow.

Links to external documents and websites were checked as of May 2026. Further workbooks will be published in due course and added to Appendix H.

This manual will be updated periodically. Please check the [Climate Change Agreements Operations Manual](#) webpage on GOV.UK to ensure you are using the most recent version. An older version of the CCA Operations Manual for the previous scheme is available for reference on the same webpage.

2. Getting started – important information for all operators

This section outlines the application process for a Climate Change Agreement and the functionality of the [CCA register](#), known to users as the Manage your Climate Change Agreement ([MyCCA](#)) service. It explains the role of the operator within the CCA scheme, including the tasks of key personnel, and which processes and products are eligible for an agreement.

2.1. Overview of the application process

The process to be followed by a new operator to obtain an underlying agreement is outlined in this section and explained further in sections 3 to 5:

- [section 2](#) describes the CCA scheme and outlines requirements on getting started – if your site is eligible, move to the next step
- [section 3](#) explains how to determine eligible energy, how to apportion it and how to calculate your facility baseline (that is, your facility performance in the [base year](#))

- [section 4](#) describes how to set up your agreement
- [section 5](#) explains the CCA [Charges](#)

Once your application is complete, your sector association can submit it to the Environment Agency using the MyCCA service. The Environment Agency will review the application. If approved, you will receive an email asking you to sign the underlying agreement. Signing is completed by providing your assent to enter the agreement by email. After we have processed your email assent, we will add your facilities to the reduced rate certificate, and you will be eligible to claim the CCL relief for these facilities. You will then need to work to meet targets and report data throughout the target periods.

2.2. CCA register (MyCCA)

All agreements for the scheme are managed online through the [MyCCA](#) service. This includes:

- any changes that are needed to the agreement
- reporting information and data to meet the requirements of the agreement
- banking of [surplus](#)
- payment of [buy-out](#) if the target is not achieved

Your [sector association](#) has access to the MyCCA service to manage the accounts of operators who hold an agreement in that sector. Consultants working on behalf of your sector association can also have access to manage information.

Operators cannot edit their information directly – this is done by the sector association or its nominated consultant. However, operators can request access to view their information.

Operator user accounts can be requested by contacting the Environment Agency. Operator users can view the following information relating to their agreement:

- view other operator users for that agreement
- view all tasks related to this agreement and its facilities
- view target period reports

2.3. Key roles

2.3.1. The operator

Paragraph 72 of the [Technical Annex](#) defines who can be an operator.

For more information about the definition of an operator, see our [Legal operator and competence requirements](#).

The operator must be clearly identified as a legal entity, including individuals, partnerships and limited companies.

Sole traders and partnerships must provide a written statement to confirm that each person entering the agreement is over 18 years old.

Companies are registered with Companies House and are identified by their registered company number. Only the company which satisfies the definition of operator can be the operator: a parent or other group company will have a different company number, is a separate legal entity, and cannot be or act on behalf of the operator in relation to the CCA. This is important as it can affect other issues, including the inclusion and exclusion of facilities (see [section 4.5.3](#)), as well as when ownership of the facility or facilities changes.

The operator should appoint for each agreement:

- a [responsible person](#) to act on their behalf (see [section 2.3.2](#))
- an administrative contact – the day-to-day contact for the agreement (see [section 2.3.3](#))

The responsible person and administrative contact can be the same person, but this may impact our ability to communicate with you if the sole contact leaves.

Multi-operator facilities

A [multi-operator facility \(MOF\)](#) is a facility where different parts of the installation or installations are operated by different legal entities. An agreement may cover a MOF site, but only one operator can hold the agreement. The operators in the MOF must decide which operator should hold the agreement and that operator is responsible for compliance with the agreement. The MOF is eligible to be included in a multi-facility agreement if it meets the requirements outlined in [section 4.5.3](#).

2.3.2. The responsible person

As specified in the agreement, the responsible person is someone authorised by the operator to:

- enter into an underlying agreement
- agree any changes to an agreement
- accept any [penalty](#) or other notices we serve on the operator

Although the responsible person for an operator is the individual on whom we would serve notice, they have no personal liability. Compliance with the terms of the underlying agreement remains the responsibility of the operator. Any act or omission by the responsible person will be held to be an act or omission of the operator.

Different rules may apply in the case of sole traders, partnerships and unlimited companies.

We would normally expect the responsible person to be an employee of the operator and to have the necessary authority from the operator to enter and make amendments to the agreement. We would not expect a [consultant](#) to have sufficient authority to act on behalf of the operator.

The responsible person must provide us with both a UK postal address and an operational email address that we can use to serve notices on them.

The operator must notify any change to the contact details for the responsible person within 20 working days. In practice, the operator should notify the sector association, who must then update MyCCA.

2.3.3. The administrative contact

The administrative contact is the person who is the day-to-day contact and who is responsible for the day-to-day management of the underlying agreement. The administrative contact will often deal with the sector association on behalf of the operator and with the responsible person for general management of the CCA.

The administrative contact does not have authority to make changes to the underlying agreement and is not responsible for complying with the rules of the underlying agreement, but will often support the responsible person.

Details for the administrative contact can be updated at any time. It is important that these details are kept up to date so please notify your sector association when the contact changes so that they can update the details held on the register.

2.4. Processes and products which are eligible for a Climate Change Agreement

2.4.1. What makes a site eligible for a CCA?

To hold a CCA, an operator must carry out one or more [eligible processes](#). [Appendix A](#) summarises the definitions of the eligible processes that are outlined in primary legislation, Schedule 6 to the [Finance Act 2000](#) (as amended). This specifies eligibility through 3 pieces of legislation:

- **The Environmental Permitting (England and Wales) Regulations 2016 ([EPR](#)) (as amended)**. A site will be eligible if it carries out a [Part A](#) (1) or A (2) activity listed in Part 2 of Schedule 1. (Note that eligibility for facilities in Scotland or Northern Ireland is also determined by reference to the activities listed in the EPR

for England and Wales.) For the purposes of the CCA scheme, many numeric thresholds in the EPR Schedule 1 activity descriptions are exempt.

- **The Climate Change Agreements (Eligible Facilities) Regulations 2012 (as amended).** A facility will be eligible if it carries out an energy-intensive process or activity detailed in the Schedule. The [umbrella agreement](#) for each sector lists all the processes and activities carried out within the sector that are eligible for a CCA. You should work with your sector association to determine if you carry out an [eligible process](#).
- **The Climate Change Agreements (Energy-intensive Installations) Regulations 2006 (as amended).** A facility will be eligible if it carries out an energy-intensive process or activity detailed in the Schedule. The umbrella agreement for each sector lists all the processes and activities carried out within the sector that are eligible for a CCA.

A list of what an operator will need to provide to prove eligibility when entering the scheme is outlined in [section 6](#).

2.4.2. Changes to eligibility and tax exemptions

2.4.2.1. New sectors

Occasionally, government may extend eligibility to new sectors, remove or amend it for existing sectors. We will update [Appendix A](#) as necessary. This manual applies equally to new and existing sectors.

From 1 January 2027, new eligible processes have been confirmed for the scheme:

- the mechanical recycling of plastic
- the packaging of spirits
- the production of automotive grade battery cells

Facilities carrying out these newly eligible processes have been provided with an extended application period. After this, all facilities must apply within the standard application window (1 January to 31 August each year). Facilities included in an underlying agreement issued before January 2027 will be eligible for certification from 1 January 2027. After 1 January 2027, any new facilities will be certified from the date of activation of the underlying agreement.

2.4.2.2. CCL exemptions

HMRC have published [guidance](#) outlining certain exemptions for the [Climate Change Levy](#). The metallurgical and mineralogical exemptions are most relevant for facilities and sectors in the CCA scheme.

Operators of a facility covered by a CCA which includes exempted metallurgical and mineralogical processes can continue to hold their CCA where to do so is consistent with scheme rules. Where an operator chooses to retain their CCA, they can claim 100% relief under the metallurgical and mineralogical exemption and CCA rates of relief for other eligible processes.

Alternatively, operators have the option to voluntarily terminate (see [section 8.3.1](#)) their CCA agreement in line with the scheme rules. Termination of the agreement means all facilities within the agreement will no longer be able to claim their CCL discount through the CCA scheme. Operators terminating their agreement for facilities that are regulated under the [EPR](#) in England and Wales (and the equivalent legislation for the devolved regulators), should refer to the other guidance documents following termination of their CCA. This is to ensure they comply with the [energy efficiency](#) requirements set out in the EPR.

3. Eligible energy in the CCA scheme

This section explains how energy is accounted for in the CCA scheme. It will help you:

- determine the energy that can be included in an eligible facility
- calculate the energy use in the [target facility](#)
- establish the target facility's baseline performance

The **eligible facility** is the installation or part of a site which is eligible to be covered by a CCA.

The **target facility** is the eligible facility excluding any energy covered by the UK Emissions Trading Scheme ([UK ETS](#)), if applicable. The **target facility** is the part to which CCA targets apply.

This section covers:

- how to account for energy use and calculate [primary energy](#) consumption
- how to define the eligible facility and target facility on a site
- how to calculate the performance of the target facility in the [base year](#)

Note that the [Finance Act 2000](#) (as amended) defines a 'facility that is eligible' [to hold a CCA]. In this manual, when we use 'eligible facility', we mean a 'facility that is eligible' as outlined in the Finance Act 2000 (as amended).

For illustrative purposes, extracts are taken from the [Technical Annex](#). These extracts describe energy accounting as it applies to the determination of the target facility. For the avoidance of doubt, the same accounting protocols apply to the determination of the eligible facility.

3.1. How to account for energy use

The first stage in setting up a CCA is to understand how much of the energy consumed on a site is eligible to be included in the CCA. To do this, the operator must first understand the types of energy and fuels that are accounted for in the CCA scheme.

3.1.1. Fossil fuels

The operator should account for the combustion of fossil fuels on a site. Paragraph 13 in the [Technical Annex](#) states:

“The units of fossil fuels used must be calculated on a gross calorific value basis. No correction must be applied to account for the energy consumed in the extraction, processing, and supply of the fossil fuels to a target facility.”

If available, operators should use the gross calorific value (GCV) provided by their energy supplier when working out their energy consumption. Where this information is unavailable, operators should use the GCV given for the particular fossil fuel in the [Greenhouse gas reporting: conversion factors 2022](#) for the new scheme. These 2022 GCV conversion factors should be used for all reporting during the new scheme target periods.

Where the GCV is not available from the supplier and the fuel being consumed is not listed in the above guidance, the operator should email their [sector association](#) in the first instance or alternatively the Environment Agency’s [CCA helpdesk](#).

3.1.2. General electricity imports

The operator should account for any electricity imported to a site from an external source (third party or a dedicated electricity generator) and consumed on the site.

If this electricity is imported from a licensed supplier, it is treated as ‘grid electricity’ and the metered consumption is multiplied by 2.1 for accounting and reporting purposes, which reflects the primary energy required to generate electricity ([Technical Annex](#), paragraph 14).

If the electricity imported to the site is generated by a standalone generator (non-CHP) and supplied to the site through a private wire, the total fuel input to the generator and the total electricity output from the generator is used to calculate the efficiency of electricity generation for that generator. The energy recorded by the site is then the metered electricity consumed divided by the efficiency of the generator. This energy would be reported as the fuel input to the generator.

Electricity imported to the site that is generated in a combined heat and power (CHP) plant is accounted for differently (see [section 3.1.6](#)).

All electricity consumed in electrolysis processes is included in the scheme ([Technical Annex](#) paragraph 46).

3.1.3. Green electricity tariffs

Most suppliers now offer '[green' electricity tariffs](#). These tariffs are not [CCL](#) exempt and are treated in the same way as any other electricity imports as outlined in [section 3.1.2](#).

3.1.4. Self-generated Renewable electricity (photovoltaic, wind or hydro)

Self-generated electricity from an on-site renewable source means electricity which is generated from one of the following:

- direct conversion of sunlight
- wind
- water power

And is either:

- generated in plant, which is in, and is intended for supplying electricity for use by a facility
- supplied to a facility without passing through a distribution system operated by an electricity utility

Electricity from self-generated renewable energy sources that meets the above criteria must be accounted for by multiplying the metered units consumed by a factor of 1.0. The carbon dioxide emissions factor for self-generated renewable energy will be 0.

3.1.5. Renewable energy and energy from waste

Paragraphs 31 to 34 in the [Technical Annex](#) describe in which circumstances the energy content of renewable and waste fuels, including fuel which is not 100% renewable, must be determined and reported.

Renewable heat generation, although producing less carbon dioxide emissions, can be less energy efficient compared to non-renewable fuels. Therefore, operators of facilities with [energy targets](#) should consider how renewable heat generation will impact on the ability to meet their improvement targets.

If the heat generating plant is within the target facility and some of the generated heat is exported, then the energy content of fuel associated with this exported heat is calculated on a pro-rata basis and does not need to be reported.

The list of qualifying renewable fuels as set out in Annex A of the [Technical Annex](#) is provided below:

Type	Fuels
Biomass (plants or parts of plants)	• Straw • Hay and grass • Crops (for example, maize)
Biomass wastes	• Waste wood • Forestry residues • Landfill gas • Sewage sludge • Biogas produced by digestion, fermentation or gasification of biomass • Animal and fish oils, fats and tallow
Biomass fraction of mixed materials	• Biomass fraction of textile wastes • Biomass fraction of composites containing wood • Biomass fraction of municipal and industrial wastes
Fuels whose components and intermediate products have all been produced from biomass	• Bioethanol • Biodiesel • Biomethanol • Biogas • Syngas via gasification or pyrolysis • Liquid fuels via pyrolysis

Where a qualifying renewable fuel is combusted, the heat will be zero rated for carbon dioxide.

Where the fuel combusted is not 100% renewable (that is, it is a mixture of renewable fuel (or fuels) and conventional fossil fuels and/or non-renewable waste), then combustion of this fuel mix must be reported as mixed fuel combustion. In this situation, the carbon dioxide factor calculated must be based on individual carbon dioxide factors for the constituent fuels, weighted by energy content. The proportion of the mixed fuel that is a qualifying renewable fuel will have a zero-carbon dioxide factor attached to it.

[Appendix D.1](#) explains how to account for CHP in the CCA scheme, including scenarios where the fuel input is renewable, non-renewable or a mixture of these.

If available, operators should use the GCV provided by their renewable or waste fuel supplier when working out their energy consumption. Where this information is unavailable, operators should use the GCV for 2022 given for the fuel in the [Greenhouse gas reporting: conversion factors 2022](#)

3.1.6. Combined heat and power

Combined heat and power (CHP) is an integrated energy generation process. Power (mainly electricity) is produced and the heat that would otherwise be wasted in its generation is recovered and used for a beneficial purpose. This delivers a higher overall fuel efficiency than the separate production of heat and power.

The way in which the consumption of heat and power generated in a CHP plant is accounted for in CCA depends on whether there are renewable fuel inputs to the CHP. There are 3 different scenarios that can arise regarding the make-up of the fuel inputs:

- all fuel input is non-renewable
- all fuel input is renewable
- fuel input is a mixture of renewable and non-renewable

The procedure for accounting for CHP in the CCA scheme is set out for these 3 categories in [Appendix D](#). For further information please refer to the following paragraphs in the [Technical Annex](#):

- all fuel input is non-renewable (Paragraph 17 to 28)
- all fuel input is renewable (Paragraph 35 to 39)
- fuel input is a mixture of renewable and non-renewable (Paragraph 40 to 43)

Special reporting methodology (SRM) for CHP

There is a [special reporting methodology \(SRM\)](#) for CHP where the following criteria are met.

- all the facility's direct fuel consumption is covered by the UK Emissions Trading Scheme ([UK ETS](#))
- the facility consumes electricity generated in a CHP plant and this CHP plant is covered by UK ETS
- the facility can import electricity from the grid

Where an eligible facility meets all 3 criteria, the SRM **must** be used to determine the performance of the facility in the [base year](#) and at subsequent [target periods](#). This will ensure that changes in apparent performance at sites meeting the criteria more closely reflect changes in their actual performance.

The CHP SRM allows for more predictable performance for the operator and a better alignment of reported performance with efficiency of electricity consumption.

The details and calculations for how to apply the CHP SRM are outlined in [Appendix D](#).

3.1.7. Steam

As energy is accounted for on a [primary energy](#) basis in the CCA scheme, it is the fuel used to generate the steam consumed in the eligible facility that is accounted for, rather than the energy content (enthalpy) of the steam itself.

In the case of steam imports and exports, not originating from CHP, paragraphs 29 to 30 in the [Technical Annex](#) state that:

“Imported or exported steam must be accounted for by taking the enthalpy of the steam and dividing by the efficiency of the system that generates the steam and distributes it to the user's target facility boundary; in order to account for the total primary energy consumed (that is, fuel combusted) to produce the steam that is consumed.

Account must be taken of steam pressure – for example, where sites import high pressure steam and return it at a lower pressure.”

3.1.8. Accounting for oxygen imports

Where oxygen is imported by a site for consumption in the eligible facility, an energy equivalent will be attached to this oxygen if the eligible facility also contains plant used to generate oxygen. Operators should contact the Environment Agency through the [CCA helpdesk](#) to agree an appropriate value of this energy equivalent.

Oxygen imported by sites for consumption in the eligible facility, where the eligible facility does not include plant for the production of oxygen, will be zero rated for energy.

3.1.9. Accounting for liquid nitrogen or solid carbon dioxide used for cooling

Where liquid nitrogen or solid carbon dioxide (CO₂) is imported to perform a cooling function in an eligible facility, an energy equivalent will be attached to the imported liquid nitrogen or solid carbon dioxide.

For liquid nitrogen cooling, the energy equivalents are:

- 0.55 kWh (delivered units) / Sm³ gas
- 440 kWh (delivered units) / tonne liquid

For solid carbon dioxide (dry ice) cooling, the energy equivalents are:

- 0.375 kWh (delivered units) / Sm³ gas
- 203 kWh (delivered units) / tonne ice

These amounts are in **delivered units** of grid electricity and therefore **must** be multiplied by the primary conversion factor to calculate the amount of primary energy for each standard cubic metre (Sm³) or tonne of nitrogen or solid carbon dioxide used.

Liquid nitrogen or solid carbon dioxide imported to a site which is not used to perform a cooling function will be zero rated for energy.

3.1.10. Accounting for transport fuel

Transport fuel can be included within an eligible facility in the following cases (in each instance, it is optional to include it):

- Where a vehicle performs an activity that is directly associated with the stationary technical unit, the operator may choose to include this fuel in the energy consumption of the installation and, therefore, the eligible facility. An example would be forklift trucks consuming electricity.
- Fuel consumed by vehicles not performing a directly associated activity may be included in the eligible facility's energy consumption under the 3/7th provision of the [70% rule](#) as long as this energy is measured.

When choosing whether to include fuel used by vehicles in the eligible facility, operators should consider the following:

- once the choice has been made to include fuel consumed by vehicles in the [base year](#) data, this fuel must be reported at future target periods, and vice versa
- only fuel consumed by vehicles operating on site can be included

Operators must therefore be able to distinguish between fuel consumed by vehicles when they operate on site from that consumed if they operate off site.

If the operator feels unable to meet any of these requirements, fuels consumed by vehicles should be left out of the eligible facility's energy consumption.

3.2. What energy can't be counted in CCAs

3.2.1. Fuel used as a chemical feedstock

Fuels are sometimes not combusted nor used for their reducing properties but are simply incorporated into an intermediary or final product. In such situations, the fuel is said to be used as a chemical feedstock.

Where a fuel is used as a chemical feedstock and becomes part of a chemical product, this fuel must not be counted as part of the energy use of an eligible facility. Where this fuel is used as a reductant (that is, as a reducing agent that chemically reduces other

substances within a process), it must be counted within the eligible facility's energy consumption ([Technical Annex](#), paragraph 45).

3.2.2. Heat recovered from exothermic reactions

An exothermic reaction is a chemical reaction that involves the release of heat.

Where an exothermic reaction involves the combustion of a fossil fuel, that fuel must be counted in the eligible facility's energy consumption.

Where heat is recovered from exothermic reactions not involving the combustion of fossil fuel, that heat energy is not counted in the eligible facility's energy consumption ([Technical Annex](#), paragraph 47).

3.2.3. Electricity generated from recovered heat

Where waste heat is recovered and is used to generate electricity that is consumed in the [target facility](#), consumption of that electricity is not counted in the eligible facility's energy consumption ([Technical Annex](#), paragraph 48).

3.3. Defining and calculating the energy consumption of the eligible facility and target facility on a site

Before working through this section, please make sure you have read and understood [section 3.1](#) and [section 3.2](#). This is so you can correctly account for a site's energy consumption and thus correctly define and calculate the energy consumption of the eligible facility and the target facility.

Defining and calculating energy for a site's CCA involves 5 steps:

1. Define the site boundary ([3.3.1](#)).
2. Calculate energy consumed by different categories of activity ([3.3.2](#)).
3. Apply the [70% rule](#) ([3.3.3](#)).
4. Define the target and eligible facility ([3.3.4](#)) – including crossovers with the [UK ETS](#).
5. Calculate [base year](#) performance ([3.3.5](#)).

3.3.1. Step 1: Define the site

Annex B of the [Technical Annex](#) defines a site as:

“A site is an area of land falling within a continuous boundary which encloses the land used in connection with the operation of the installation. For this purpose, however, an area of land can still be regarded as a single site even if it is dissected

by a road, railway line or river. Other non-contiguous parcels of land would not, however, constitute a single site.”

3.3.2. Step 2: Calculate energy consumed by different categories of activity

Activities on the site should be divided into one of 3 categories in terms of the activities consuming energy. Energy should be calculated and divided based on the site's [primary energy](#) consumption (see [section 3.1](#)). The 3 categories are:

- **Stationary technical unit ([STU](#))** – the part of a site where eligible activities are carried out
- **Directly associated activities ([DAAs](#))** – the parts of the same which have a technical connection with the eligible activities and which could have an effect on emissions
- **Ineligible activities** – energy consumed within the site boundary that is not related to either the STU or any DAA

The STU and DAAs combined form the [installation](#). It must include all eligible stationary plant.

Activities that are directly associated with the eligible process (STU), and on the same site as the STU, must be included in the installation and the energy consumed in such plant must, therefore, be reported.

Where the directly associated activity is performed by non-stationary plant, such as on-site fork-lift trucks and other vehicles, the operator may opt to include or exclude it from the installation and, therefore, the eligible facility (see [Section 3.1.10](#)). We apply this principle to all new entrants and variations.

A full definition of an installation in the CCA scheme is given in [Appendix E](#).

An installation's boundary is a continuous line encompassing all STUs and DAAs. This continuous boundary must encompass all physically connected areas of land that are under the same ownership or occupancy (in terms of legal entity) as the area where the eligible process is carried out. Any connected areas must be areas of land separated only by a road, railway line or river (or similar physical feature). Areas used as domestic dwelling that are separately metered must be excluded from a site boundary. The site boundary cannot be changed during the agreement to enable [eligible processes](#) or DAAs, which still operate and were originally included in the eligible facility, to be excluded from the eligible facility.

Technically connected DAAs that are not on the same site (as defined in [section 3.3.1](#)) should be excluded from the installation. If the facility includes offsite DAAs, the operator

will need to revise their [base year](#) data and eligibility calculations to exclude these activities. DAAs not within the site that consume primary energy and generate secondary energy (electricity and heat) which is subsequently consumed by energy consuming plant within the site boundary, must be included within the installation boundary.

Where a site includes a building that has multiple floors with different operators, the installation's parts may be physically separated by spaces operated by other operators, while still being on the same site. This means that the facility can be defined in terms of a series of vertically separate, 2-dimensional boundaries which, collectively, encompass all areas that use energy for the eligible process and DAAs.

See [section 3.1](#) for what energy can be counted within the CCA scheme and [section 3.2](#) for what energy should not be counted within the scheme. All types of energy listed in [section 3.1](#) must be included when determining the energy consumed in each category, including fuel consumed in an [Schedule 2 activity](#).

The Climate Change Agreements (Eligible Facilities) Regulations 2012 (as amended), and referred to going forward as the Eligible Facilities Regulations, require that reckonable energy from the following sources consumed in the CCA installation during the previous 12 months must be used to determine the intended supply or use in the following 12-month period:

- energy obtained from the burning or using of relevant commodities in the installation or parts of installations on the site
- electrical energy supplied to the installation, installations or parts of the installations on the site
- energy in cooling supplies
- energy in supplies of steam

Continuous monitoring of data on the amounts of these energy sources is needed to demonstrate eligibility.

By the end of step 2, the energy consumed on a site should be divided between the STU, DAAs and ineligible energy. It is important to document the division as this information will be required as part of the application process and may be assessed during an audit (see [Section 9](#)).

When compiling the site energy consumption which may be covered by a CCA, you must include any fuel consumed within plant carrying out a [Schedule 2 activity](#) as defined in the [Technical Annex](#). We recommend that this energy is identified distinctly to make step 4 easier. This may also help to meet the requirement to supply [UK ETS](#) data alongside target period reports for facilities in UK ETS (see [Section 11.3](#)).

3.3.2.1. Where a site has more than one eligible process belonging to more than one sector

If eligible activities on a site span more than one sector, the operator should adopt **one** of the following options:

- apportion the site's energy against each process and apply for an agreement to each relevant [sector association](#) – this option requires adequate metering to be in place to ensure no energy is double counted
- hold one agreement for the largest eligible process and treat the other process as 'other' site energy. This will necessitate the installation of sub-metering where appropriate (see [section 3.3.3](#) for more about sub-metering requirements) – only the throughput associated with the largest eligible process should be counted

3.3.3. Step 3: Apply the 70% rule

The aim of this step is to calculate the proportion of a site's total energy use that is used by the installation (eligible activities and directly associated activities). We refer to this as the eligible facility.

An operator can only claim the reduced rates of [CCL](#) for energy sources consumed in the eligible facility. Some fuels consumed on a site may not be liable for the CCL or any discount. Operators should check with HMRC if there is any doubt over this.

3.3.3.1. What is the 70% rule?

The [70% rule](#) is derived from the Eligible Facilities Regulations. The basic principles of the rule are as follows:

- if the [installation](#) consumes 70% or more of the site's total reckonable energy, an operator can claim that all the site's energy consumption falls within the eligible facility. This would include any fuels consumed in plant carrying out Schedule 2 (UK ETS) on a site
- if the installation consumes less than 70% of the site's total reckonable energy, an operator can claim the installation's energy consumption, plus energy consumed by other activities on site up to a value equal to an additional 3/7ths of the installation's energy consumption, as falling within the eligible facility. The energy consumed by both the installation and any additional activities covered by the 3/7ths provision must be separately sub-metered. The 3/7ths provision can be added to a facility's base year at any point except for the last 2 months of each target period

Operators should monitor their facilities to ensure they continue to comply with the [70% rule](#), and will be asked to confirm whether their installation consumes 70% or more of the

site's total primary energy as part of annual reporting requirements. We will check compliance with this rule when we carry out an [audit](#) (see [section 9](#)).

3.3.3.2. Important point when estimating site energy

The actual energy consumed by the site for reporting purposes must be measured by direct metering. In some circumstances indirect measurements are acceptable. Estimates of energy used are not permitted.

When estimating the proportion of a site's total energy consumed within the installation for an application for a CCA, we accept use of an actual floor area when estimating proportions of energy used in eligible and non-eligible areas for equipment such as space heating and air conditioning. This must be clearly set out in the application.

3.3.3.3. When to use sub-metering

Before applying to join the CCA scheme, an operator should determine the energy consumed by the installation during the previous 12 months using:

- any sub-meters
- spot metering
- an estimate calculated from the power rating of items of equipment, the number of items used and the period used over the 12 months

The methodology for any estimated data must be site-specific and clearly set out as part of the application. Estimates should be checked regularly by the operator to ensure that the energy consumed in the installation remains correct.

If the proportion of energy consumed by the installation over the previous 12-month period was 70% or more of the total energy consumed by the site, the only meters needed are those measuring the energy supplied to the site.

If the installation consumed less than 70% of the total energy consumed by the site, the energy consumed by the installation and any additional ineligible energy covered by the 3/7ths provision must be sub-metered to accurately quantify the amount of energy used.

Unless the site is a [greenfield facility](#) (see [section 4.3](#)), the operator must supply 12 months of sub-metered data **before** they apply for a CCA.

If eligibility against the [70% rule](#) changes during a target period, it will be necessary to amend the [underlying agreement](#) (see [section 7.5.1](#)).

3.3.4. Step 4: Calculate the energy consumption relevant for CCA target setting and performance reporting (defining the target facility)

This step is only relevant if there is a UK ETS installation associated with the eligible facility. This includes all installations carrying out a Schedule 2 activity that hold:

- a greenhouse gas emissions (GHGE) permit
- a hospital and small emitters (HSE) permit
- installations with ultra-small emitter (USE) status

An ETS installation is associated with the eligible facility if one of the following applies:

- the eligible facility includes plant carrying out a [Schedule 2 activity](#)
- the eligible facility imports and consumes heat or power from a [Schedule 2 activity](#)

If either applies, the fuel consumed within the plant carrying out the [Schedule 2 activity](#) must be excluded from the eligible facility's energy consumption for [facility target](#) setting. This will give the energy consumed within the target facility.

Energy consumed within the target facility in the [base year](#) will constitute the base year performance against which future improvement targets will be set. The eligible facility remains the entity whose energy consumption is entitled to receive the CCL discount and will include energy consumed within an ETS installation.

This calculation is made easier if the fuel consumption in plant carrying out Schedule 2 activities is identified in [step 1](#).

3.3.5 Step 5: Calculate base year performance

3.3.5.1. What is the base year?

The base year is a continuous 12-month period where the operator measures its initial performance. The data collected during the base year establish the baseline. The baseline energy consumption for the target facility must not include any fuel consumed in plant carrying out [Schedule 2 activities](#).

We would normally expect the base year to be the 12-month period in 2022 for target periods 7 to 9.

If an operator doesn't have data for the default base year period, it must use the next available 12-month period closest to the default base year. Operators must explain why they aren't able to use the default base year period. Changes to energy use and/or products since the base year are not valid reasons for using a later base year.

3.3.5.2. Assigning fixed and variable energy consumption

A new requirement for facilities in an agreement for the new scheme is to provide data on the proportion of energy at a facility which is fixed and the proportion of energy that is variable in the base year. This must be included as part of the base year performance data for any application.

Fixed Energy Consumption (FEC) is the proportion of energy consumed at a facility regardless of activity; any energy usage not linked to [throughput](#).

Variable Energy Consumption (VEC) is the proportion of energy consumed at the facility per unit of activity; any energy usage linked to throughput.

This method gives a more accurate view of performance and how energy consumption is linked to production, which allows a better understanding of how a facility is performing in terms of energy or carbon savings. This method also seeks to remove a distortion in the calculation of performance if production changed significantly between the base year and target period.

3.3.5.3. Where more than one product is produced

The variable energy proportion may be further disaggregated into product groups where both of the following apply:

- a facility produces more than one product
- submetering is in place for the different production lines and for products of significantly different energy intensities or throughput units (for example, kg and litres)

Further information can be found in [section 10.6](#).

3.3.5.4. Determining fixed and variable energy consumption

The relationship between energy consumption and throughput can be complex and difficult to determine. It is important that operators identify the drivers of energy consumption so that changes in performance attributable to energy efficiency can be isolated. The following methods can be used to estimate baseline fixed and variable consumption.

For [Fixed Energy Consumption \(FEC\)](#):

- using meter readings taken during periods when the facility is ready to produce but production lines have not started
- using an estimation method in a similar way that ineligible energy is calculated in the [70% rule](#) assessment
- linear regression analysis of energy consumption and throughput data

For [Variable Energy Consumption \(VEC\)](#):

- sub-meter and product run data (which may exclude FEC at the facility) to determine the VEC
- linear regression analysis of energy consumption and throughput data

For both Fixed and Variable Energy Consumption:

- using bespoke analysis for more complex facilities that are supported by an energy management system, particularly for those complying with ISO 50001, for which a key element is monitoring and measuring energy consumption

For more information on calculating the Fixed and Variable Energy Consumption, see Annex A of the [DESNZ response to the consultation for a new CCA scheme](#). The 'Target calculator' workbook tool ([Appendix H](#)) contains tabs that can be used to estimate the fixed and variable components by entering the weekly or monthly data.

3.3.5.5. Changes to the facility and facilities that recently began operating

Paragraphs 4 and 5 of the Technical Annex set out the criteria for what can be considered a [structural change](#) of a facility. In specific scenarios, the base year data should be reconstructed where possible (see [section 7.5.1](#)).

A facility that began operating in the 12 months prior to applying for an agreement is considered a [greenfield facility](#). The operator of a greenfield facility that does not yet have 12 months of energy data can apply to join the CCA scheme within 12 months of starting to carry out an eligible activity. We will issue an agreement once the operator is able to start collecting the data necessary to establish a representative baseline performance. The operator must then ensure the actual baseline data is complete and supply us with this no later than 12 months after the start date of its agreement. More information on how to deal with greenfield facilities is given in [section 4.3](#).

The base year cannot be changed after an operator has entered into an agreement, subject to the rules on variations (Rule 10.1 in the underlying agreement).

3.3.5.6. How to calculate the target facility performance in the base year

To determine their baseline performance, operators need to:

- understand how to account for energy in the CCA scheme ([section 3.1](#))
- collect all the information on the site's energy consumption
- work out how much of the site's energy consumption is consumed within the eligible facility ([section 3.3](#))
- remove from the eligible facility's energy consumption any fuel consumed within plant carrying out a [Schedule 2 activity](#)

- assign the facility's energy between fixed and variable consumption

3.3.5.7. Accuracy is essential

Data from energy supply meters and throughput measurements must be sufficiently accurate to enable the baseline performance to be expressed to at least 5 significant figures. If this is not possible, please contact the [CCA helpdesk](#) for advice.

Where an operator receives bulk deliveries of fuel and direct metering of the fuel used is not available, we may consider alternative methods of calculating energy consumption. For example, it may be possible to use tank level gauge readings, or a combination of a manufacturer's equipment energy rating and measured run hours. The alternative measures need to provide the accuracy required and must be used consistently.

3.4. How to manage energy recording and reporting when a meter fails

In general, where there are gaps in data due to the failure of a meter, it is acceptable to apply an estimation technique. [Appendix F](#) includes several estimation techniques that an operator could use if a meter fails. These estimation techniques are consistent with the principles used in previous schemes. Note: no uplift is applied to any estimated consumption figures.

It is not acceptable for an operator to use an estimation technique where an energy supplier fails to provide invoices in time for reporting. It is good energy management practice for operators to take their own meter readings regularly to reduce the reliance on supplier invoices.

4. Setting up an agreement

Operators can apply for agreements for new entrant facilities, or to add a new facility to existing agreements, between 1 January and 31 August each year within a [target period](#) until 31 August 2029.

A new or existing operator may transfer facilities included in an existing agreement following a change of ownership at any time. Please keep this in mind when reading this section, especially sections [4.3](#) and [4.5](#).

4.1. Target and certification periods

The CCA scheme has nine target periods as detailed in the table below:

Target Period	Target Period starts	Target Period ends
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1	1 January 2013	31 December 2014
2	1 January 2015	31 December 2016
3	1 January 2017	31 December 2018
4	1 January 2019	31 December 2020
5	1 January 2021	31 December 2022
6	1 January 2024	31 December 2024
7	1 January 2026	31 December 2026
8	1 January 2027	31 December 2028
9	1 January 2029	31 December 2030

We set targets for each of the target periods using the relevant [base year](#) performance and the [sector commitments](#).

The CCA scheme has 10 [certification periods](#). The individual certification periods are defined in the agreement and follow on from each other continuously. The certification periods are provided in the table below.

Certification Period	Certification Period starts	Certification Period ends
1	1 April 2013	30 June 2015
2	1 July 2015	30 June 2017
3	1 July 2017	30 June 2019
4	1 July 2019	30 June 2021
5	1 July 2021	30 June 2023
6	1 July 2023	30 June 2025
7	1 July 2025	30 June 2027
8	1 July 2027	30 June 2029
9	1 July 2029	30 June 2031
10	1 July 2031	31 March 2033

After activation of an operator's agreement, we will add the facilities in that agreement to the reduced rate certificate. Operators can claim [CCL](#) discount for energy supplied to facilities while they are included in the reduced rate certificate.

If an operator meets its target at the end of a target period or uses the [buy-out](#) mechanism, we will recertify the facilities for the next certification period.

4.2. Sector commitments and facility targets

There are 2 types of targets within the CCA scheme:

- a target for the sector, known as the [sector commitment](#)
- a target for facilities, known as the [facility target](#)

4.2.1. Sector commitment

The sector commitments are agreed between the [sector associations](#) and the Department for Net Zero and Energy Security.

The sector commitments for each future target period are included in Appendix 4 of each sector association's [umbrella agreement](#). Umbrella agreements for each sector are available to view and download from [Climate change agreements: umbrella agreements](#) on GOV.UK.

4.2.2. Facility targets

Operators with existing agreements in the previous scheme agreed targets for TP7-9 during the 2025 target setting period. We set targets for new entrants using the standard target setting method outlined in [section 4.4](#).

Types of targets

Targets can be expressed in terms of energy (kWh, MWh or GJ) or carbon dioxide (kgCO₂, tCO₂).

In the previous scheme, targets were either absolute or relative, which included the Novem method.

Absolute and relative target types were replaced for TP7-9 with the introduction of an adapted Novem target type. This target type was adapted from the existing Novem methodology and considers the proportion of energy which is fixed and energy which is variable.

The adapted Novem target type is a target to reduce the energy used to produce each unit of [throughput](#) in a target facility and provides a more accurate view of performance and how this links to production.

Expressing the target

For [energy targets](#), kWh is the most commonly used unit because it is the unit most frequently used in metering (electricity).

[Facility targets](#) must be the same type (carbon or energy) as the sector commitment (or sub-sector commitment where a sector has [sub-sectors](#)).

Targets are expressed as a percentage improvement. A percentage improvement target for a target period is the improvement in performance for that target period relative to performance in the [base year](#). Applying the percentage improvement target for a target period to the base year performance will derive a numerical target for that target period.

The base year performance is required for all facilities to enable a numerical target to be calculated.

When meter readings for energy and throughput provide an accuracy of at least 5 significant figures, a percentage target will be accurate to 3 decimal places.

Choosing a throughput measure

The appropriate choice of a throughput measure is key to tracking changes in energy efficiency.

The choice of throughput is important as it features in the performance metric (such as kWh/kg) and is relied upon to determine whether the levels of activity at a facility have changed.

The best throughput measure for a site is usually a physical output measure, such as mass (kg or tonnes) or volume (litres or m³) of product. Other measures of activity that operators can demonstrate drive energy consumption may also be considered.

We discourage capacity as a throughput measure (for example building volume, building area or machine capacity). While capacity may be in some way associated with energy consumption, it rarely drives it, as energy consumption may increase or decrease as a result of the utilisation of the capacity, rather than as a result of the presence of capacity on a site. In the absence of a physical output measure that can be shown to drive energy consumption, robust measures of capacity utilisation may be considered.

The throughput measure chosen should be descriptive enough to avoid doubt about what it is. For example, where product mass is measured at various places in a production sequence, it must be clear in the throughput measure description where this measure is made (for example, 'tonnes packed' rather than just 'tonnes').

We will expect the point at which the activity is measured to encompass the greatest possible proportion of the site's energy consumption, unless there are compelling physical or operational reasons that prevent this. This means measuring physical production at the point closest to leaving the site, and a favouring of process outputs over process inputs as the throughput measure. Such an approach encourages and rewards sites for improving process yield, which itself is an energy efficiency measure.

4.3. Brownfield and greenfield facilities

A [brownfield facility](#) is an existing facility that already carries out the eligible process.

A [greenfield facility](#) is a site that began operating in the 12 months before it applied to join the CCA scheme. It may be a brand-new facility with new equipment carrying out activities and processes that hadn't been carried out there previously. Or it may be a

facility that had closed, had all its plant replaced and been recommissioned. In both cases, 12 months of [base year](#) performance data, representative of the newly commissioned site, cannot be provided.

By their very nature, brownfield and greenfield facilities differ in terms of the availability of base year data prior to entering a CCA. This affects target setting for new entrants to the CCA scheme.

4.3.1. Brownfield facilities

To obtain a CCA, the existing operator must have been running the site without any [structural changes](#) and collecting the required data continuously for at least 12 months. Representative base year data should therefore be available, and the operator will be expected to produce data against which future targets can be set.

There are situations where a brownfield facility may not have the required data for the previous 12-month period and will need to collect these data before it can enter into a CCA. Examples of this are as follows.

- An existing facility with an agreement closed for a period of time and restarted production (whether with or without a new owner) without any structural changes to the facility so that, since it closed, the configuration of the site had remained the same.
- Previous data are not available, for example, because the new operator did not undertake due diligence to obtain data from the previous owner, or because the site went into administration and the administrator refused the new owner access to previous records.

A brownfield facility that re-enters the CCA scheme must use its existing base year. Where the data are not available or it is not possible to reconstruct them, the next available 12-month period for which there are complete data should be selected. Lack of data due to poor record-keeping is not acceptable as a reason to use a more recent base year. Any brownfield facility that does adopt a new base year should apply the target setting methodology outlined in [section 4.4](#).

4.3.2. Greenfield facilities

A [greenfield facility](#) can have an agreement from the outset. The facility will be given a percentage target in line with its sector commitment. An estimated interim [base year](#) performance for the year the facility began operation will need to be agreed with us. Where appropriate, this can also include the optional additional 3/7ths provision. The base year for the greenfield new entrant will be the first year that the [underlying agreement](#) is held.

The facility is required to agree with us a date by which it will have 12 months of continuous data available from which a target will be calculated. Installation of sub-metering is expected to occur within 6 months of the date when the need for sub-metering is identified. This also applies to any sub-metering required for the optional 3/7ths provision.

If a greenfield facility joins the CCA scheme in the final 12 months of a target period, it should report against the target calculated using the agreed estimated interim base year performance. A revised target will be calculated for future target periods once data for the full 12 months for the actual base year are available.

4.4. Target setting for new entrants

This section sets out a standard method to be followed by any new entrant entering the scheme. The method also applies to brownfield facilities that have re-entered the scheme with a more recent [base year](#).

Operators can apply for eligible facilities to join the scheme between 1 January and 31 August in every year throughout the scheme.

4.4.1. Calculating a target for a new scheme entrant

The sector commitment (or [sub-sector](#) commitment if applicable) is used to set the percentage improvement target of a facility when either of the following applies.

- A facility or group of facilities is entirely new to the scheme. Each facility will be given a target that matches the relevant sector or sub-sector commitment.
- A facility formerly covered by the [umbrella agreement](#) of a different sector is moved into a new sector and becomes a facility in that new sector. However, the facility will retain the original performance improvement target if, when the percentage sector commitment is applied to the facility's base year performance, the target calculated for the next target period gives a target performance that was already achieved in the previous target period.

If the base year of the new entrant is more recent than that for the sector or sub-sector, the target will be adjusted in line with [section 4.4.2](#).

If a facility re-joins the scheme having previously left voluntarily, or following our termination of its underlying agreement, the percentage improvement target will be whichever is the more demanding:

- the facility's original percentage improvement target, or
- the relevant sector (or sub-sector) commitment.

This does not apply to cases where the agreement is voluntarily terminated because the site has closed for a major refurbishment. In such cases, the original percentage target

will be applied to the facility after the agreement is reactivated. However, there could be circumstances where there has been a voluntary termination to accommodate the replacement of plant and re-commissioning, and the existing baseline is demonstrably unrepresentative of the new plant. In such cases the site may be regarded as a greenfield site.

4.4.2. Setting a target profile for new entrants

Where new entrants have 2022 as a [base year](#), the target for the facility will be set in accordance with the sector or sub-sector commitment in relation to each target period, regardless of when the application is made.

For example, if a [sector association](#) has a sector commitment of 4% by 2026, 6% by 2028 and 8% by 2030, and a facility joins in 2027 with a 2022 baseline, the facility would still be required to achieve the target of 6% by 2028 and 8% by 2030.

For new entrants that do **not** have 2022 as a base year, the reduced time between the later base year and each future target period must be considered.

For example, if the new entrant's baseline is **2027**, the Administrator should assume that the improvements required from 2022 up to 2027 have already been achieved.

Using the example sector target profile above, and since 2027 falls halfway between 2026 (4%) and 2028 (6%), this corresponds to 5% savings from 2022, or 95% of 2022 energy consumption.

The remaining targets are then calculated by linear interpolation from this starting position. The resulting targets, rounded to 2 decimal places, are:

- **2028 target:** $(0.95 - 0.94) / 0.95 = 1.05\%$
- **2030 target:** $(0.95 - 0.92) / 0.95 = 3.16\%$

This approach is followed unless the calculated target for the next period would represent a lower level of improvement than the most recent performance achieved by the new entrant.

For example, if a new entrant with a 2022 base year joins in 2027 having already achieved a 6% improvement between 2022 and 2027, the 2028 target cannot remain at 6%, as this level of performance has already been met.

In this case, the percentage improvement target (rounded to 2 decimal places) for 2028 is:

$$1 - \left(0.94 \times \frac{0.94}{0.95} \right) = 7.00\%$$

where:

- 0.94 is the actual performance in 2027 relative to the 2022 base year, and
- $(0.94 / 0.95)$ represents the ratio of performance implied by the sector commitment between 2027 and 2028

Selecting the correct year in the Target Calculator workbook tool ([Appendix H](#)) will complete the calculation.

4.4.3. Adapted Novem Target Calculation

In the new scheme, all facilities are required to use a single target type, which is an adaptation of the previous Novem calculation method.

The Adapted Novem target type is the method in which a facility must determine, for its [base year](#) energy consumption, the [Fixed Energy Consumption \(FEC\)](#) and the [Variable Energy Consumption \(VEC\)](#) for each individually observed product and the level of production of each individually observed product. The sum of both the FEC and the VECs for each product is the [Total Energy Consumption \(TEC\)](#) for the facility.

Fixed energy (FEC) and variable energy (VEC) can be accounted for in the Target Calculator ([Appendix H](#)), Base Year Data Split worksheet to separate energy that is associated with production and energy that is constant and not associated with the variables of production.

The Target Calculator can also be used to separate energy by product type, to identify energy use by product and to establish energy intensity by product. If more products need to be added, this can be added to the Target Calculator using the Base Year Data Split worksheet.

4.5. Including or excluding a Facility from an agreement

This section deals with the inclusion and exclusion of a facility as part of an underlying agreement.

The previous CCA scheme allowed several facilities to be included in one agreement and share a target across all the facilities in the agreement. This meant that all facilities included within an agreement were considered as one for the purposes of reporting, [buy-out](#) and [surplus](#).

In the new scheme, while an agreement can include multiple facilities, each facility has a separate target, reporting requirements and buy-outs and surplus. A facility wishing to enter the scheme can still be included within an existing agreement, provided it meets the criteria as set out in [section 4.5.3](#).

4.5.1 Including a facility in an agreement

When a facility was added to an agreement in the previous scheme, the shared target for the facilities in that agreement would need to vary through a calculation.

In the new scheme, this calculation no longer needs to take place as each facility in an agreement has a separate target. An operator can add facilities to the same agreement, including where the base year varies. For example, this situation might arise when an operator adds a [greenfield facility](#) to an existing agreement.

4.5.2. Excluding a facility from an agreement

In the previous scheme, when a facility left an agreement following the closure of the facility, the shared target and baseline data for the remaining facilities in the agreement was not altered. This was called a rationalisation.

When a facility voluntarily left the previous scheme, but continued to operate, the baseline performance of the existing facilities in the agreement was altered.

In the new scheme, as each facility in an agreement has its own baseline and target, these calculations no longer need to take place. It's possible to exclude a facility from a multi-facility agreement for example, if a facility is sold or the operator no longer wishes to retain the facility in the scheme.

4.5.3. Conditions for including and excluding facilities

The following conditions apply.

1. We can only add a facility that is in an existing underlying agreement to another existing underlying agreement if the facility has the same operator as the operator of the underlying agreement under which it will be included. The definition of an operator is given in [section 2.3.1](#). This could occur if an operator wishes to bring all of their facilities in separate underlying agreements into one for administrative purposes or following a change of ownership.
2. All the facilities being added to an existing underlying agreement must belong to the same umbrella agreement.
3. We cannot add a facility to an agreement during the last 2 months of each target period. This is to allow agreement holders enough time to prepare their records for reporting.

Important points to note

We will review all requests to amend the facilities within an underlying agreement against the conditions outlined above. When we approve a request, we will issue a revised agreement to include or exclude the facilities.

If the conditions detailed at the start of this section are met, there are no restrictions on how many facilities can be included in an agreement. The [responsible person](#) who signs the underlying agreement does so on behalf of all the facilities in the agreement.

5. Annual charges and billing

Under Schedule 6 to the [Finance Act 2000](#) (as amended), the Environment Agency may recover the costs of administering the scheme through a charging scheme. This section explains the [charges](#) that apply to [sector associations](#) and agreement holders.

5.1. Annual charges for holding a CCA

5.1.1. How have charges been calculated?

The charges for the CCA scheme have been calculated based on the amounts we expect it to cost us to administer the scheme. These charges are set out in full in a separate document and are summarised below. The charging document and its associated guidance are available on the gov.uk webpage: [Climate change agreements \(CCA\) charging scheme](#).

5.1.2. What are the charges?

There are 2 types of annual charge – one levied on the sector association and one on the agreement holder.

There is no VAT added to charges.

5.1.3. Paying the charges

Facility and sector association annual charges apply to any full or part calendar year during which an agreement is in force. We will send out requests for payment in April each year. Payment options will include direct debit, BACS and CHAPS.

New entrants who sign an agreement after April in any calendar year will be sent a [Memorandum of Account \(MoA\)](#) for the annual charge on entering the scheme. This must be paid in accordance with the payment instructions provided in the MoA using one of the payment methods listed (excluding direct debit).

Sector associations

Sector associations that collect charges from over 50% of their agreement holders on our behalf won't receive an invoice from us for the sector association annual charge. Instead, they will receive a MoA for the total amount payable by their operators, together with a breakdown of the individual facility charges. The MoA will be based on the

information held on the CCA register. This will indicate whether the operator is financially managed by its sector association. The MoA can be paid in one instalment or by direct debit spread over 3 instalments.

If a sector association does not want to be charged for an operator where payment can't be recovered, it must notify us by 27 March in each calendar year, giving the operator's details and agreement identification number. We will then update the CCA register to show the operator is not financially managed by the sector association. We will send a MoA direct to the operator concerned after 1 April and the sector association won't be charged for them.

The sector association will still be charged in its MoA if it financially manages an operator that was in the scheme on 1 January of a calendar year but whose CCA was terminated before 1 April in the year.

Sector associations that decide not to collect charges on our behalf and opt to incur the annual charge will be sent an invoice in April. This will ask for immediate payment.

We will not contact agreement holders that pay their annual charge via their sector association.

Agreement holders that opt to pay for their CCA directly to us will be sent a MoA in April. This will ask for immediate payment. Where an agreement holder fails to pay us and we are unable to resolve the lack of payment through communication, we may issue a [penalty](#) or [terminate](#) the agreement.

5.2. Collection of charges by sector associations

A sector association wishing to collect charges from agreement holders on our behalf needs to:

- agree this arrangement with us
- adhere to the conditions detailed in Rule 15 of the umbrella agreement
- agree to collect charges from agreement holders that, taken together, represent at least 50% of the underlying agreements under its umbrella agreement
- send us a written request to do this – to be received by the last working day of February of each year (we will remind sectors by email of this each year in January)

The request from the sector association should list all the facilities (by the agreement they fall into) from which it intends to collect charges.

Requests to collect the facility charges can be emailed to ccapayments@environment-agency.gov.uk

Once received, we will approve or reject the request and inform the sector association, explaining the decision made.

If we allow the sector association to collect the charges, they will need to comply with the following rules.

- Itemise the CCA charges separately in the invoices issued to its operators.
- Chase any payments owing from its operators up until the end of September.
- Collect the charges in full and send us the collected money by direct debit, CHAPS or BACS by the last working day of September in each year, quoting the payment reference number on the payment advice note. This number will be listed at the top of the MoA received by the sector association each April. Any debt collecting activity must cease at this point.
- Three proportional direct debit instalments will be taken in each calendar year on 15 May (20% of total due), 15 July (40% of total due) and 15 September (40% of total due). Payments other than by direct debit become due in full in April in each calendar year following the issue of the MoA.
- The final direct debit payment value due on 15 September may be altered by the sector association if it is unable to recover the full costs for its sector. You must notify us by the last working day in August if you wish to alter the direct debit payment value.
- Send us an annual report by the last working day in October in the same year. This report should state which operators have paid or not paid.

If any payments are received by the sector association from operators after the last working day in September, these should be sent to us quoting the agreement identification number quoted on the sector association's original MoA. This information will allow us to identify the operator making the payment.

If a sector association fails to comply with these rules, we may withdraw our consent for it to continue to collect charges on our behalf. We will give 20 working days' notice of this.

5.3. What action will we take if charges are not paid?

If we haven't received payment of the charges from the sector association or operator by the due date, we will contact the sector association or operator to find out why. If we're unable to resolve the problem, the outstanding amount may be treated as a civil debt and we may commence debt recovery. If we can't recover the charges by the end of the calendar year, we will consider terminating the agreement as well as continuing to recover the debt.

6. Application process

[Sections 2](#) to [5](#) explain the requirements for applying for a CCA. This section outlines the procedure that operators and their sector association need to follow when applying for a Climate Change Agreement and providing assent to the agreement.

6.1. What should operators do next?

After reviewing sections 2 to 5 and collating the necessary evidence to support a new application, the next step is for the operator to provide their sector association with the necessary information so the application can be submitted on their behalf. Operators cannot apply directly for an [underlying agreement](#) through MyCCA.

The sector association will check the operator's information and undertake the initial eligibility checks before entering the application on MyCCA.

We will assess the evidence submitted to determine whether a facility is eligible to be included in an agreement. Following our determination, we will send the operator an email providing a proposed copy of their agreement and ask them to provide their assent. This assent will legally bind them to the agreement.

Once we have received the operator's assent, we will issue the approved agreement to the operator and add the facilities included in the agreement to the reduced rate certificate. At this point, the operator will be able to receive the [CCL](#) discount from their energy suppliers.

6.1.1. Evidence required for submission to the register during application

This section outlines the information that is required to be provided to us as part of an application for an agreement. Delays in providing any of the information, or if any information is unclear or requires further investigation could lead to delays in agreements being issued.

Operator Details

The following information must be provided to set up an agreement on the register:

- Operator Name
- Companies House number for the operator of the facility
- Operator Address
- Standard Industrial Classification (SIC) codes
- Responsible person and administrative contact details

Facility details

- Site name
- Facility address
- UK ETS installation identifier (if applicable)
- Facility contact details

Facility eligibility information

A detailed description of the process from start to finish must be provided. This must identify the [eligible activities](#) at the facility and explain which activity makes them eligible under the sector's CCA eligibility criteria (see [Appendix A](#)).

Any [directly associated activities \(DAA\)](#) must be included. Directly associated activities are activities on the same site with a technical connection to the eligible activities listed in [Appendix A](#) and which could have an effect on emissions.

Where activities are neither eligible nor directly associated with eligible activities, they will be considered ineligible.

All additional information necessary to identify what is being produced at the facility and how it is produced must be provided. A process flow map and site plan must be included, with annotations clearly identifying eligible, directly associated, ineligible, and 70% areas. Colour coding should be used as follows: green for eligible activities, amber for DAA, and red for ineligible activities. Additional labels should be used where possible to ensure accessibility.

The site plan should clearly show the boundary of the facility marked in red. Ideally, it should be based on a satellite or aerial image but must show the extent of the facility in relation to fixed infrastructure or features outside the facility boundary, such as roads, buildings, or other landmarks, to geographically contextualise the location.

The following list of documents must be supplied to form the minimum evidence to demonstrate eligibility:

- Manufacturing process description – this is an overview of the manufacturing process carried out. It should cover all elements of the process from receipt of raw materials to dispatch of final product.
- Description of [eligible processes](#) - this is a description of the elements of the process that are eligible for the CCA. It should clearly state how these elements meet the sector eligibility criteria, see [Appendix A](#).
- [Directly associated activities \(DAA\)](#) including:
 - evidence supporting direct association
 - evidence supporting technical connection
 - evidence supporting effect on emissions
- Process flow maps - these should illustrate the flow of activities around the site. The eligible processes and DAA should be clearly marked.

- Annotated site plans showing the extent of the eligible facility - these should cover the whole site, with the site boundary, areas containing eligible processes, DAAs and ineligible processes clearly marked
- Any permits currently held for the site under [EPR](#). The permit number and a copy of the permit must be provided.
- Calculations relating to the energy consumed within the installation and other site energy if eligible (indicating any assumptions made). These can also be used to form the baseline.
- [70% rule](#) calculations (indicating any assumptions made) - these calculations ideally should be provided in a spreadsheet format for ease of interpretation

The facility eligibility information needed for a new application can be collated using the Facility eligibility form in [Appendix G](#).

Energy information

You must provide information on:

- the facility's baseline performance, which includes:
 - the proportion of energy at the facility which is fixed (energy that must be consumed before any of the activity constituting the facility's selected [throughput](#) is incurred) and energy which is variable (directly linked to production)
 - total energy consumption by fuel type
 - the total amount of production to calculate the variable energy consumption for one unit of production.
- the target for the new facility – for new entrants this will be the same as the [sector commitment](#) target

6.1.2. Application process

The steps below outline the application process for a new underlying agreement:

Step 1: The sector association applies through MyCCA for an underlying agreement for the operator

Step 2: We assess the application and facility eligibility information and either approve or reject the application.

Step 3: If accepted, the operator will receive an email with their proposed underlying agreement. If rejected, the operator will receive an email explaining why the application has been rejected.

Step 4: The email will be copied to the sector association and/or sector [consultant](#) to update it on the application's status

Step 5: The operator needs to give assent (email acceptance) to the underlying agreement within 20 working days. When we upload this to MyCCA the operator will receive the final underlying agreement. They can claim the [CCL](#) discount from this point.

6.2. Email assent

The final step is for the operator to give email assent to the underlying agreement. We will email the proposed underlying agreement to the responsible person named on the CCA application. The responsible person should email the operator's assent to us within 20 working days confirming receipt of the underlying agreement and the operator's acceptance to the terms of that agreement. The assent also confirms acceptance of the facility targets stated in the underlying agreement. Email assent replaces the need to physically sign the agreement and is legally binding.

When we have processed the assent, the operator will receive an email confirming the agreement's activation. From that date, the facilities covered by the agreement will appear on the [reduced rate certificate \(RRC\)](#) and the operator can start claiming the CCL discount. We do not guarantee that we will process the assent on the day it is returned to us and therefore we recommend the operator waits for the activation email from us before notifying their energy company of their new agreement.

If we do not receive the assent within 20 working days from when we emailed the proposed underlying agreement to the responsible person named on the application, we may withdraw the agreement offer.

A facility may move between agreements (that is, it is excluded from one agreement and included in another agreement), for example, during a change of ownership. In these cases, we will process the assent for the new agreement before either terminating the old agreement or processing any outstanding assent for that agreement where a new agreement has been proposed. This ensures continuity of the CCL discount.

6.2.1. Can anyone else give the email assent?

The email assent must be given by the responsible person named on the underlying agreement. Therefore, we expect the assent to be sent from their email account and the one to which we have sent the underlying agreement. We will not accept assent from any other person, including someone claiming to act with the responsible person's authority.

The underlying agreement is a legal document that binds the operator into its agreement. It is therefore vital that the responsible person is aware of their responsibilities and the consequences to the operator when giving their assent.

If the responsible person leaves the organisation or changes for whatever reason during the time between the application being submitted and email assent being required, the sector association should update the details of the new responsible person as soon as possible. We will ensure the underlying agreement is sent to the new responsible person to give their assent.

If the responsible person has changed and we have issued a proposed underlying agreement, the sector association should update the responsible person on the register as soon as possible and the new responsible person must provide their assent to the new agreement. If the new responsible person wishes the underlying agreement to show their details, they must provide their assent to the current agreement and ask us to issue a new agreement to which they must also provide their assent.

A change in the responsible person after the agreement has been assented doesn't require a new agreement. However, the register must be kept up to date as it is a requirement in the rules (Rule 1 of the underlying agreement) that the responsible person's details are maintained in the register.

7. Changing an agreement

During their participation in the scheme, operators may experience changes that affect their agreement. Some of these changes will require a variation to the existing agreement or an application for a new agreement.

A variation is a change at a facility that requires an amendment to the agreement or the information held on MyCCA. Where a variation is processed that changes the text of the underlying agreement, we will issue a new version of the agreement. The operator must provide their assent to the new version of the agreement. In some instances, a variation that alters the baseline performance may trigger an amendment to the target.

For variations which do not change the text of the underlying agreement a notification letter will instead be issued to the operator. The notification letter will detail the changes that have been made to the agreement. These changes include:

- changes to the responsible person's personal information (name, address, email address)
- changes to the results of the [70% rule](#) evaluation
- corrections to [base year](#) energy or carbon information
- addition of product level base year information
- changes to the documents supporting a facility's eligibility

Operators are not required to provide assent to notification letters.

The sector association can initiate a variation to an agreement and, if approved, amend a [facility target](#) ([section 7.5](#)).

Some variations may be initiated and completed by the administrator to maintain or update agreements or data on the MyCCA service.

The different types of variations are outlined below, together with links to [sections 7.1 to 7.8](#) which provide further detail. [Section 7.9](#) gives details of what can't be changed by a variation and [section 7.10](#) covers the timescale for notifying us of change. In some instances, more than one of a possible range of variations may be necessary depending on the type of change the operator has gone through.

If you're not sure about whether a variation is needed following a change of some kind, please contact the [CCA helpdesk](#) for advice.

Different types of variation:

- When an operator takes over a facility from another operator
- When an operator changes ownership and includes all facilities within one agreement ([section 7.2](#))
- When the company name of an operator changes ([section 7.3](#))
 - when the legal entity has changed for the operator ([section 7.3.1](#))
 - when the operator name has changed ([section 7.3.2](#))
- When the address of the responsible person for the agreement changes ([section 7.4](#))
- Review of the baseline due to [structural change](#) or review of [70%](#) provision ([section 7.5](#))
 - structural change ([section 7.5.1](#))
 - data errors in baseline discovered ([section 7.5.2](#))
- Updating the baseline from estimated to actual values ([section 7.6](#))
- Variations for reporting ([section 7.7](#))
- Any other type of variation ([section 7.8](#))

7.1. A new operator takes over an existing facility included in another operator's agreement

One of the most frequent changes is when the ownership of a facility included in an existing agreement held by an operator transfers to a different operator. This type of variation applies:

- where agreements (with multiple facilities) exist under different operators in the same sector
- where one facility is sold to a different operator

Where a facility covered by an existing agreement transfers to a different operator, the sector association will need to submit complete facility eligibility information ([section 6](#)) for that facility.

We cannot transfer a facilities from an existing agreement to a new underlying agreement until we are satisfied that subsistence fees have been paid, there are no outstanding financial penalties as a result of enforcement action, and there are no outstanding buy-out fees for the immediately preceding certification period.

Important information to note

Where a facility moves to a different agreement, and both agreements contain existing facilities, both operators will receive new agreements. They will need to provide their email assent to these for them to become active.

As part of the process of including a facility in an agreement or excluding a facility from an existing agreement, we will upload the assent for the agreement that the facility is joining before uploading the assent for the agreement that the facility is leaving. This will ensure continuity of the CCL discount.

Where a facility leaves an existing agreement following a transfer of ownership, the facility will take with it the original improvement target given to the facility.

7.2. An operator changes ownership and includes all its facilities within one agreement

In this type of variation, all the facilities in the agreement are transferred to a different operator who already has a CCA agreement.

The sector association should notify us of the change in the operator of the purchased facility or facilities. Change of ownership variations cannot be completed unless subsistence fees are up to date, there are no outstanding financial penalties as a result of enforcement action and there are no outstanding buy-out fees for the immediately preceding certification period.

The sector association can submit a variation to include all the purchased facilities in an existing agreement. This will involve entering facility eligibility for all new facilities which are being included into an existing agreement. Once we have processed the variation, we will send the proposed new agreement to the responsible person for the new facilities joining the agreement to give their email assent. When we receive the email assent, we will activate the new agreement and terminate the old agreement for the facilities that have been transferred.

7.3. The company name of an operator changes

This section outlines what changes to the agreement are required depending on the type of change that has occurred:

- the operator becomes a different legal entity
- the name of the operator changes but not its legal entity

7.3.1. When the legal entity has changed for the operator

If the legal entity operating a facility included in an existing agreement changes, the existing agreement no longer applies, and a new agreement is required. See [section 2.3.1](#) for the definition of an operator and therefore what would constitute a change in operator.

On the register, your sector association should apply for a new agreement and add all the facilities included in that agreement. If the facilities are to be added to an existing agreement, the application for the additional facilities to be included within that agreement should be initiated from the existing agreement's [account](#) first. It is important to make clear that the application to replace an existing agreement is due to a change in ownership.

New agreements cannot be issued until we are satisfied that subsistence fees are up to date, there are no outstanding financial penalties as a result of enforcement action, and there are not outstanding buy-out fees for the immediately preceding certification period.

If the application is accepted, we will issue a proposed agreement to replace the existing agreement.

The new operator must provide email assent to the new agreement. On receiving and processing the assent, we will terminate the old agreement. This will ensure there is no loss of certification to the scheme.

7.3.2. When you need to change the operator/facility name

When the legal entity holding the current agreement has changed its name, but its company registration number remains the same and/or the operator wants to update the name of an existing facility, we can update the existing agreement to reflect the name change(s).

The sector association should provide sufficient evidence for the name change with their variation, for example information from Companies House (or similar) showing the name change and that the registration number is unchanged.

7.4. The address of the responsible person for the agreement changes

The sector association can submit this variation type if the address for service of notices changes. For a company, we normally expect this to be the same as the registered office

address, but the Responsible Person can specify an alternative address for service of notices. The new address must be a UK postal address.

This variation requires the following information and evidence to be submitted:

- new address for service of notices
- any relevant information supporting the address change, for example Companies House notification of registered office address

This variation should not be used to change a facility address.

7.5. Review of the baseline due to structural change, or review of the 70% provision

This section covers a [structural change](#) which could change the amount of energy consumed in the eligible facility with respect to the total site energy consumption. This may result in the requirement to change the baseline and targets under certain circumstances.

7.5.1. Structural change

Paragraph 4 of the [Technical Annex](#) defines a structural change as one of the following:

- Changes to the processes carried out at a site, which mean that a process would no longer be an eligible process. Such changes may affect the [primary activity](#) carried out in the stationary technical unit such that the change means that a process can no longer be considered an eligible process, or they may affect the relationship between the primary activity and other activities originally determined to be [ancillary activities](#), such that these other activities can no longer be considered ancillary activities.
- Changes to a facility as a result of an eligible process which used to take place inside the site boundary taking place outside of the site boundary instead.
- Changes impacting the [70% Rule](#): Changes to the proportion of energy which is used in an installation comprising part of a site which would affect the extent of the facility which is eligible to be covered by an agreement as a result of the application of Regulation 3(1) of the Climate Change Agreements (Eligible Facilities) Regulations 2012, as amended from time to time.
- A change in the extent of the [target facility](#) as a result of parts of the facility ceasing to carry out or starting to carry out ETS [Schedule 2](#) activities.

Replacement or replication of plant to increase capacity of the same or similar products is not a structural change unless it entails one of the changes listed in paragraph 4 above.

Change to processes

If there is a change to the processes carried out at the [STU\(s\)](#), the STU may no longer meet the definition of eligibility in the [umbrella agreement](#) for the sector. If this happens, a previously eligible STU will cease to be eligible and the whole basis for CCA eligibility at the site may be lost. It may be partially lost if, as a result of the change, some but not all STUs lose their eligibility. In this second case, the proportion of the site's energy use covered by the eligible installation will be less than before and the proportion of the site's energy use entitled to be included in the eligible facility may also be less.

If the site no longer qualifies for a CCA, that facility will be removed from the agreement. If the agreement contains only one facility, that agreement will be terminated.

If the site continues to qualify for a CCA, the extent of the processes on site that can be included in the eligible facility may have changed. The extent may also change if the operator changes the way the site operates such that one or more [ancillary activities](#) can no longer be considered [DAAs](#) of the STU.

Eligible process moves outside site boundary

This change occurs if any of the components making up the installation at the site (an [STU](#) or a [DAA](#)) are no longer carried out on the site but somewhere else, for example, due to outsourcing. This means that the extent of the installation may have changed and the proportion of the site's energy use that can be included in the eligible facility may have also changed.

Change to proportion of energy used in the installation impacting the 70% rule

The proportion of a site's total energy consumption that is used within the installation may change over time. This may affect whether the installation meets the [70% rule](#).

- If the installation consumes 70% or more of the site's total energy, the eligible facility is the whole site and energy consumption can be measured using the site's main meters.
- If the installation consumes less than 70%, the eligible facility is limited to:
 - the installation, plus
 - (optionally) up to 3/7ths of the installation's energy from other site activities

A significant change in this proportion may require the eligible facility baseline and target to be updated.

Change in ETS status

The [ETS](#) status of any fuel consumed within the eligible facility might change in the future, that is, the consumption moves from being in scope of the ETS to out of scope, and vice versa. This may be due to changes in the ETS policy or changes on site, such as a change in the capacity of combustion plant on the site included in the eligible facility. Since the energy consumed within the target facility is the energy consumed within the eligible facility less any of this energy covered by ETS, changes in the ETS status of the eligible facility's energy use will change the extent of the [target facility](#). Please refer to [section 3.3.4](#) for additional information.

The target facility's baseline will need to be revised to reflect this. New targets will be calculated for the target facility by applying the original percentage improvement targets to this revised baseline. The new targets can be recalculated using the 'Target calculator' workbook tool provided in [Appendix H](#).

What happens if there is a structural change?

You must notify us via MyCCA within 20 working days of any structural change. Notification is through the sector association submitting a variation to the agreement. We will assess:

- whether the change meets the definition of a structural change as set out in the [Technical Annex](#), and
- whether it causes the installation to cross the 70% threshold (see [section 3.3.3](#))

If the proportion of the site's energy use that can be included in the installation has changed to an extent that the 70% threshold has been crossed, the baseline must be adjusted. The original percentage target improvement will remain unchanged and will be applied to the revised baseline, resulting in a new numerical target for the facility.

If after the change, the installation consumes just over 70% of the site's energy use, we may select the site for [audit](#) so that any assumptions underpinning the extent of the installation with respect to the site can be tested.

If a change to the baseline or a target is required following a structural change variation, the sector association will need, on the operator's behalf, to supply via the register the following information for the facility that has experienced structural change:

- description of the change at the facility
- 70% calculator workbook
- revised 70% data
- revised manufacturing process description
- revised process flow map marking the STU, DAA and ineligible activities

- re-baseline workbook used to calculate a revised target

Baseline reconstruction and sub-metering

If any changes to the baseline are required, the operator should reconstruct the original [base year](#) data where possible, as described below. Speak to us about reconstructing the baseline. A baseline reconstruction workbook tool is available in [Appendix H](#).

Following a change that generates a need to amend the baseline data, the configuration of the facility will need to be amended to reflect the change in eligibility. The numerical target may also need to be adjusted. It can be recalculated using the 'Target calculator' workbook tool provided in [Appendix H](#).

Installation increases to $\geq 70\%$ of site energy

If the installation's energy consumption increases to **70% or more** of total site energy:

- The eligible facility may be redefined as the whole site
- The baseline must be recalculated using total site energy consumption in the base year
- The fuel mix for the base year will reflect the entire site's fuel use

If the operator chooses to redefine the eligible facility in this way, a variation must be submitted and approved.

See [section 10.3](#) to see how this change will be reported.

Installation decreases to less than 70% of site energy

If the installation's energy consumption falls **below 70%** the eligible facility will no longer be the whole site. It will instead consist of:

- the installation, plus
- (optionally) up to 3/7ths of energy from other activities

The installation (plus any optional energy up to 3/7ths of energy consumption by the installation) must be separately sub-metered to allow the gathering of 12 months of actual consumption data. We expect the sub-metering to be installed within 6 months of our acceptance of the variation.

At the end of the [target period](#) during which the change occurred, if sub-metering was not in place to allow the energy consumption of the new eligible facility to be reported on metered values for the entire target period, then the target facility will report based on its original extent of eligibility for the entire target period.

Once 12 months' actual consumption data have been gathered (including the optional 3/7ths where required), the baseline will be reconstructed, and revised numerical targets calculated. However, as stated above, this will only be done for target periods following the target period during which the change occurred if there was insufficient sub-metering in place to allow the new eligible facility to report on metered values for the target period during which the change occurred.

Baseline reconstruction following a 70% change

This baseline reconstruction process will use the newly collected 12 months of sub-metered data as follows:

- the proportion of energy consumed at the site that is consumed in the installation (plus any additional energy consumed by other activities up to 3/7ths of the installation, if applicable) is calculated.
- this proportion is applied to the energy consumed at the site in the [base year](#). This will give a new quantity of energy in the base year for the new eligible facility. A new baseline reconstruction workbook tool will be published and added to [Appendix H](#).

To determine the fuel split (the mixture of fuel used) of the new quantity of baseline energy, the percentage fuel split for the installation (plus the additional 3/7ths, if applicable) from the 12 months of data is applied.

If this process gives a value for the consumption of a particular fuel type greater than that consumed at the site in the base year, the consumption of that fuel type will be limited to the actual consumption and the difference will be redistributed across the other fuel types.

The redistribution will be carried out to preserve the actual percentage fuel split in the installation (plus the additional 3/7ths, if applicable) from the 12 months of data.

Due to putting in place sub-metering beyond that covering the installation, the eligible facility can now be regarded as the installation plus energy consumption by other activities up to 3/7ths of the installation. If the operator wishes to redefine the eligible facility as the installation plus other energy consumption up to 3/7ths of the installation, the eligible facility will be re-baselined once 12 months of sub-metered data for the additional 3/7ths have been collected. This process can be described as follows.

- The ratio of energy consumed in the installation plus the 3/7ths to the energy consumed in the installation is calculated. This calculation will use energy consumption data for the installation from the same 12 months period as that collected for the first time for the 3/7ths.
- This ratio will be applied to the installation's energy consumption in the base year. This will calculate a new quantity of energy in the base year for the new eligible facility.

In determining the fuel split of the new quantity of energy in the base year, the percentage fuel split for the installation plus 3/7ths from the 12 months of data will be applied as described above.

7.5.2. Review of the baseline following the discovery of an error

This section covers corrections for error(s) discovered in baseline data.

In line with Rule 6.3 of the [underlying agreement](#), targets will be adjusted to reflect errors in the baseline (for example, those discovered during an [audit](#)). This is done by amending the baseline to correct the error. The original percentage improvement target is then applied against this revised baseline.

The 'Target calculator' workbook tool provided in [Appendix H](#) can be used to recalculate the numerical target.

If an error in the baseline is discovered, you must notify us within 20 working days of discovering the error. The notification should include an explanation of the cause of the error, how it came to be identified, and how it has been or will be resolved. Where errors in the baseline data are notified to us after 20 working days, we will consider enforcement action in line with our Enforcement and Sanctions policy ([section 8](#)).

Where baselines are amended following discovery of an error, the proportion of energy assigned to fixed and variable consumption may change. We will review this as part of the variation to ensure that the proportion of energy that has changed between fixed and variable reflects the correction that is being made.

Requests to change how fixed and variable energy has been assigned for the facility in the baseline are **not** considered to be an error and variations to make this change will not be accepted. Operators and sectors were provided the opportunity to change these figures before 1 May 2026.

7.6. Updating the baseline from estimated to actual values

A [greenfield facility](#) will have an estimated interim [base year](#) performance. Once available, 12 months of continuous data must be submitted to calculate a numerical target.

7.7. Variations for reporting

There are 2 circumstances in which variations must be submitted in the month after the end of a target period, to reflect changes which may impact on a facility's target. These are described in further detail in [Section 10.4](#).

7.8. Other types of variation

Any other type of variation an operator may wish to make that is not listed above can be submitted to the register. It should include a detailed description of the variation and be supported by evidence. Examples include:

- changing the address of an individual facility due to an error with the original facility address or postal system – but if the facility is actually moving site, a new facility eligibility application is required
- changing an ETS permit number
- providing a Companies House number
- providing a SIC code for the operator

7.9. What cannot be changed by a variation

To maintain stability within the scheme, a number of areas of an agreement cannot be changed.

An operator isn't allowed to amend the percentage target. However, the numerical value of the target may change if the baseline is amended following a variation.

7.9.1. Throughput units

An operator can only amend the [throughput](#) units of their [facility target](#) following a structural change where a completely different product is being made at a site. This amendment can be made at any time except for the final 2 months of a target period. In the instance of a structural change, the sector association can submit a baseline amendment variation via the register.

7.9.2. The 12-month base year period

The base year period cannot be changed unless this is in response to a structural change where the original base year is no longer relevant, and the baseline can't be reconstructed using the existing data.

The baseline can be amended if there's an error in the data. If an error is discovered, it should be reported to us within 20 working days by raising a variation in the register. Any errors in data discovered by [audit](#) (see [section 9](#)) may result in a financial [penalty](#) (see [section 8](#)).

We may consider a change in the base year for a [brownfield facility](#) that has re-entered the scheme following a period of being in administration if the data for the original base year are no longer available.

7.9.3. Changing sector

Once a facility is deemed eligible to belong to a particular sector and joins that sector, it won't be allowed to move to another sector unless it becomes ineligible in the original sector.

There are 2 options if the facility is not eligible in the present sector.

- If the facility is eligible in another sector, the facility will be removed from the agreement or the underlying agreement will be terminated where the agreement contains only one facility and a new entrant application started.
- If the facility is not eligible in any sector (as listed in [Appendix A](#)), the facility will be removed from the agreement or the underlying agreement will be terminated where the agreement contains only one facility

If the facility is partially eligible in the present sector, the facility will remain in the original sector and the underlying agreement will be varied accordingly.

7.10. Timescale for notifying us of a change

If a change occurs at a facility that may require a variation, this should be notified to us via MyCCA within 20 working days. Within this period the operator needs to send details of the change to its sector association and the sector association should enter details of the proposed variation for consideration.

Notification within 20 working days does not mean that the change will be processed by us in the register within this time. We will work with the operator and the sector association to accept or reject the request as quickly as practicable.

8. Application of financial penalties and termination

8.1. CCA penalties

This section explains the financial penalties and termination provisions related to the CCA scheme. Further information can be found in the [Environment Agency enforcement and sanctions policy](#).

8.1.1. What are the penalties in the CCA scheme?

The system of financial penalties set out in regulation 15 of the Climate Change Agreements (Administration) Regulations 2012 (as amended) is intended to provide a proportionate and flexible regime. The [penalty](#) system aims to promote compliance and ensure the effective operation of the scheme.

The amended regulations laid in 2025 (The Climate Change Agreements (Administration and Eligible Facilities) (Amendment) Regulations 2025) introduced new mandatory reporting requirements for facilities in the CCA scheme. Failing to comply with these new mandatory reporting requirements could lead to penalties being applied. These mandatory reporting requirements are outlined in [Section 10](#) and [11](#).

There are 2 methods for calculating the penalty in regulation 15, applicable to specific infringements.

8.1.2. Method 1 – specific to regulation 15(1)(a), (c) and (d)

Method 1 covers the following types of infringement:

- failing to provide us on or before 1 May following the end of the target period with the information we need to determine whether a facility's progress towards meeting its target is satisfactory (regulation 15(1)(a))
- failing to provide us on or before 1 May 2027 and on or before 1 May in each subsequent year with information about the actions taken in relation to energy efficiency improvements or emissions reductions in order to meet the facility's target (regulation 15(1)(a))
- failing to provide us on or before 1 May 2027 and on or before 1 May in each subsequent year with confirmation that at least 70% of reckonable energy supplied to the site is to be used in the installation, installations or parts of installation (regulation 15(1)(a))
- failing to provide us on or before 1 May 2027 and on or before 1 May in each subsequent year with information relating to the application of the [UK ETS](#) to the facility (regulation 15(1)(a))
- failing to provide us on or before 1 May 2028, and on or before 1 May 2030, such information as has been requested by the administrator in order to determine whether progress towards meeting the facility's target is satisfactory (regulation 15(1)(a))
- failing to provide information by the date we specify, when we ask for any other information to determine whether the facility has met its target or the operator is complying with its underlying agreement (regulation 15(1)(a))
- providing inaccurate information in response to our request for information to determine whether the facility has met its target or the operator is complying with its underlying agreement (regulation 15(1)(c))
- providing inaccurate information relating to the application of the UK ETS to the facility (regulation 15(1)(c))
- failing to tell us of any changes required by the underlying agreement (regulation 15(1)(d))

Amount of penalty – specific to regulation 15(1)(a), (c) and (d)

The statutory maximum [penalty](#) amount is the greater of:

- £500 or
- $0.1 \times (X - Y)$

Where X represents the amount of levy that would have been paid by the facility during the [base year](#) for the relevant target period if the facility did not have a Climate Change Agreement and Y represents the amount of levy that would have been paid by the facility during the base year for the relevant target period if they did have a Climate Change Agreement.

Where a facility is a [greenfield facility](#), the statutory maximum penalty amount is the greater of:

- £500
- $0.1 \times (A - B)$
- Where A represents a reasonable estimation of the amount of levy that would be payable on supplies of taxable commodities to the facility during a 12-month period starting on the date of the underlying agreement if the supplies were not reduced rate supplies and;
- B represents a reasonable estimation of the amount of levy that would be payable on supplies of taxable commodities to the facility during a 12-month period starting on the date of the underlying agreement if the supplies were reduced rate supplies.

As we don't have access to data on the exact amount of [CCL](#) discount received by an operator, we will estimate the penalty value using the facility [base year](#) data and the relevant CCL rates and discount values for each fuel type. (We will include any fuels consumed in [Schedule 2 activities](#).) CCL rates are available on the gov.uk webpage: [Climate Change Levy rates](#).

We may apply our discretion to all CCA penalties as outlined in Section F of [Annex 2: Climate change schemes – the Environment Agency's approach to applying civil penalties](#).

8.1.3. Method 2 – specific to regulation 15(1)(b)

This method applies to operators of facilities that provide inaccurate:

- baseline data or target period data (that is, the information we require on or before 1 May that is submitted in final or interim target period reports).
- Information about the actions taken in relation to energy efficiency improvements or emissions reductions in order to meet the facility's target

Amount of penalty – specific to regulation 15(1)(b)

The statutory maximum penalty is based on the extent of inaccuracy in the data provided by an operator of a facility. In other words, it will be applied to facilities that have misreported data.

The statutory maximum amount of the penalty will be the greater of:

- £500
- £12 per tonne of carbon dioxide equivalent of the difference between the actual emissions and the reported emissions for target period 1, 2, 3 or 4.
- £18 per tonne of carbon dioxide equivalent of the difference between the actual emissions and the reported emissions for target period 5.
- £25 per tonne of carbon dioxide equivalent between the actual emissions and the reported emissions for target period 6.
- £37 per tonne of carbon dioxide equivalent between the actual emissions and the reported emissions for target period 7
- £38 per tonne of carbon dioxide equivalent between the actual emissions and the reported emissions for target period 8
- An amount in £ per tonne (as calculated by in the formula referenced in [section 10.5.2](#)) of carbon dioxide equivalent of the difference between the actual emissions and the reported emissions for target period 9

We may apply our discretion to all CCA penalties as outlined in Section F of [Annex 2: Climate change schemes – the Environment Agency's approach to applying civil penalties](#)

Payment of this penalty will be in addition to any need to use the [buy-out](#) mechanism to meet a target if, as a result of correcting the error, the facility is found not to have met its target for the previous target period. This is needed to maintain an incentive to report correctly at reconciliation.

Where a correction of the inaccurate data still results in an under-performance, any [surplus](#) accumulated from previous target periods that was originally used to offset the underperformance cannot be used. If a buy-out fee is due a [secondary buy-out](#) fee notice for the full amount of under-performance will be issued. Further information can be found in [section 10.8.3](#).

8.2. Issuing penalties

8.2.1. Notice of a financial penalty

Where we are considering the imposition of a penalty, we will first serve a notice of intent and will take account of any representations received in response before we make our

final decision. If we decide to impose a financial penalty on an operator, we will issue a notice setting out:

- the amount of penalty
- how the penalty was calculated
- the reason for the penalty
- if appropriate, what steps need to be taken to remedy the matter and the deadline for doing this
- the deadline for paying the penalty
- how to pay the penalty

Any penalties will be paid into the government consolidated fund administered by His Majesty's Treasury (HMT).

We may [terminate](#) the underlying agreement of the facility or remove the facility from an agreement containing multiple facilities if the penalty is not paid by the deadline stated in the notice. We may also terminate if we're not satisfied that sufficient progress has been made to remedy the breach for which the penalty was issued. Failure to comply with the terms of the underlying agreement could also lead to termination.

In addition to the financial penalty, Regulation 16A of The Climate Change Agreements (Administration) Regulations 2012 (as amended), require us to publish the following information in relation to the financial penalty that has been imposed:

- the name of the operator
- the amount of the penalty imposed
- a description of the contravention that led to the imposition of the penalty

This information will be published for a period of at least one year. The publication details of any penalties issued will not take effect until after any appeal period against the financial penalty has expired (see [section 8.4](#)).

8.2.2 Withdrawal, reduction or extension of time for payment of a penalty

Before the date by which a penalty must be paid as specified in the penalty notice, and if considered appropriate, we may decide to:

- withdraw the penalty
- reduce the penalty
- allow an extension of time for payment of the penalty

Where a penalty is withdrawn, we will issue a new notice stating that the penalty is withdrawn, and the information relating to the penalty will not be published.

Where a penalty amount is reduced, we will issue a notice to modify the initial penalty amount to the new penalty amount. The published penalty data will reflect the reduced penalty amount.

Where we decide to allow additional time for payment of the financial penalty, we will serve a notice to modify the original payment date stated in the initial penalty notice.

8.3. Termination of agreements

There are 2 types of termination in the CCA scheme:

- voluntary termination
- termination by the Environment Agency

8.3.1. Voluntary termination – when a facility leaves the scheme or closes

An operator may voluntarily terminate their agreement. Terminating an agreement will terminate all the facilities covered by that agreement. Facilities can be removed individually from an agreement through a variation.

Depending on the scenario, the following action should be taken:

- All the facilities within an agreement leave the scheme or close – the sector association carries out a voluntary termination of the agreement on the register.
- An agreement containing multiple facilities where one or more facilities leave the scheme voluntarily, leaving one or more facilities in the agreement in the scheme – the sector association carries out a variation to exclude the facility (see [section 4.5](#)). We will remove those facilities that are leaving the scheme from the agreement.

Firms in difficulty

The sector association, on behalf of the operator, should process a voluntary termination on the register under the following instance as outlined in paragraph 6 of the [Technical Annex](#):

An Operator must notify the [Administrator](#) within 20 working days of the operator or the facility becoming an ailing or insolvent entity, as described in the '[UK Subsidy Control statutory guidance](#)'.

8.3.2. Termination by the Environment Agency

We may terminate an agreement if:

- the sector association contravenes the agreement

- the sector association fails to agree a variation in a [sector commitment](#) proposed under the terms of the agreement
- the operator contravenes the agreement unless the contravention has given rise to a financial penalty
- the operator fails to pay a financial penalty or fails to take steps to remedy the contravention
- the operator fails to agree a variation to their target proposed under the terms of the underlying agreement.

If an [umbrella agreement](#) for the sector association was terminated, all underlying agreements related to that umbrella agreement would also be terminated.

Examples where the operator contravenes their agreement:

- Failure to comply with the [charging scheme](#) (that includes non-payment of annual facility subsistence [charges](#))
- Failure to inform us of a site closure or withdrawal from the scheme
- Failure to pay a financial penalty

Examples where the operator fails to agree a variation in a target proposed under the terms of the underlying agreement:

- Failure to agree to a new target following a structural or other change
- Failure to agree to a new target following corrections of errors in the [base year](#) data

We must terminate an agreement if a facility ceases to be eligible for inclusion in an agreement (Regulation 17(4)).

The sector association or operator has the right to appeal against a decision to terminate an agreement at a First-tier Tribunal as described in Regulation 20(2). Further information on the appeal process can be found at: [About - HM Courts and Tribunals Service](#).

We also carry out administrative terminations, for example to remove old facilities from agreements after they have successfully transferred to a new operator following a change of ownership.

8.3.3. Re-entry following termination

A facility that has been terminated from the scheme can apply to re-join between 1 January and 31 August each year throughout the scheme until 31 August 2029. This applies to facilities that were terminated voluntarily or were terminated by the Environment Agency.

Any facility seeking to re-enter should demonstrate that:

- it is eligible to re-join the scheme
- it met its target from the previous target period, or, if not, the operator has paid the [buy-out](#) from the immediately preceding [certification period](#).
- it has paid any missed administration charges or unpaid penalties for the facility at the time it was terminated

Re-entrant facilities can apply for an agreement or to be included in an existing agreement as explained in [section 4](#).

The operator of the terminated facility should apply to the scheme as a new entrant and follow the full process outlined in [section 6](#) providing the necessary evidence and eligibility information. The previous agreement or facility ID number must be given in the application to show the facility has previously been part of the scheme. Failure to provide this information may lead to penalty or termination later if we discover this information was knowingly withheld in the application. We expect the original [base year](#) to apply to a facility re-entering the scheme or if the base year that is used to set targets has changed since the facility left the scheme, the relevant base year for the current target periods.

The method for target setting for re-entrants is as explained in [section 4.4](#).

8.3.4. New operator for a previously terminated facility

If the operator of a facility that was part of a previously terminated agreement changes, the new operator can apply for that facility to be included within an underlying agreement. Although the new operator is not liable for any outstanding CCA penalties, buy-out or charges, we cannot include the facility in an agreement until outstanding penalties and charges are paid and any buy-out from the immediately preceding certification period is also paid.

8.4. Appeals and complaints process

8.4.1. Appeal to the First-tier Tribunal

If an operator wishes to challenge a decision taken by the Environment Agency such as to terminate an agreement, not certify a facility (for example, following reporting), to levy buy-out, or for the imposition of a penalty it has the statutory right to appeal to the First-tier Tribunal. After receiving the relevant notice, the operator has 28 days from the date that the notice was sent to lodge a notice of appeal.

The appeal process is set out in 4 stages. The details of this and the appeal form can be found at the Tribunals website at [Ministry of Justice](#)

Alternatively, you can contact the First-tier Tribunal (General Regulatory Chamber):

- by telephone: 0300 123 4504
- by email: grc@justice.gov.uk

8.4.2. Regulatory appeals

The Regulatory Appeal process can be used when an operator disagrees with a regulatory decision made (such as a decision to reject an application for an agreement) or a failure to act in accordance with the Regulators' Code. Do not follow this process if you have a statutory right of appeal for a regulatory decision. Instead, follow the appeal process as described under [section 8.4.1](#) or in the documents you received.

The appeal process is set out in 2 stages that need to be followed. The details of this process can be found on the gov.uk webpage: [Appeal a regulatory decision from the Environment Agency - GOV.UK](#)

8.4.3. Complaints

The Complaints procedure can be used to complain about the standard of service you receive from the Environment Agency. The details of the process can be found on: [Complaints procedure - Environment Agency - GOV.UK](#)

9. Monitoring compliance with the CCA scheme

9.1. What is a CCA audit?

We carry out [audits](#) of selected facilities and [sector associations](#) to verify eligibility, performance and compliance. Full compliance audits are carried out to assess compliance with all aspects of an agreement. We also carry out other compliance activities that are specific in nature to ensure compliance with key aspects of an underlying agreement, such as reviewing whether a facility is continuing to carry out an eligible activity.

9.2. How we select a facility for audit

We select facilities for audit either by using a risk-based approach or by random selection.

9.2.1. Risk-based selection

We select facilities for audit primarily by using a risk-based approach, ensuring where possible that they are spread across a range of sectors. Facilities are selected where one or more factors apply, for example:

- facilities that are new entrants or whose agreement was varied between the old and the current schemes and thus may have an increased risk of errors
- where a facility's compliance against the [70% rule](#) has changed
- where the eligible process is more complex
- where we receive intelligence that suggests a facility may not be complying with the terms of their underlying agreement
- where a decision made regarding another facility could have consequences for a facility carrying out similar activities

9.2.2. Random selection

For sectors where no risk-based audits are identified, we may select facilities at random to provide a representative sample each year.

9.3. How we carry out audits

We will inform the operator of a facility selected for audit via an emailed letter to the named contact(s) for the agreement. The auditor will contact the [responsible person](#) and administrative contact on the agreement to discuss and agree a date for the audit. We will also copy sector associations, or their consultants, into the e-mail. There are 2 types of audits: a desktop audit or a full site audit. A desktop audit is intended to be less extensive than a full site audit and is normally used for lower risk or random audits. We may appoint consultants to carry out audits on our behalf.

The facility audit process as seen by the operator is set out below:

1. Notification of selection for audit by email to the contact for the underlying agreement. This will contain confirmation of whether the audit will be desk or site based.
2. The auditor will get in touch with the operator to agree the date the audit will take place.
3. The auditor may request documentation from the operator to be provided to them prior to the audit.
4. The audit takes place at the agreed time and date either by arranged online audit call for desktop audit or by visit to the facility for a site-based audit.
5. The operator will receive a copy of the initial audit report by email. This may include actions to be completed by the operator, deadlines for completion and recommendations on best practice.
6. The operator can review the report and provide feedback before the final report is issued.
7. The operator is required to complete the stated actions from the initial report by the communicated deadline date.
8. The final audit report will be issued by email. This will reflect any action taken in relation to the initial audit report.

9. The auditor will track any outstanding actions and request confirmation of any completed actions.
10. If any outstanding actions are not completed by the agreed deadlines operators may be subject to a [penalty](#) due to non-compliance.

9.3.1. Desktop audits

We will ask the operator to provide us with data for the facility by an agreed date before the audit. The auditor will review the data and arrange a call on the agreed audit date with the operator's representatives. The audit call typically takes a few hours of the operator's time.

9.3.2. Full site audits

When the auditor arranges the audit date, they will ask the operator to provide the data for the facility. The operator should provide this information an agreed date in advance of the site audit. The auditor will then visit the site to examine the data and facility eligibility in greater detail.

The auditor will ask to see key parts of the facility, which could include the [STU](#) where the eligible activity is taking place and any [DAAs](#), information on any sub-metering at the site, and any other areas that have been highlighted during the review of the data. It is important that any auditor on site is provided with the relevant personal protective equipment for the facility.

Following the visit to key areas of the site, the auditor will then discuss the data provided in further detail with the facility's contacts. A suitable office or quiet area is preferred to carry out this discussion.

9.3.3. Questions we will ask in a CCA facility audit

During both types of audit, the auditor will ask questions around the topics outlined in more detail below. Operators must provide evidence on request to answer the auditor's questions. It is a requirement of the underlying agreement that operators must keep records throughout the duration of the agreement and for a period of 4 years following the termination of the agreement.

Eligibility

The auditor will assess the facility eligibility information. They will also examine supporting information including:

- the regulation under which the facility is eligible to hold an agreement.
- what areas of the process meet the eligibility criteria for the sector.
- evidence that the site boundary is correctly defined in the eligibility calculations.

- how much of the site is eligible to claim the [CCL](#) discount, including an assessment of the 70% and any additional 3/7ths of energy associated with the eligible facility.
- evidence of the stationary technical unit (STU) and directly associated activities (DAAs) for the facility and where these take place within the site boundary.
- a clear site plan to highlight the location of the STUs, DAAs and any non-eligible areas on the site. If applicable under the [70% rule](#), evidence that sub-metering has been installed in the appropriate locations.

Assessment of the 70% rule

The auditor will check the eligible and non-eligible energy use on the site to demonstrate whether the site meets the [70% rule](#). They will look for appropriate evidence of how this was determined and how this is kept up to date throughout the agreement, for example the recommendation to review the PP10/11 forms each year.

Where the eligible energy use is significantly over 70% the operator may demonstrate this by a calculation, preferably in a spreadsheet, showing a list of the ineligible equipment, the energy ratings (for example in kW), the relevant hours of operation and the level of utilisation (that is, how long each item of equipment is used during the hours of operation). All of this can be reasonably estimated.

Where the eligible energy use is close to the 70% threshold the operator may demonstrate this using temporary meters to check actual eligible or non-eligible energy for a period.

Where the eligible use is less than 70% it must be sub-metered on a continuous basis and recorded.

Data Management and retention

The auditor will assess the baseline and target [reporting period](#) data submitted by the operator to demonstrate the facility's performance. This will include both the [throughput](#) (production) and the energy data. If the operator has a certified energy management system or a similar standard, the scope of which covers energy data, then it will be used as the starting point of the audit to recognise this good practice and check it is being used effectively. The review of the data will include an examination of:

- the energy units, gross calorific values and any conversion factors used for each fuel or energy source
- meter information or records for each fuel or energy source
- a clear audit trail from the primary records to the data in the register
- evidence of standards of accuracy
- evidence of the calibration of meters (where applicable) and other methods of recording data.

Where applicable, the auditor will ask for evidence of energy consumed by plant carrying out a [Schedule 2 activity](#) within an ETS installation on the site and check this against submitted ETS data.

Throughput data

The auditor will examine how throughput data is collected, recorded and reported and examine the processes in place to ensure it is checked as part of the operator's quality assurance.

The degree of detail required for throughput data will depend on the type of facility and its complexity. The auditor will expect to see the process and associated records for the baseline year and any relevant target periods.

Energy data

The auditor will expect to see primary evidence of energy use, such as supplier invoices, the operator's own electronic meter readings or manual records. Where the data is in an electronic data management system, the auditor will check that it has been reviewed for accuracy and appropriate backups. Where more than one fuel source is used a representative sample will be taken.

Errors

If the auditor discovers a significant error in either the throughput or energy data, they may raise an action for the operator to correct this through a variation.

Performance reporting

Where relevant, the auditor will check the reported performance data and the supporting evidence of the facility's performance against its target.

The auditor will check implemented energy saving actions and measures that have been reported, and check the estimations made of the potential energy savings those measures would attain.

The operator should be able to describe their performance during the target period to explain the reasons underlying that performance, including any step changes at key points in time, for example new technology installation dates.

CCA governance

The auditor will check the processes for managing CCA data collection and reporting. Operators are required by their underlying agreements to keep accurate records and make them available for inspection on request.

9.3.4. What we look for in a CCA Sector Audit

We may audit target period performance data for a sector. This will cover both the handling and processing of operator data by a sector association and include an examination of a representative sample of facility data.

Data handling and processing

The auditor will review the sector association's procedures for collecting, processing and reporting data from operators. The auditor will expect to see evidence that the sector has a robust management system which sets out the responsibilities for data management, quality checks and management reviews in place to ensure accuracy.

The auditor will assess the data reported for a representative sample of facilities in the sector. The selection could include specific facilities where we have concerns about the data that has been reported.

Audit of facility data

The auditor will expect to see copies of primary evidence provided to the sector association and will check that the data held in MyCCA agrees with that provided by operators or has been corrected and agreed with the operator prior to submission.

Auditors will check data for how baseline data has been structured, how energy has been assigned between fixed and variable consumption and that any [buy-out](#) fees have been paid.

Where the [SRM](#) applies, the auditor will check any calculations to ensure they have been carried out correctly.

Where a facility is in [UK ETS](#), the auditor will review the information submitted and ensure that permit numbers are correct.

9.4. Possible audit outcomes

Once the final audit report has been sent and the audit has been completed there are 2 possible outcomes:

- No further action required
- Further action required – the report will contain actions to be completed by the operator and a date for these to be completed by. The report may also contain recommendations to address current issues and to reduce future risks of non-compliance (for example, the need for one or more variations to the agreement)

The audit report will be sent to the operator. The [sector association](#) will be informed of the audit outcome.

9.4.1. What happens next

If no further action is required by the operator the audit process is closed.

If follow-up actions are required, we will work with the operator to agree a timescale for those actions. We may suggest a follow-up meeting and possibly carry out a further audit depending on the severity of the issues requiring attention.

If the operator does not complete the actions within the agreed timescale, we may take enforcement action, which could include serving a civil [penalty](#) on the operator or, in the worst case, terminate the agreement due to non-compliance.

If during audit it is discovered that an operator is in the wrong sector, they will have to change sectors. For how to do this see [section 7.9.3](#)

9.5. Eligibility Reviews

Eligibility Reviews are compliance checks to ensure that a facility continues to be eligible for an agreement. The reviews are similar to compliance [audits](#) but focus primarily on assessing whether the processes carried out at the facility meet the eligibility criteria for the sector.

It is important that operators can demonstrate that a facility continues to be eligible for an agreement. At the start of the new scheme, operators were asked to confirm as part of assenting to their agreement that the facility was still carrying out an eligible process. If a facility is determined to be ineligible following an eligibility review and is not eligible to be included in another sector's [umbrella agreement](#), the facility will be terminated from the agreement, and relevant information passed on to HMRC in order to investigate whether [CCL](#) relief has been claimed for an ineligible facility.

Facilities will be selected for an eligibility review where existing information regarding the facility's eligibility is incomplete or limited, where other facilities carrying out similar processes have been determined to be ineligible, or where other intelligence suggests that a review should be carried out.

9.5.1 Eligibility Review process

The facility eligibility review process as seen by the operator is set out below:

1. Notification of selection for facility eligibility review by email to the contact persons for the agreement.

2. We will review the provided facility eligibility information and may request further information from the operator.
3. The operator will be informed of the outcome of the review, and the review will be closed.
4. If any further actions are required following closure of the review the operator is required to complete these by the communicated deadline date. We will track any outstanding actions and request confirmation of any completed actions. This may require a variation to the agreement.
5. If any outstanding actions are not completed by the agreed deadline operators may be subject to a penalty due to non-compliance.

Eligibility reviews will not require a phone call or site visit to the facility but will be carried out as part of a desktop [audit](#). An auditor will inform an operator that a facility has been selected for an eligibility review via email to the contacts listed for the agreement. Operators will be expected to provide the requested information by the agreed deadline date, as maintaining evidence of the facility's eligibility is a key responsibility of maintaining an agreement, as outlined in the [underlying agreement](#).

We will also inform the relevant sector association that the facility has been selected for review. It is important that you reply to our request for information as soon as possible. Failing to provide us with an update to our request or provide the information requested could lead to enforcement action ([section 8.1.2](#)) and the facility being removed from an agreement or termination of the whole agreement.

The information requested as part of the eligibility review will include the following:

- Manufacturing process description – this is an overview of the manufacturing process carried out. It should cover all elements of the process from receipt of raw materials to dispatch of final product
- Description of [eligible processes](#) - this is a description of the elements of the process that are eligible for the CCA. It should clearly state how these elements meet the sector eligibility criteria
- [Directly Associated activities \(DAAs\)](#) – this is a list and description of activities on the same site which have a technical connection with the activities listed in [Appendix A](#) and which could have an effect on emissions and pollution. Evidence for DAAs includes:
 - evidence supporting direct association
 - evidence supporting technical connection
 - evidence supporting effect on emissions
- Process flow maps - these should illustrate the flow of activities around the site. The eligible processes and DAAs should be clearly marked.
- Annotated site plans showing the extent of the eligible facility - these should cover the whole site, with the site boundary, areas containing eligible processes, DAAs and ineligible processes clearly marked

- Any permits currently held for the site under [EPR](#). The permit number and a copy of the permit will have to be provided.
- Calculations relating to the energy consumed within the installation and other site energy if eligible (indicating any assumptions made). These can also be used to form the baseline.
- [70% rule](#) calculations (indicating any assumptions made) - these calculations ideally should be provided in a spreadsheet format for ease of interpretation

9.5.2 What happens next

The auditor will review the information provided to determine whether the facility continues to be eligible for an agreement and may request further information if required. Your sector association or [consultant](#) may be able to provide further guidance.

If the review is completed and it is determined that your facility continues to be eligible for an agreement, we will notify you and close the review. The outcome of the review may require a variation to be submitted by your sector association to add information to the MyCCA system or to make corrections to any existing information. These variations should be notified to your sector association and submitted within the timescales outlined in your underlying agreement.

If we determine that a facility is no longer eligible, we will notify you of our intention to remove that facility from an agreement, or to terminate the agreement if that agreement would no longer contain any eligible facilities. In our notification, we will include the date on which the facility ceased to be eligible. This information will be notified to HMRC for further investigation and possible recovery of any relief claimed for an ineligible facility.

Our notification will detail the route to appeal our decision as outlined in [section 8.4](#). While an appeal process is underway, we will pause the termination process until the appeal outcome has been decided. If your appeal against our decision is dismissed, we will remove that facility from the agreement or terminate the agreement.

10. Final and Interim Target Period Reporting

10.1. Introduction

The underlying agreement requires operators to provide us with data on energy consumption and [throughput](#) data for each facility in their agreement. This data must be submitted via MyCCA by the sector association. In the case of final target period reports, comparison of these data against the facility's base year data allows us to assess whether the operator met the target set for each facility in the underlying agreement (Rule 6).

We will automatically recertify each facility covered by an agreement for the next [certification period](#) where the data in the final target period report shows that the operator met their target.

We convert any overachievement against the target in each target period into an amount of carbon dioxide equivalent (CO₂e) which is banked and can be used to offset any underperformance for the same facility in one or more future target periods via the [surplus](#) mechanism. The equation for calculating the amount of carbon dioxide equivalent (CO₂e) is described in paragraphs 57-70 of the Technical Annex.

Operators must provide data on their energy consumption and throughput for each facility in an active underlying agreement to their sector association, so they can submit this to us by the reporting deadline. The timeline and process for doing this are described in the following sections:

- what data needs to be reported and when
- how to report
- reporting requirements for non-standard circumstances
- reporting variations
- the buy-out and surplus mechanisms
- how performance is calculated
- what to do if you discover an error in your reporting

10.2. What are interim and final target period reports?

Final reports

Rule 3.1.4 of the [underlying agreement](#) requires the operator to provide us with the [target period](#) report on or before 1 May following the end of a target period. We refer to this as the final report in the register and this manual.

We expect an operator holding an agreement to provide us with their final target period report for:

- TP7 (1 January 2026 to 31 December 2026) by 1 May 2027
- TP8 (1 January 2027 to 31 December 2028) by 1 May 2029
- TP9 (1 January 2029 to 31 December 2030) by 1 May 2031

We use the data submitted in each of the final reports to determine the operator's progress towards meeting the improvement targets for each facility. This determines whether we can recertify the facilities covered by that agreement for the next [certification period](#).

We must serve a [buy-out](#) fee notice on an operator where they under-perform against their required improvement. We can only recertify a facility where the operator has paid the buy-out fee for that facility.

Interim reports

Rule 3.1.6 requires the operator to provide us with the interim target period report on or before 1 May 2028, and on or before 1 May 2030. We refer to this as the interim report in the register and this manual.

We expect an operator holding an agreement to provide us with their interim report for:

- TP8 (1 January 2027 to 31 December 2027) by 1 May 2028
- TP9 (1 January 2029 to 31 December 2029) by 1 May 2030

The data submitted in the interim reports indicates how an operator is progressing towards the expected improvement target. We will **not** use the data from interim reports to add or remove facilities from the [Reduced Rate Certificate](#).

10.3. The reporting process

The operator must provide us with the amounts of:

- each fuel or energy source consumed during the reporting period
- throughput (using a measure agreed as part of their application or variation)

They must provide this data for each facility in their underlying agreement immediately after the end of:

- each target period (final reports)
- 2027 and 2029 (interim reports)

The operator must exclude from their data any energy they used at a facility whose carbon dioxide emissions they are required to report separately under [UK ETS](#).

Where we added a facility to an agreement part way through a reporting period, the operator must provide us with data from the date the agreement containing that facility was activated through to the end of the reporting period.

An operator does not need to provide us with data for a facility when:

- we removed a facility from their active agreement by the end of a reporting period
- we activated an agreement to add a facility after the end of the reporting period

The operator must provide us with data for a facility where we removed that facility from their active agreement after the end of a reporting period.

Where a facility previously covered by an underlying agreement has been added to an active underlying agreement held by a different operator (a change of ownership) by the end of a reporting period (by 31 December), the new operator is responsible for:

- providing the data we need to assess the progress towards meeting the improvement target for the facility for the whole of the reporting period
- paying any [buy-out](#) fee for the facility (if required)

Where the proportion of eligible energy has increased to 70% or more of the site's total energy consumption during a reporting period, we expect the operator to provide us with data as if all the site's energy use was eligible for the whole reporting period.

10.3.1. What to report

The operator of each facility covered by an underlying agreement must provide us with data demonstrating their progress towards meeting targets. For example, for the seventh target period, the operator on 31 December 2026 must submit a final target period report on or before 1 May 2027. This includes the energy consumed in the [target facility](#) and the throughput.

The operator of the facility must collect the facility energy consumption (as detailed in [section 3](#)) and throughput data and report against the facility's target. Data must be reported individually for each facility in the agreement.

The operator must use the same methodology for determining the amount of throughput during each reporting period that we agreed to as part of their application or a subsequent variation for their baseline data.

We compare the energy consumed at each facility, expressed in the relevant target currency (energy or carbon dioxide), against the facility's target. We calculate the difference between the actual amount of energy consumed (or carbon dioxide emitted) against the target amount and, where necessary, convert this to an equivalent quantity of CO₂e. This calculation is set out in [Section 10.5](#).

As part of the interim and final target period reports the operator must also confirm whether the proportion of eligible energy they consumed at each facility during the reporting period is at least 70% of the total energy consumed at the site (see [section 11.2](#)).

10.3.2. What not to report

The operator should not include data about:

- fuels used as a chemical feedstock
- heat recovered from exothermic reactions

- electricity generated from recovered heat

Further detail is provided in [section 3.2](#).

10.3.3. Format for reporting

Sector associations must submit the interim and final target period report data for each facility on MyCCA through either:

- completing a digital form
- uploading data in a Comma Separate Values (CSV) file

The option to upload data in a CSV file allows a sector association to provide data for one or more facilities in the same sector in a single transaction, which may be more easier for sectors containing large numbers of facilities.

10.3.4. Who is responsible for reporting?

The operator is responsible for providing all the data we need to assess the performance of each facility covered by an active underlying agreement. Each [sector association](#) will liaise with its operators to collate the data we need and upload it to MyCCA by the reporting deadline of 1 May.

10.3.4.1. Change of operator

The operator of a facility included in an active underlying agreement immediately after the end of each year or target period is responsible for providing us with data for that facility. Where relevant, we will send any [buy-out](#) fee notice and Memorandum of Account ([MoA](#)) to that same operator, even if we amend the underlying agreement after the end of the target period to remove that facility from their agreement.

Where we transfer a facility to an underlying agreement held by a different operator after 31 December, the responsibility for providing the data we need remains with the operator who held the agreement containing that facility on 31 December.

We may take enforcement action if:

- a report is not submitted
- inaccurate information is supplied

See [section 8](#) for more information.

If we have insufficient information to determine whether the operator met the target for a facility, we must not recertify that facility for the new [certification period](#).

If a report is submitted after the 1 May deadline but before the start of the new certification period, (and progress towards meeting target is either satisfactory or the operator has paid the correct buy-out fee), we can recertify the facility for the new [certification period](#), but we may still take enforcement action.

10.4. Target adjustments for previous target periods

The Technical Annex sets out the circumstances where we may need to vary the improvement target for a facility. Where these circumstances apply, the operator must notify us by 31 January following the end of each target period. This is necessary to ensure that we can determine the performance for the facility using data from the final target period report and the varied target.

While we won't use data from the interim target period report to determine a facility's performance, submitting these variations before submission of the interim target period report will ensure that the analysis of the facility's progress to meeting the target is more accurate.

The 2 circumstances where variations may be submitted to reflect changes which may impact a facility's target are:

- a facility which has allocated 100% of [base year](#) energy to fixed energy, if the throughput in the target period was less than 90% of the throughput in the base year for TP7, or if the throughput was less than 90% of twice the throughput in the base year for TP8 and TP9
- there has been an unexpected disruption in supply to the [target facility](#) or an unexpected failure at an on-site electricity generation plant serving the target facility, which causes the facility to fail to meet its target

These variations must be submitted between 1 and 31 of January following the end of each target period. These variations must be assented to ensure that the correct target is reported against as part of the final target period report submission.

10.4.1. Throughput falls by more than 10% of twice the base year throughput

The following only applies to facilities that have allocated 100% of their base year energy to [fixed energy consumption](#).

Paragraph 55 of the [Technical Annex](#) states:

“When an Operator has made a notification that throughput has decreased during a Target Period by more than 10% of the throughput in the base year, or by more than 10% of 2 times the throughput in the base year for a 2-year target period, the

[Administrator](#) may adjust the previous target using either method 1 or method 2 below.”

Method 1

Method 1 must be used by the [Administrator](#) if the actual target period throughput is less than 90% of the throughput in the base year and if no additional information is provided. Except as provided below, the target must be adjusted directly in proportion to the reduction in throughput (that is, by the percentage by which the actual target period throughput is lower than the base year throughput).

Method 1 provides for a taper to be applied in cases where the actual throughput at the target period is between 10% and 20% less than the base year throughput. The taper adds back some energy (or carbon) to the absolute target in such situations so that there is not a sudden and precipitous decrease in the value of the absolute target as soon as the actual target period throughput is >10% less than the base year throughput. The full value of the taper is added back to the target if the actual target period throughput is exactly 10% less than the base year throughput and no taper is added back to the target if the actual target period throughput is 20% or more less than the base year throughput. The full value of the taper is 10% of the absolute [energy target](#). The value of the taper added back to the absolute target varies linearly between actual target period throughput being 10% and 20% less than the base year throughput.

Method 2

Method 2 must be used by the [Administrator](#) where an Operator has provided a statistically valid energy – throughput relationship.

“To demonstrate a statistically valid energy – throughput relationship, an Operator must show that there is a correlation factor with an r-squared value of greater than 0.8 between energy consumed in the target facility and throughput. If the R-squared value is less than 0.8, Method 2 must not be used and the [Administrator](#) must use the default Method 1 calculation to revise the target. The target adjustment takes account of base load energy use and is achieved by reducing the target by a percentage. This percentage is the extent to which the energy target, for the agreed level of throughput, is less than the energy that would have been consumed in the reference year for that same level of throughput. To determine the latter, the Operator must establish an energy/throughput curve for the reference year.”

Reference to the *absolute target* in Method 1 above refers to a facility for which the operator allocated 100% of the base year energy to fixed consumption. (This is equivalent to the absolute target type that was used by some operators in the previous phase of the CCA scheme.)

When determining whether a notification must be submitted, the operator must compare throughput in each target period against the base year period on a like for like basis. This means:

- for TP7 (a one-year target period), the operator must notify us if the target period throughput is less than 90% of the base year throughput
- for target periods TP8 and TP9 (2-year target periods), the operator must notify us if the target period throughput is less than 90% of 2 times the base year throughput

10.4.2. Unexpected disruption to energy supply causing the facility to fail to meet its target

Paragraph 56 of the [Technical Annex](#) states:

“When an Operator has made a notification that there has been an unexpected disruption in the supply of energy to the site or an unexpected failure in on-site dedicated electricity generation the [Administrator](#) may adjust the target to take account of the difference between the quantity and type of [primary energy](#) consumption that would normally have been required to support operations for the period of the supply failure and the quantity and type of primary energy consumption that was actually required to support operations during the period of the failure. The difference between the two will be taken as the additional energy (or carbon) incurred by the target facility as a result of the unexpected supply disruption.”

To determine that there has been an unexpected disruption in the supply of energy to a facility or an unexpected failure in on-site dedicated electricity generation, the operator must provide us with:

- formal, qualitative evidence that the supply of energy was disrupted, or that on-site dedicated electricity generation plant failed
- quantitative evidence of the duration of the disruption of supply – for example, a letter from the energy supplier, or an extract from the energy management system
- qualitative evidence to demonstrate that the failure could not have been anticipated – for example, evidence that electricity generation plant adhered to the maintenance regime specified by the plant supplier and that the plant was not scheduled for maintenance for a period comparable to the duration of the supply failure. Examples of evidence could include an extract from the maintenance logbook schedules and/or a letter from the energy supplier providing evidence that the site was not on an interruptible energy supply contract.
- data to allow an adjusted target to be created for the relevant target period

If the supply disruption did not cause the operator to fail to meet the target for a facility, we will not adjust the facility target.

We have developed a workbook which we will use to calculate the adjusted target. This workbook is provided in [Appendix H](#).

Variations related to the disruption of power supply cannot be submitted until the [reporting window](#) opens on 1 January following the end of the target period. However, sectors with facilities that are affected by this issue should contact the Environment Agency and gather the required information we need from operators as soon as possible.

10.5. Buy-out, surplus and recertification

We use the [buy-out](#) and [surplus](#) mechanisms where an operator under- or over-achieves against the target for each facility covered by an active underlying agreement.

10.5.1 Surplus

Where an operator overachieves the target for a facility, we can use the amount of carbon dioxide emitted that was under the target amount (the surplus) to offset any under-performance for that same facility in a future target period. This is subject to the following restrictions:

- we cannot use any surplus generated from target period 6 or earlier
- we can only use surplus to offset underachievement before the start of the next certification period
- we cannot use surplus generated by one facility to offset the underachievement of a different facility

For example:

- we cannot use any surplus from TP6 or earlier to offset underachievement against TP7 targets – the initial amount of surplus for all facilities at the start of the TP7 will be zero
- we can use any surplus from TP7 to offset underachievement against the targets for TP8 or TP9
- we can use any surplus from TP8 to offset underachievement against the target for TP9

10.5.2. Buy-out

The buy-out mechanism allows us to issue a buy-out fee notice to an operator who fails to meet their improvement target for a facility. We can only recertify a facility for the next certification period if the operator pays the buy-out fee for the facility whose improvement target they failed to meet.

The rates of buy-out fee for each target period in the previous phase of the scheme were set out in the regulations as follows:

- £12 per tCO₂e for TP1 and TP2
- £14 per tCO₂e for TP3 and TP4
- £18 per tCO₂e for TP5
- £25 per tCO₂e for TP6

For the new phase of the scheme, the regulations have been amended to include a formula to set the rate of buy-out fee for target periods TP7-TP9. This formula considers the:

- published rates of [CCL](#) for electricity and natural gas on 1 April in the first year of each target period
- published percent discounts for electricity and natural gas for facilities in a CCA on 1 April in the first year of each target period
- primary conversion factor used to calculate the primary energy for electricity supplied from the grid (2.1)
- carbon emission factors for grid electricity and natural gas

The buy-out fee will be calculated using the published rates before the start of each target period. At the time of publication of this manual, the rates of buy-out fee are calculated as:

- £37 per tCO₂e for TP7
- £38 per tCO₂e for TP8

We will serve a buy-out fee notice on an operator if they fail to meet the improvement target for one or more facilities in their agreement and there is either insufficient surplus, or we cannot use surplus to offset the underachievement. We aim to serve the notices as soon as possible after 1 May following the end of each target period.

The buy-out fee notice and its accompanying Memorandum of Account ([MoA](#)) sets out:

- the amount of buy-out fee for each individual facility
- the total amount due for all facilities
- the date by which the cleared funds must be received
- how to pay the buy-out fee (by BACS/CHAPS/FPS)
- to whom the fee must be paid (bank account details and a unique payment reference)
- the consequences of not paying the fee
- the operator's right to appeal the notice

Where an operator holds more than one agreement, we will issue separate buy-out fee notices for each agreement containing at least one facility where the operator failed to meet the improvement target.

We issue buy-out fee notices as part of our duty in administering the scheme on behalf of government. The buy-out fee notices set out that operators must pay any buy-out fee due to an account held by the Department for Energy Security and Net Zero (DESNZ). Payment of buy-out fees to our separate account (or to any other account) will delay us being able to track receipt, which could delay us being able to recertify those facilities.

Operators who choose to pay the buy-out fee must do so by the relevant deadline specified in the notice as follows:

- for notices we issue before the start of the new certification period (often referred to as “primary buy-out fee notices”) the deadline is on or before 1 July following the end of each target period
- for notices we issue after the start of the new certification period (often referred to as “secondary buy-out fee notices”) the deadline is 30 working days after we issue the notice

Operators should allow sufficient time for their payments to clear by the payment deadline specified in the notice, particularly if paying by BACS as this takes 3 working days to clear.

If an operator chooses not to pay the total buy-out fee amount, they must let us know which facility or facilities their payment is intended to cover, so we know which facilities to recertify. They should do this by emailing this information with their remittance advice to CCAPayments@environment-agency.gov.uk.

We monitor DESNZ’s account for payments made to it and, where we can, will update the details for each facility in MyCCA with the amount and the date when the cleared funds were received. If an operator fails to use the unique payment reference included in the buy-out fee notice, this may delay us being able to update the details in MyCCA for the facilities in their agreements. We use this information to determine which facilities we will recertify for the next [certification period](#).

We recommend that operators send us remittance advice by email to CCAPayments@environment-agency.gov.uk when they pay their fee, to assist us in tracking their payment.

Where final TPR data is corrected after the start of a new certification period and the corrected data results in the operator failing to meet the improvement target for one or more facilities, we will issue a new buy-out fee notice. This is often referred to as a [secondary buy-out](#).

If the revised target data are provided at any time other than the [reporting period](#) leading up to the 1 May, for example, where a reporting error is corrected following an [audit](#), the resulting buy-out fee must be paid within 30 working days of the date shown on the MoA notice. If the buy-out fee is not paid within 30 working days of the date shown on the MoA notice, the facility or facilities will be decertified and HMRC must be notified. See [section 10.5.3](#) for more information.

10.5.3. Recertification

We will only recertify facilities whose operators can claim reduced rates of CCL where:

- the operator met the improvement target for the facility
- the operator failed to meet the improvement target for the facility but paid any buy-out fee due

The regulations require us to republish the Reduced Rate Certificate:

- as soon as reasonably practicable after the start of each new [certification period](#) (that begins on 1 July after the end of each target period)
- on the last working day of each month where there have been any changes

We must not recertify facilities if the operator chooses not to pay the buy-out fee. We will issue a separate notice of our decision not to recertify the facility or facilities in the operator's agreement at the same time as we publish the Reduced Rate Certificate for each new [certification period](#). We will also pass on information about the facilities we are not recertifying to HMRC.

Where a buy-out fee is received after the relevant due date, we will only recertify the facilities from the date when cleared funds were received. The operator will not be able to claim the reduced rates of CCL from before that recertification date.

It is the operator's responsibility to notify their energy suppliers and HMRC of any facilities that are not included on the Reduced Rate Certificate or are only included after the start of the new certification period, so the correct amount of CCL can be accounted for in their bills.

If we issue a secondary buy-out fee notice for a facility that we have recertified and the operator chooses not to pay the secondary buy-out fee, we must decertify that facility. We will issue a notice of our decision to decertify the facility or facilities in the operator's agreement.

Example

If the operator of a facility failed to meet its **TP7 target** and chose not to pay the buy-out fee by 1 July 2027, we must not include this facility in the Reduced Rate Certificate from

the start of the **eighth certification period** (1 July 2027). This means that the operator cannot claim the reduced rates of CCL for the eighth certification period (1 July 2027 to 30 June 2029).

If the operator of the same facility either met its **TP8 target** or paid the TP8 buy-out fee, we would recertify the facility from the start of the **ninth certification period** (1 July 2029). This means the operator could claim the reduced rates of CCL for the whole of the ninth certification period (1 July 2029 to 30 June 2031).

If the operator paid the **TP7 buy-out fee** on 1 September 2027, we would recertify the facility from 1 September 2027 until the end of the **eighth certification period**. The operator would be entitled to claim the reduced rates of CCL for the period 1 September 2027 to 30 June 2029. The operator would not be entitled to claim the reduced rates of CCL for the period 1 July 2027 to 31 August 2027.

10.5.3.1 What happens if a facility which has not been recertified is transferred to a different operator?

We may only enter into a new underlying agreement covering a facility which has not been recertified with the new operator if we are satisfied that:

- there are no outstanding penalties or [charges](#) which occurred under the previous underlying agreement
- progress in the immediately preceding certification period towards meeting targets under the previous underlying agreement is, or is likely to be, satisfactory – progress may be made through paying the buy-out fee

10.6. Calculating the performance of a facility

To determine if an operator has met or failed to meet the improvement target for a facility, they must provide us with the:

- amounts of each fuel or energy source used during the reporting period
- names and emission factors for any fuels that are not on the standard list of fuel types
- amount(s) of throughput (which must be calculated using the same methodology agreed as part of their application for an agreement or variation to an existing agreement)
- amount of electricity used by the facility that was supplied from either a CHP plant or dedicated generators – this information is only required from facilities that must use the Special Reporting Methodology (SRM)

This information allows us to calculate the total amount of primary energy used and the total amount of carbon dioxide equivalent emitted by the facility.

10.6.1 How we calculate the target energy

The amount of target energy depends on how the operator chose to structure their base year data for each facility.

For the new phase, operators could choose to allocate the energy they consumed during the base year between fixed and variable components.

For example, an operator could choose to allocate:

- all their base year energy to fixed consumption – equivalent to an absolute target type in the previous scheme
- all their base year energy to variable consumption – equivalent to a relative target type in the previous scheme
- all their base year energy to variable consumption split across more than one product – equivalent to a Novem target type in the previous scheme
- part of their base year energy to fixed consumption and part to variable consumption – no equivalent in the previous scheme
- part of their base year energy to fixed consumption and part to variable consumption split across more than one product – no equivalent in the previous scheme

Paragraphs 57-61 from the [Technical Annex](#) explain in detail how we calculate the performance of a facility for energy based targets.

In summary:

- for the **fixed target energy component**, we multiply the amount of energy used in the 12-month base year period by (100% - improvement target %) – for TP8 and TP9 (both 2-year target periods), we multiply that amount by 2
- for the **variable target energy component**, we multiply the base year energy intensity – the amount of energy used per unit of throughput in the base year – by (100% - improvement target %). We then multiply that by the amount of throughput in the target period (for facilities that must use the SRM, we use the **adjusted** throughput, rather than actual throughput)
- we sum the fixed and variable target energy amounts to determine the total target energy for the facility
- we compare the total target energy against the actual amount of energy used during the target period

If an operator used less energy during the target period than the total target amount, they met their improvement target. Conversely, if the operator used more energy than the target amount, they failed to meet the improvement target.

Example

Assume that the operator of a facility used **10,000,000 kWh** of energy during their base year period and made **5,000 units** of product.

The operator used linear regression analysis to determine that:

- 20% of their base year energy (**2,000,000 kWh**) should be allocated to fixed consumption
- the remaining 80% (**8,000,000 kWh**) should be allocated to variable consumption

If the operator had a **5%** improvement target for TP7, and produced **6,000** units of product during TP7, we would calculate their target energy for TP7 as:

Fixed target energy: **2,000,000 kWh** × (100% - **5%**) = 1,900,000 kWh

Variable target energy: **8,000,000 kWh** / **5,000** × (100% - **5%**) × **6,000** = 9,120,000 kWh

Their total target energy is the sum of the above: 1,900,000 + 9,120,000 = **11,020,000 kWh**.

If the operator consumed 10,500,000 kWh energy during TP7, they have consumed 520,000 kWh **less** than their target energy and have met their target.

If the operator consumed 11,500,000 kWh energy during TP7, they have consumed 480,000 kWh **more** than their target energy and have failed to meet their target.

10.6.2 How we calculate the target carbon dioxide

Paragraphs 62 to 66 from the [Technical Annex](#) explain in detail how we calculate the performance of a facility for carbon-based targets.

The principle described in the previous section also applies to operators of facilities with carbon-based improvement targets, but instead of comparing the amounts of energy used during the base year and target period, we first convert these amounts to carbon dioxide equivalent.

Paragraph 49 in the [Technical Annex](#) describes how we calculate emissions by multiplying the amount of primary energy used during the reporting period energy by the relevant emission factor from Table 1 in the Technical Annex.

Paragraph 50 from the [Technical Annex](#) explains that process emissions of carbon dioxide must be excluded from the reported data.

10.6.3 How we determine the amount of buy-out or surplus

After calculating the difference between the target amount of energy and the actual energy consumed in the target period, we must then convert this to an amount expressed in units of carbon dioxide equivalent.

We do this by multiplying the difference between the target energy and the actual energy used by the weighted average emission factor for the target period. To calculate the weighted average emission factor, we sum up the carbon dioxide emitted for each fuel used using the emission factors from the Technical Annex and divide the sum of these by the total primary energy used.

Example

Consider an operator who consumed the following delivered amounts of energy during a target period:

- 5,000,000 kWh of electricity from the grid
- 4,000,000 kWh of natural gas
- 1,000,000 kWh of electricity from onsite wind generation

The delivered amount of electricity supplied from the grid must be multiplied by the Primary Conversion Factor of 2.1 to obtain the amount of energy in primary energy terms. In this example, 5,000,000 kWh of delivered energy is 10,500,000 kWh primary energy. This means the total primary energy used during the target period was 15,500,000 kWh.

The total amount of CO₂e emitted during the target period is 1,784,990 kgCO₂e, being the sum of:

- $5,000,000 \times 2.1 \times 0.10046 = 1,054,830$ kgCO₂e for grid electricity
- $4,000,000 \times 1.0 \times 0.18254 = 730,160$ kgCO₂e for natural gas
- $1,000,000 \times 1.0 \times 0.00000 = 0$ kgCO₂e for electricity from onsite wind generation

(The emission factors for the above fuel types are taken from the Technical Annex.)

The weighted emission factor is therefore $1,784,990 / 15,500,000 = 0.1151606$ kgCO₂e/kWh rounded to 7 decimal places.

If the operator met their target, by consuming 480,000 kWh less than the target energy amount, this would equate to $480,000 \text{ kWh} \times 0.1151606 \text{ kgCO}_2\text{e/kWh} = 55,277 \text{ kgCO}_2\text{e}$. For calculating the amount of surplus gained, we round this down to the nearest whole tonne, so in this case the surplus gained is **55 tCO₂e**.

If the operator failed to meet their energy target by 500,000 kWh in primary energy terms, this would equate to $500,000 \text{ kWh} \times 0.1151606 \text{ kgCO}_2\text{e/kWh} = 57,580 \text{ kgCO}_2\text{e}$. For

calculating the amount of buy-out we round this up to the nearest whole tonne, so in this case the buy-out is **58 tCO₂e**.

Combinations of fuel types and different proportions would result in different amounts of surplus or buy-out, even if the total amount of energy was the same.

The formulae for calculating the amount of buy-out fee are set out in the regulations.

For primary buy-out fees, this is calculated as:

$$\text{Buy-out fee} = A \times (W - S)$$

Where:

- A is the buy-out price
- W is the amount by which emissions exceeded the target in tonnes of CO₂e
- S is the surplus carried forward from a previous target period, or zero if no surplus is available

The amount of surplus carried forward from a previous target period (S) will be zero for all facilities for TP7.

For secondary buy-out fees – those we determine after the start of a certification period – this is calculated as:

$$\text{Buy-out fee} = A \times W$$

This omission of the term S for secondary buy-out fees means that we must not offset the buy-out by any surplus the operator may have generated for the facility in a previous target period.

10.6.4 Scenarios where the facility joins the scheme part way through the target period

When a facility joins the scheme part way through the target period, the buy-out/surplus will be calculated in the same way as it would have been if the facility had been in the scheme from the start of the target period.

10.7 How to report

Reports are submitted by the [sector association](#) using the MyCCA digital service. Sectors will collect the data we need from operators and submit this on MyCCA using either a digital form or by uploading a Comma Separated Values (CSV) file. Uploading reports by CSV file allows a sector user to upload reports for multiple facilities in the same sector at the same time.

A template for the CSV upload file and guidance on how to complete and submit this are available to sector users on MyCCA in the Templates section.

Both the digital form and CSV upload will identify any errors in the data being submitted. These errors will need to be resolved before the system will accept the data.

A few non-standard circumstances may arise when compiling report data. The following paragraphs set out the methods we require operators to apply when dealing with these circumstances.

10.7.1 The extent of the eligible facility changes during the target period

The extent of the eligible facility, with respect to the site, changes when:

- the energy used in the installation increases to 70% or more of the total site energy use – the facility becomes **fully eligible**
- the energy used in the installation decreases below 70% of the total site energy use – the facility becomes **partially eligible**

10.7.1.1 Fully Eligible Reporting

Where the proportion of the energy used by the facility in carrying out eligible activities increases to 70% or more of the total site energy during a target period, the eligible facility will be the whole site. A variation must have been submitted to update the baseline data for the facility **before reporting**.

The operator must report the total energy used at the site and may use the main supply meters to the site to do this. The operator must report the energy used as a fully eligible facility for the entire target period.

The operator must separately notify HMRC and their energy supplier(s) of the changes to their circumstances using the PP10 and PP11 forms respectively when the change occurs.

10.7.1.2. Partially Eligible Reporting

Where the proportion of the energy used by the facility in carrying out eligible activities decreases to below 70% of the total site energy during a target period, the eligible facility will no longer be the whole site. The operator must install sufficient sub-metering to enable them to accurately quantify the amount of energy used in carrying out eligible activities plus any optional “ineligible” energy under the 3/7ths provision.

Unless a facility already has sufficient sub-metering in place, we would expect the operator of a facility that becomes partially eligible during a target period to report target

period data as if they were still fully eligible and using the original baseline data for the fully eligible facility.

After at least 12 months of sub-metered data is available for the partially eligible facility, we will reconstruct the baseline data. Thereafter, the operator will be expected to report their energy use as a partially eligible facility.

If the operator has not installed sub-metering before the next target period begins, we expect the operator to apply a correction factor to their total site energy until sub-metering is installed. The correction factor is the ratio of the sub-metered eligible energy (plus any ineligible energy under the 3/7ths provision) to the total site energy for the period from when sub-metering was installed.

10.7.2. A facility joins or leaves the UK ETS during a target period

The extent of the [target facility](#) changes if an installation covered by a CCA joins or leaves the UK ETS part way through a target period. Such changes are rare but might occur if an operator has:

- added combustion equipment taking them above the 20 MW thermal threshold total installed capacity requiring them to apply for a Greenhouse Gas (GHG) permit
- either removed combustion equipment, or installed interlocks to prevent the concurrent use of combustion equipment, such that the available installed capacity is less than 20 MW thermal

In either case, we expect the operator to notify us within 20 working days so we can amend the baseline data for the facility accordingly.

Where an installation **joins** the UK ETS part way through a target period, we expect the operator to **exclude** from their base year and target period report data any fuel they used whose CO₂e emissions are reported under the terms of their GHG permit.

Conversely, if an installation leaves the UK ETS part way through a target period, we expect the operator to **include** all fuels they used in their base year and target period data.

10.7.3. There are metering faults during the reporting period

Where a metering fault results in gaps in the amount of energy consumed during a target period, an operator should use an appropriate estimation technique from the following:

- using supplier's estimated bills to obtain the data
- extrapolate actual data to cover the period where data are missing
- using actual meter readings for an equivalent period as a proxy for the missing period, for example using actual data from a different month
- using energy cost data to estimate the energy use for the missing period

The operator should demonstrate to us which of these estimation techniques is the most appropriate for the circumstances.

Missing supplier invoices are **not** the same as meter faults. We would not allow an operator to estimate consumption in this circumstance. We expect operators to take their own meter readings at regular intervals and consider installing sub-metering to reduce reliance on supplier invoices as their sole source of information.

More information on each of the 4 estimation techniques is provided in "How to manage energy recording and reporting when a meter fails" in [Appendix F](#).

10.7.4. A facility or facilities becomes ineligible during the target period, but its agreement is not terminated

The operator of a facility that ceases to be eligible for a CCA must notify us and terminate its agreement as it applies to that facility within 20 working days. See [section 7.5.1](#).

10.7.5. A facility with a capacity throughput has a change in capacity

The throughput of some facilities is expressed in terms of capacity (such as the volume or area of the facility) rather than a physical measure of activity (such as mass of product). Changes to the capacity during a target period should be calculated using a 'Time Weighted Capacity' for the target period report in either of the following circumstances:

- a facility using a capacity throughput measure joins the scheme part way through a target period
- a facility expands or contracts its "fixed" capacity during the target period

In both cases, the energy consumption attributable to the facility will be a function of capacity and the time that it is available. Therefore, where the capacity changes from the [base year](#) value, or the capacity is only in the scheme for a part of the target period, expressing performance as energy consumption divided by 2 x base year capacity is inappropriate because the base year capacity is not relevant for the whole of the target period.

The operator must report a 'Time Weighted Capacity' for the target period, calculated by dividing the actual capacity in operation at any one time by the number of months in the base year (12 months) and then multiplying the result by the number of months for which the capacity was operated within the target period.

$$\begin{aligned} & \text{Time weighted capacity} \\ &= \left(\frac{\text{Capacity}}{\text{Duration of base year}} \right) \times \text{Duration of operation in target period} \end{aligned}$$

$$\text{Time weighted capacity} = \sum_i \left(\frac{\text{Capacity}_i}{\text{Duration of base year}} \times \text{Duration}_i \text{ of operation in target period} \right)$$

Where i represents the time when each change in capacity occurred.

For new entrants we expect units of days to be used in the adjustment because the day of entry into the scheme is known. For adjustments involving a change in capacity, identifying the day on which the capacity changed may be more difficult. If this cannot be done, then using months in the adjustment is permissible. If using months, you should only count the capacity for a month if that capacity ran for the whole month.

10.8 Treatment of errors

Operators must notify us of any errors in both their base year and target period data within 20 working days. You may be liable for penalties for the errors. See [section 8](#) for details of the CCA penalties.

Errors that could affect the accuracy of the data in the base year or target period report include:

- omitting fuel types or entering the amount used against the wrong fuel type
- the amount of energy used – this could be due to inaccurate data, entering data in energy units (kWh, MWh or GJ) that differ from those used in the baseline period, using the wrong conversion factors to convert mass/volume of fuel into energy units
- the amount of throughput – this could be due to inaccurate data, using a different method to that which was agreed for the baseline period, or using inaccurate conversion factors

If the baseline data for a facility is wrong, we must vary your agreement to correct the error before the sector submits the target period data.

Similarly, if the error meant that we should have adjusted the target for a facility, we will need to vary the sector submits the target period data.

See [section 7](#) for further guidance on submitting a variation to your underlying agreement.

10.8.1. Resubmissions prior to 1 May reporting deadline

As facilities in MyCCA remain “unlocked” between 1 January and the reporting deadline, sector associations may submit target period data for a facility as many times as needed **before** the 1 May reporting deadline. Each submission will be stored as a separate

timeline event. We will only use the latest submission for determining the target period performance when we initiate the buy-out and surplus workflow. We aim to do this as soon as possible after 1 May.

10.8.2. Resubmissions through secondary reporting

The buy-out and surplus workflow locks each facility preventing any further corrections to errors. To ensure that we can efficiently determine which facilities to recertify, we will not unlock any facilities until after the start of the new certification period (starting 1 July in the year after each target period). This is known as the [secondary reporting](#) period.

Once we are satisfied an operator has checked and corrected all possible errors in both their base year and target period report data and, where relevant, have completed a variation to update the base year data we will manually “unlock” the option for a sector user to submit a new report for the facility on MyCCA.

Whilst it's possible for a sector user to upload corrected target period data by uploading a new CSV file, we recommend they use the digital form option in MyCCA. This will be pre-populated with the previously submitted data by default and can be manually corrected before submission.

10.8.3. Re-assessing performance against the target and changes to surplus or buy-out following secondary reporting

After the sector has submitted corrected target period data for a facility in MyCCA, we will reassess the performance of the facility. We will do this in batches at suitable intervals, rather than for each individual facility.

If the changes affect the amount of the buy-out fee or surplus calculated, the account will be updated with the new information.

If the facility has met its target but there is an increase or decrease to the calculated surplus accrued, we will update MyCCA but we won't formally notify you of this. If we find the facility has failed its target, then we will notify you.

If the buy-out fee decreases, we will write to the operator explaining how you may claim a refund of any buy-out fee due that has already been paid to DESNZ.

If the buy-out fee increases, a notice and [MoA](#) will be sent to the operator requesting payment of the buy-out fee due.

If surplus accrued in a previous target period was used to partially or fully offset underperformance in a later target period following the submission of a primary report, and the correction submitted as part of a secondary report still results in underperformance for that later target period, all of the surplus that was originally used

will be credited back. Following this, a buy-out fee notice will be sent to the operator for the **full amount** of the underperformance.

If surplus had been accrued and banked to a facility, and we subsequently receive a correction that results in an underperformance, we will reduce or remove the previously banked surplus.

Where a surplus that had been banked during an earlier target period has been used to offset performance against a later target period and subsequently identify that the amount of surplus gained during that earlier target period was incorrect, we will reassess performance in the later target period and where relevant, issue buy-out fees for the **full amount** of underperformance in each of those later target periods.

If an operator fails to pay any of the buy-out fees generated through the secondary reporting process, we will decertify the facility in each applicable certification period, which includes previous certification periods. In this instance, HMRC may ask the operator to pay back the [CCL](#) relief they had received for the period of time in which they have been subsequently decertified.

Paragraphs 35 to 41 of the [CCA Statutory Guidance](#) provides further information.

11. Performance Reports

The Performance Report, as defined in the underlying agreement, includes:

- the Performance Account Template (PAT)
- confirmation that the facility is using at least 70% of the total site energy in carrying out eligible activities
- UK ETS information for the facility (if applicable)

Operators will need to submit this data for all facilities included in their agreement by 1 May 2027, and then annually by 1 May every subsequent year. The Performance Report is submitted alongside the relevant interim or final target period report.

As confirmation of the “70% rule” only requires a yes/no response, we have included this as a mandatory question in the final and interim target period report workflow, rather than as a separate workflow.

The PAT and UK ETS data components of the performance report both have their own separate workflows in MyCCA.

11.1 Performance Account Template (PAT)

Operators must complete the Performance Account Template (PAT) report with information about the energy efficiency or emissions reductions measures they have implemented to meet the facility improvement target.

Mandatory disclosure of actions taken during the [target period](#) to improve energy efficiency and emissions reductions was introduced as part of the Target Period 6 extension to the previous CCA scheme.

This mandatory reporting requirement remains in place for the new scheme, but a PAT report must now be completed and submitted for each facility in a CCA3 agreement.

PAT reports must be submitted annually for each facility that was in an active agreement at the end of each reporting year. All CCA reporting requirement deadlines can be found in [Appendix B](#).

A template for the PAT CSV file and guidance on completing the template will be available for sectors users to download from the Templates section of MyCCA.

The information operators **must** provide so that the sector can upload the PAT report on MyCCA are:

- the facility identifier – exactly as it appears in the active underlying agreement
- a category for the energy efficiency or emission reduction measure
- whether the measure is on the supply side or demand side
- a short description of the measure implemented
- a reason for implementing the measure
- the date when the measure was implemented
- whether the measure implemented affected the fixed, variable or both fixed and variable components of energy consumption or carbon dioxide emissions
- the proportion of the total primary energy affected by each measure
- how widely each measure has been implemented at the time of reporting
- the expected efficiency improvement of each measure

The template includes an optional “Notes” element, to provide any more context on the measures that have been implemented.

If no actions have been implemented for a facility at the time of reporting, the category “No action” **must** be selected and an explanation **must** be provided in the “Notes” element of the CSV file. To avoid ambiguous returns, if “No action” has been specified for a facility, only the facility identifier, category and notes elements must be populated.

We may take enforcement action if a PAT report is not submitted by the deadlines set out in [Appendix B](#).

Corrections to PAT reports can be submitted in MyCCA up to 31 December of the reporting year. After this date it will only be possible to submit a PAT report for the following year. For example, the PAT report for the 2026 calendar year (1 January 2026 to 31 December 2026) must be submitted by 1 May 2027 and may be corrected up to 31 December 2027.

11.2 Confirmation that energy consumed at the target facility is at least 70% of its total energy

Operators holding an agreement are required to confirm in their interim and final target period reports whether at least 70% of the total site energy is consumed in carrying out eligible activities and any directly associated activities at each facility. Further information on how to assess this can be found in [section 3.3.3](#).

A 70% evaluation workbook may be used to determine the current percentage value (and is a good source of evidence in the event of an audit or request for information), but for reporting purposes we only expect a Yes or No answer. [Section 7.5](#) provides guidance on structural changes impacting the 70% rule.

11.3 UK ETS information for the facility (if applicable)

If the operator of a CCA facility undertakes a [Schedule 2 activity](#) (UK ETS) and holds a greenhouse gas (GHG) permit, the operator must report the amounts of energy consumed at the facility as part of the performance report. This includes any operator who holds a Hospital and Small Emitter (HSE) permit.

Operators of installations that emit fewer than 2,500 tonnes of carbon dioxide equivalent had the opportunity to apply under the baseline data collection window (April to June 2025) for Ultra-Small Emitter (USE) status for the 2026 to 2030 allocation period. Operators with USE status must confirm that this still applies as part of their submission. They may voluntarily supply energy data for fuels combusted as part of such installations.

Further information on how this information needs to be submitted in the digital service will be confirmed by newsletter in advance of the deadline.

12. List of abbreviations

Abbreviation	Full term
BEIS	Department for Business, Energy and Industrial Strategy
CCA	Climate Change Agreement
CCL	Climate Change Levy
Ce	Carbon equivalent
CHP	Combined Heat and Power
CHPQA	Combined Heat and Power Quality Assurance
CO₂	Carbon dioxide
CO₂e	Carbon dioxide equivalent
DAA	Directly associated activity
DECC	Department of Energy and Climate Change
Defra	Department for Environment, Food and Rural Affairs
DESNZ	Department for Energy Security and Net Zero
EPR	Environmental Permitting Regulations
ETS	Emissions Trading Scheme
GCV	Gross calorific value
GHG	Greenhouse gas
HMRC	His Majesty's Revenue and Customs
HMT	His Majesty's Treasury
MoA	Memorandum of Account
MOF	Multi-operator facility
PAT	Performance Account Template
QPO	Qualifying power output
RRC	Reduced rate certificate
SEC	Specific energy consumption
SRM	Special reporting methodology

STU	Stationary technical unit
TPO	Total power output
TPR	Target period report
UK ETS	United Kingdom Emissions Trading Scheme

13. Glossary

Term	Definition
70% rule	Rule allowing for all the energy consumed at a site to be included in the CCA eligible facility if 70% or more of the site's energy is consumed within the installation. The rule provides for an additional amount of the site's energy to be included in the eligible facility if the energy consumed by the installation is less than 70% of the energy consumed on the site. The additional energy that can be included is a maximum of 3/7th of the energy consumed in the installation.
Account	Account held by a sector association or an operator in MyCCA.
Account holder	A sector association or operator holding an account in MyCCA.
Administrator	The public body charged by the Secretary of State with administering the CCA scheme. The Environment Agency administers the scheme for the whole of the UK.
Ancillary activities	Activities where all the following apply: • are directly associated with any of the primary activities carried out at an installation • have a technical connection with those primary activities • could have an effect on pollution
Audit	A technical review carried out by the Administrator (or by the technical consultant on behalf of the Administrator) to check compliance within the scheme rules. Audits also include checks on eligibility, administration and record-keeping.
Base year	A 12-month period agreed between an operator and the Administrator, ending before the date of an underlying agreement, for which data are supplied by an operator to the Administrator before the operator enters into the agreement. The data from this 12-month continuous period establishes the baseline performance of the facility before the underlying agreement. Future performance and energy and carbon dioxide savings achieved in the scheme are measured relative to this base year performance.
Brownfield facility	An existing site.

Buy-out	Buy-out is a fee a facility may be required to pay to retain certification in the CCA scheme. It is payable at the end of a target period if the facility has failed to meet the target stated in its underlying agreement, or to rectify an error identified at any other time that has had a material impact on the facility's performance against its target at a previous reporting period. The buy-out fee is calculated by multiplying the amount by which the facility has failed to meet its target, expressed in terms of tonnes of carbon dioxide equivalent (tCO₂e).
Carbon dioxide	Carbon dioxide emissions associated with the burning/use of certain fuels.
Carbon dioxide conversion factor	A conversion factor that is used to calculate the carbon dioxide emissions associated with the consumption of different fuels or electricity. The factor is expressed in terms of carbon dioxide emitted per unit of energy consumed (for example, kgCO ₂ e per kWh).
Carbon target	A target expressed in tonnes of carbon dioxide equivalent.
CCA register	Online system, referred to as the MyCCA service, operated by the Environment Agency as Administrator to carry out the administration of climate change agreements.
Certification period	The period of validity of a certificate issued by the Environment Agency on behalf of the Secretary of State stating that the facilities listed in it are eligible for the CCL discount. Certification periods last for 2 years and are specified in the facility's underlying agreement.
Charges	Charges levied at the agreement level due to the Administrator under the charging scheme. The charges are based on the number of eligible facilities within an underlying agreement.
Charging scheme	The Climate Change Agreements Charging Scheme allows the Administrator to charge participants in the scheme to recover its costs.
Climate change agreement	The scheme under which eligible facilities can receive a discount in the rate of Climate Change Levy (CCL) in return for achieving energy and carbon efficiency targets.
Climate Change Levy (CCL)	Tax since 1 April 2001 on electricity, gas, petroleum gas, coal, lignite, coke, semi-coke and petroleum coke (but not mineral oils) used as fuels by non-domestic energy users.
Consultant	An external organisation (consultancy) that assists sector associations (and operators) in completing their obligations under the CCA scheme.
Decision notice	A notice served by the Administrator under the Rules for the operation of climate change agreements. See rule(s).

Delivered energy	The amount of energy contained in fuel, heat or power delivered to a site or installation for consumption. It's synonymous with metered energy. Not to be confused with primary energy, which is the basis on which energy is accounted for in the CCA scheme.
Department for Business, Energy and Industrial Strategy (BEIS)	Former name of the Department for Energy Security and Net Zero, the Government department with the overall responsibility for energy and climate change policy in the UK.
Devolved administrations	The Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.
Directly associated activity (DAA)	An activity on the same site which has a technical connection with the activities listed in Appendix A and which could affect emissions and pollution.
Eligible processes	The term used to describe: • Part A activities • the processes listed in the Schedule of The Climate Change Agreements (Eligible Facilities) Regulations 2012 (as amended); • the processes listed in the Schedule of The Climate Change Agreements (Energy-intensive Installations) Regulations 2006 (as amended) • ancillary activities with a technical connection to the above
Emissions	Total emissions in tonnes of carbon dioxide equivalent (tCO ₂ e) for a facility
Energy target	A target that includes units of energy, such as kWh, MWh and PJ.
Environment Agency	The organisation appointed under The Climate Change Agreements (Administration) Regulations 2012 to be the Administrator of the CCA scheme from 1 October 2012.
EPR	The Environmental Permitting (England and Wales) Regulations 2016 (as amended).
Emissions Trading Scheme (ETS)	The UK Emissions Trading Scheme established under the Greenhouse Gas Emissions Trading Scheme Order 2020. The UK ETS came into force on the 1 January 2021 replacing the UK's participation in the EU ETS.
Facility	An installation, site, or part of site which is eligible to be covered by a climate change agreement. Also known as the eligible facility.

Facility target	The target set out in Appendix 5 of an underlying agreement for a facility. The target applies to the energy consumed in the facility, that is, the energy consumed in the eligible facility less any energy consumed in the eligible facility that is consumed in plant carrying out activities in Schedule 2 to The Greenhouse Gas Emissions Trading Scheme Order 2020 (ETS) (as amended).
Finance Act 2000	Schedule 6 of the Finance Act 2000 (as amended) contains legislation pertaining to the Climate Change Levy.
Fixed Energy Consumption (FEC)	The proportion of energy consumed at a facility regardless of activity; any energy usage not linked to throughput.
Fuel	Gas, liquid or solid matter that can be consumed to produce energy in the form of heat or power.
Green electricity tariff	A green supply tariff means that some or all of the electricity supplied is 'matched' by purchases of renewable energy made by the energy supplier on their customer's behalf.
Greenfield facility	A newly built facility or an existing facility that has closed down and undergone a complete replacement of plant and been recommissioned with a new eligible process.
Installation	The stationary technical unit (STU) and directly associated activities (DAA) combined.
Memorandum of Account (MoA)	A notice sent from the Environment Agency to the operator to notify them that a fee is due for example annual subsistence charges or a buy-out fee.
Mineralogical/ metallurgical exemption	CCL exemption provisions introduced for those in the mineralogical and metallurgical sectors.
Multi-operator facility	A facility in respect of which different parts of the installation or installations are operated by different legal persons.
Manage your Climate Change Agreement (MyCCA)	The digital service maintained by the Environment Agency to carry out the administration of the scheme. This has the same meaning as the CCA Register.
Operator	A legal person or organisation that is party to an underlying agreement. May also be known as an account holder or participant.
Part A activity	An activity falling within Part A(1) of any Section in Part 2, or Part A(2) of any Section of Part 2 of Schedule 1 to the EPR, taking account of any relevant numeric thresholds, relevant exceptions or relevant modifications in paragraph 51 of Schedule 6 to the Finance Act 2000.

Penalty	A civil financial penalty issued under the CCA scheme by the Administrator to the operator of a facility due to an infringement of the CCA rules and agreements.
Personal information	Person information includes: • address of the registered office of the sector association or operator • name, address and email address of a person who can be contacted in respect of
Primary activity	An activity the carrying out of which at a facility results in the facility being eligible to be covered by an agreement.
Primary energy	The primary fuel (or other primary energy source such as wind or solar energy) consumed in the process of generating and delivering to the point of consumption secondary forms of energy such as electricity, heat or mechanical power.
Publish	To publish on any part of a website maintained by the Administrator that is accessible to the public.
Reduced rate certificate (RRC)	A report published by the Environment Agency and submitted to HM Revenue and Customs (HMRC). The certificate details all facilities that are deemed to be part of the CCA scheme at the point of publication and therefore entitled to the CCL discount.
Regulator	The environmental regulator for EPR is: • Environment Agency for all participants in the CCA scheme and for Part A1 processes in England • Natural Resources Wales for Part A1 processes in Wales • Local Authorities in England and Wales for Part A2 processes • Scottish Environment Protection Agency (SEPA) for all Part A processes in Scotland • Northern Ireland Environment Agency (NIEA) for all Part A processes in Northern Ireland
Reporting date	The last day by which a performance report, interim or final target period report must be submitted.
Reporting period	The period at the end of a target period for gathering, submitting and verifying performance data.
Reporting variation	A variation that must be submitted at the beginning of the reporting window to reflect a change that may impact on a target unit's target. These variations must be submitted between 1 and 31 January.

Reporting window	The timeframe during which the register is open for interim and final target period reporting and the submission of the performance report.
Responsible person	An individual who is legally authorised by the operator to: • act on behalf of the operator (or their representative) • enter as the operator's agent into an underlying agreement • agree any amendments to an underlying agreement • accept notices served by the Administrator on behalf of the operator The responsible person is not required to be the day-to-day contact for the target unit.
Rule(s)	One or more of the Rules for the operation of Climate Change Agreements as set out in Appendix 1 to underlying agreements and umbrella agreements.
Schedule 2 activity	Activities listed in Schedule 2 to The Greenhouse Gas Emissions Trading Scheme Order 2020 establishing a UK-wide greenhouse gas emissions trading scheme (UK ETS).
Secondary buy-out	Buy-out associated with the correction of an error through secondary reporting.
Secondary reporting	A reporting amendment carried out after the closure of the reporting window and the issue of MoAs.
Sector	The collection of facilities satisfying the definition of eligibility set out in that sector association's umbrella agreement.
Sector association	Trade association or other body representing a sector of industry. Some sectors have set up (or plan to set up) subsidiary or separate organisations to represent them in the agreements.
Sector commitment	The commitment agreed between DESNZ and the sector association as set out in Appendix 5 of an umbrella agreement. This is to facilitate the determination and distribution of individual facility targets, with the facility targets producing, in aggregate, the agreed sector commitment. The sector commitment agreed for a particular point in the future will change as the make-up of the sector changes through entrants, exits and variations to incumbent facilities.
Shared Services Connected	The finance department that manages all financial transactions into and out of the Environment Agency.

Site	A site is an area of land falling within a continuous boundary which encloses the land used in connection with the operation of the installation. For this purpose, however, an area of land may still be regarded as a single site even if it is dissected by a road, railway line or river. Other non-contiguous parcels of land would not, however, constitute a single site.
Special Reporting Mechanism (SRM)	A mandatory reporting mechanism to account for CHP and imported electricity when fuel consumption is covered under the ETS.
Specific energy consumption (SEC)	The amount of energy consumed per unit of activity.
Stationary technical unit (STU)	A place where one or more eligible process is carried out.
Structural change	Any change at a facility which, in the view of the Administrator, may make the target, currently set for the facility, no longer appropriate. Structural changes include changes that affect the proportion of the site's energy consumption included in the eligible facility and the ETS status of any energy- consuming plant included in the eligible facility.
Sub-sector	A practical method of partitioning within a sector such that the facilities in each sub-sector carry out the same or similar processes and/or have either all energy targets or all carbon targets.
Surplus	The amount by which the emissions have fallen below the target for any target period recorded on an account.
Target facility	The part or parts of a facility which do not carry out Schedule 2 activities. The target facility is the part of a facility in respect of which targets are set and energy use and emissions must be reported.

Target period	The period over which performance against targets is assessed. The Climate Change Agreements (Administration) Regulations 2012 (as amended) define the target periods as follows: • Target period 1: 1 January 2013 to 31 December 2014 • Target period 2: 1 January 2015 to 31 December 2016 • Target period 3: 1 January 2017 to 31 December 2018 • Target period 4: 1 January 2019 to 31 December 2020 • Target period 5: 1 January 2021 to 31 December 2022 • Target period 6: 1 January 2024 to 31 December 2024 • Target period 7: 1 January 2026 to 31 December 2026 • Target period 8: 1 January 2027 to 31 December 2028 • Target period 9: 1 January 2029 to 31 December 2030
Target variations for throughput changes	The process whereby targets for facilities that have apportioned 100% of their energy as fixed are adjusted when the actual throughput of a facility during a target period is 10% or more below twice the base year throughput.
Termination	Termination of an operator's Climate Change Agreement.
Throughput	The measure of production (or a factor related to production) that has been selected and agreed with the Administrator and is used in determining the relationship between the amount of energy used by the facility and the facility's levels of activity.
Throughput conversion factor	The factor used, when the throughput unit of the facility differs from the throughput unit of the sector to express facility throughput in equivalent sector throughput terms so that the 2 can be compared.
Throughput units	The units used to express the throughput of a facility (for example, kg, tonnes, vehicles).
Total Energy Consumption (TEC)	The sum of both the FEC and the VECs for each product produced at a facility.
Tribunal	The First-tier Tribunal established under the Tribunal Courts and Enforcement Act 2007.
Umbrella agreement	An agreement between a sector association and the Administrator that governs the obligations of both parties within the CCA scheme. It lists all the facilities covered by it when it was signed.
Underlying agreement	An agreement between the operator of a facility or facilities and the Administrator that governs the obligations of the Administrator and the operator (and its constituent eligible facilities) within the CCA scheme.

Variable Energy Consumption (VEC)	The proportion of energy consumed at the facility per unit of activity; any energy usage linked to throughput.
Variation notice	A notice served by the Administrator on a sector association under Rule 11 of an underlying agreement or umbrella agreement.

Appendix A: Eligible processes

The eligibility text in this appendix is taken from the respective umbrella agreements.

Sector code	Sector name	Eligibility definition from the umbrella agreement
ADS	Aerospace	A facility belongs to the aerospace sector if it is a facility which undertakes one or more of the following activities: (i) casting of ferrous or non-ferrous metals in a foundry; (ii) melting ferrous or non-ferrous metals; (iii) hot-rolling of ferrous metals and their alloys; (iv) operating hammers in a forge; (v) surface treatment of substances, objects or products using organic solvents, in particular for dressing, printing, coating, degreasing, waterproofing, sizing, painting, cleaning or impregnating; (vi) surface treatment of metals and plastic materials using an electrolytic or chemical process; (vii) burning of any fuel in an appliance with a rated thermal input of 50 megawatts or more; (viii) manufacture or repair involving the use of beryllium or selenium or an alloy containing one or both of those metals; (ix) producing explosives; (x) activities involving carbonisation; or (xi) producing synthetic rubbers where the activity is in connection with the aerospace or defence industries.
AFED	Aluminium	A facility belongs to the aluminium, titanium and magnesium sector if it is a facility which - (a) produces aluminium, magnesium or titanium from ore, concentrates or secondary raw materials by metallurgical, chemical or electrolytic activities; (b) melts, including making alloys, aluminium, magnesium or titanium, including recovered products (refining, foundry casting, etc.); (c) refines aluminium, magnesium or titanium or any aluminium, magnesium or titanium alloy, except where the activity is related to the separation of aluminium, magnesium or titanium from mixed scrap by differential melting and no other activity in this list is carried out in the facility; (d) produces chemicals involving aluminium, magnesium or titanium; or (e) surface treats aluminium, magnesium or titanium or any aluminium, magnesium or titanium alloy using an electrolytic or chemical process.
AIC	Agricultural Supply	A facility belongs to the agricultural supply sector if it is a facility in which the predominant activity is the manufacture of animal feeds for agricultural purposes.

AGB	Battery (Automotive Grade Batteries)	At an installation where automotive grade battery cells are produced using all of the following processes: (a) electrode manufacture, (b) cell assembly, (c) cell formation, and (d) cell final testing.
AWM	Wallcoverings	A facility belongs to the wallcovering sector if it is a facility that surface treats substances, objects and products using organic solvents in coatings, printing inks and finishes during the manufacture of wallcoverings and other flexible decorative surface materials in roll form.
BATC	Textiles	A facility belongs to the apparel and textiles sector if it is a facility that undertakes one or more of the following processes: the wet stages used in the preparation, processing (for example. mercerizing and scouring), and the dyeing and finishing of Apparel and Textiles (including, but not exclusively, fibres, threads, yarns, fabrics and carpets) and the dyeing of garments.
BATE	Textiles Energy Intensive	At an installation or site where textiles are manufactured: spinning, weaving, knitting, finishing but not printing or dyeing.
BCA	Cement	A facility belongs to the cement sector if it is a facility at which the primary activity is producing or grinding cement clinker.
BCC	Ceramics	A facility belongs to the ceramics sector if it is a facility which manufactures ceramic products (including roofing tiles, bricks, refractory bricks, tiles, stoneware or porcelain) by firing in kilns. Or at an installation or site where silica sand in combination with any associated minerals is extracted, processed and packaged: blasting, quarrying, crushing, classifying, milling, pumping, grinding, acid leaching, drying and packaging.
BCCF	Calcium Carbonate	At an installation or site where calcium carbonate based minerals are processed for use as filler or whitener for paper, plastics, pharmaceuticals, ceramics, food, paint or other products: crushing, drying, milling, classifying, screening, packaging.

BCGA	Compressed Gases	At an installation or site where – (a) nitrogen, oxygen or argon is separated from air, and then compressed or liquefied; or (b) nitrogen, oxygen and argon are separated from air, and then made into a compressed or liquefied mixture of at least 2 of the former, separating the above substances from air using one or more of the following air separation technologies: cryogenic distillation, pressure swing adsorption, vacuum swing absorption or membrane separation, compressing and liquefying the separated substances, pumping them (in a compressed or liquefied form) from within the installation for further use within or outside the installation.
BEPA	Egg Processing	A facility belongs to the egg processing sector if it is a facility which processes eggs for the production of food.
BGMC	Glass	A facility belongs to the glass sector if it is a facility which (i) manufactures glass or glass fibre; (ii) manufactures glass frit or enamel frit, or uses glass frit or enamel frit in any activity where that activity is related to its manufacture; (iii) carries out surface treatment of substances, objects or products using organic solvents during the manufacture of glass and/or glass products; (iv) produces salts such as sodium metasilicate; (v) carries out any activity of manufacture of glass and/or glass products which involves the use of hydrogen fluoride, hydrogen chloride, hydrogen bromide or hydrogen iodide or any of their acids and which may result in the release of any of these compounds into the air; or (vi) carries on related activities of a description agreed between the sector association and the Secretary of State. At an installation or site where glass products or chemicals using glass as a base material are produced from raw materials, pre-formed glass or cullet for use as reflective additives in road markings or as toughened glass for the automotive market: partial melting, fusing, bending, toughening, cutting, grinding, etching, polishing (both mechanical and chemical), surface treating and drying.
BLA	Lime	A facility belongs to the lime sector if it is a facility which produces lime.
BLRA	Brewing	A facility belongs to the brewing sector if it is a facility which operates facilities for treating and processing vegetable raw material intended for the production of beer.

BMPA	Meat	A facility belongs to the meat processing sector if it is a facility in which the predominant activity is the slaughtering of animals or the processing of red meat; the facility may also include standalone permanent storage buildings for controlling the inside temperature of the storage area below ambient temperature for the purposes of storing red meat, and which includes permanent machinery to cool or freeze products prior to storage or to produce ice for the purposes of storing red meat.
BNMA	Geosynthetics Non-Woven	At an installation or site where geosynthetic materials comprising at least one component made from a synthetic or natural polymer in the form of a sheet, strip or other 3-dimensional structure are manufactured for use in geotechnical or civil engineering applications: all processes and activities involved in the manufacture of such materials.
BPC1	Poultry Meat Rearing	A facility belongs to the poultry meat sector if it is a facility in which the predominant activity is the breeding or rearing of poultry for meat.
BPC2	Poultry Meat Processing	A facility belongs to the poultry meat processing sector if it is a facility in which the predominant activity is one of the following: a) the slaughtering of poultry and/or the processing of poultry meat, b) the manufacture of animal feeds for use on poultry farms.
BPF	Plastics	At an installation or site where plastic materials, or plastic products (whether or not these are finished products), are produced by – (a) the application of heat and pressure to; or (b) a chemical reaction involving plastics powder, granules, shredded waste or liquid: injection moulding, reaction injection moulding, compression moulding (including hot and cold press moulding), transfer moulding, structural foam moulding, direct screw transfer moulding, rotational moulding (including slush moulding), flexible foam moulding (including dual component processing), blow moulding, casting, expanded polystyrene moulding, expandable materials processing, mixing and compounding, calendaring, powder coating (including dip moulding), sintering, thermoforming (including vacuum forming), pultrusion, filament winding, spread coating, hand lay- up and resin transfer moulding.
BPIF	Printing	A facility belongs to the printing sector if it is a facility that undertakes printing using organic solvents in the following processes; lithography, letterpress, flexography, gravure and screen printing.

BTMA	Tyres	A facility belongs to the new rubber tyre manufacturing sector if it is a facility which manufactures new rubber tyres or manufactures intermediate products used in the manufacture of rubber tyres.
CAST	Foundries	A facility belongs to the foundries sector if it is a facility which – (a) produces, melts or refines iron or steel or any ferrous alloy, including continuous casting, using electric arc furnaces or a cupola, crucible furnace, reverberatory furnace, rotary furnace, induction furnace or resistance furnace; (b) applies protective fused metal coatings; (c) casts ferrous metals at a foundry; or (d) melts, including making alloys, non-ferrous metals, including recovered products (refining, foundry casting, etc.).
CBM	Metallforming	A facility belongs to the metal forming sector if it is a facility which operates as a forge, producing from a cold or heated metal work piece by a blow or series of blows a product or component with enhanced physical and or metallurgical properties, including: Cold Forging, Warm Forging, Hot Forging; Heading, Upsetting; Stamping, Pressing; Blanking, Shearing, Trimming, Piercing, Punching, Notching; Coining; Deep Drawing; Precision Bending; and which may heat-treat pre- formed or manufactured metal components to facilitate their efficient formability or to enhance their service performance, all processes and activities involved in the heat treatment of pre- formed or manufactured metal components to facilitate their efficient formability or to enhance their service performance; and which may undertake (other than for the re-painting or re- spraying of or of parts of aircraft or road or railway vehicles) application of printing ink or paint or any other coating material to a substrate, or drying or curing after such application, as, or in the course of, a manufacturing activity, where the process may result in the release into the air of particulate matter or of any volatile organic compound.

CIA	Chemicals	A facility belongs to the chemical sector if it is a facility which is used for: manufacturing organic or inorganic chemicals, chemical fertilisers, plant health products, biocides, pharmaceutical products or explosives; a manufacturing activity involving carbon disulphide or ammonia (but not ammonia used as a refrigerant) an activity involving chemical processing it produces potassium chloride from Sylvinite (potassium chloride) ore containing a mixture of potassium chloride, sodium chloride, clay and anhydrite, by sub-surface mining followed by separation and purification from the other constituents through a process of crushing/grinding, froth flotation and depending on the specific product, drying and compacting, followed by grading prior to dispatch; high grade soluble product is also obtained by the recrystallisation of KCl from supersaturated brine: or it produces potassium, sodium, magnesium and/or calcium salts from Polyhalite ore by a process of crushing/grinding, leaching, acid reaction, precipitation, evaporation, crystallisation and drying any other activity of a description which CIABATA and the Secretary of State have agreed is suitable for inclusion in the chemical sector
CONF	Timber Sawmilling	A facility belongs to the sawmill sector if it is a facility where either: an unprocessed log undergoes semi-processing (“a semi-processed log”); or a semi-processed log is kiln dried, graded, planed, shaped, or chemically treated where this occurs at the same installation or site where the log underwent semi-processing “Semi-processing” means debarking and sawing an unprocessed log. “Unprocessed log” means a log from which the branches have been removed, but to which no other processing has been applied.

CPI	Paper	A facility belongs to the paper sector if it is a facility at which the primary activity is the manufacture of paper, pulp or cardboard.
CSDF	Cold Storage	At an installation (which must be a building where the predominant business activity is commercial temperature controlled storage or product freezing) or site upon which there is such an installation where – (a) products are cooled or frozen for the purposes of – (i) storing them under controlled temperatures below ambient levels; or (ii) producing ice; or (b) products are stored under controlled temperatures below ambient levels, cooling and freezing products and all processes and activities involved in controlling temperatures below ambient levels.
DATC	Data Centres	The business activity is the leasing or licensing of a data facility which is being used as a data centre. “data facility” means a room, or rooms sharing the same electricity supply circuit, occupied mainly or exclusively by computer equipment which is enabled to transfer data electronically, and where in respect of the room or rooms: the temperature and humidity is regulated in connection with the operation of the computer equipment; the electricity supply is at least 200kW; and electricity is supplied by a back-up electricity supply when the mains supply is interrupted.
DIAL	Dairy	A facility belongs to the dairy sector if it is a facility whose activities involve the purchase of raw milk or a commodity produced from raw milk in order to convert it into liquid drinking milk, dairy products, or composite dairy products, or any other commodity of which milk is a substantial ingredient; and, in the case of organisations which purchase raw milk and for whom the processing of milk is the dominant activity, the use of similar manufacturing processes to those used to produce dairy products in respect of other food or drink products.
EUR	Eurisol / Mineral Wool	A facility belongs to the mineral wool sector if it is a facility which produces mineral wool insulation products for thermal, acoustic and fire applications manufactured using glass or rock.

FDF1	Food and Drink	A facility belongs to the food and drink sector if it is a facility which treats, and processes materials intended for the production of food products. For this purpose 'food' includes drink, articles and substances of no nutritional value which are used for human consumption and articles and substances used as ingredients in the preparation of food. At an installation or site where refined salt for use in food products or supplements is prepared or processed from minerals.
FDFS	Supermarkets	A facility belongs to the supermarket sector if it is a facility which treats and processes materials intended for the production of food products in supermarket stores.
GPDA	Gypsum Products	A facility belongs to the gypsum manufacturing sector if it is a facility that burns fuels in Part A combustion plant that is integrated into the process of manufacturing gypsum.
KABC	Kaolin and Ball Clay	At an installation or site where kaolinitic clay in combination with any of its accessory minerals is extracted and processed: blasting and crushing, dry mining or hydraulic mining, refining, blending, drying and packaging, classifying, hydrocloning, pumping, centrifuging, grinding, shredding, magnetic separating, bleaching, pressing, pugging, milling, micro-separating.
MAGB	Malting	A facility belongs to the malting sector if it is a facility which modifies cereal grain by the process of malting for use in the production of drinks and foodstuffs and whose predominant product is malt.
MPA	Silica Sand	A facility belongs to the ceramics sector if it is a facility which manufactures ceramic products (including roofing tiles, bricks, refractory bricks, tiles, stoneware or porcelain) by firing in kilns. Or at an installation or site where silica sand in combination with any associated minerals is extracted, processed and packaged: blasting, quarrying, crushing, classifying, milling, pumping, grinding, acid leaching, drying and packaging.
MPMA	Metal Packaging	A facility belongs to the metal packaging sector if it is a facility which uses organic solvents for surface treating operations (such as protection, decoration, sealing and lubrication) during the manufacture of metal packaging products.

MRP	Plastic Mechanical Recycling	At an installation where waste plastic products are mechanically recycled, the eligible processes are any such processes that produce plastic flakes or granulates, but only where they include sorting, label and contaminate removal, cleaning, and grinding.
NAMB	Bakers	A facility belongs to the craft baking sector if it is a facility that produces bread, morning goods, flour confectionery and savoury products from animal and vegetable raw materials and using traditional bakery skills, rather than 'industrial' type baking processes. The facility may be either a) A 'bakery' that serves more than one retail outlet; or b) 'A shop' which is a retail outlet that processes part-finished products ('bake off') or is a 'scratch' bakery that produces product for no other retail outlet.
NFA	Non-Ferrous Metals	A facility belongs to the non-ferrous sector if it is a facility which produces, processes or uses non-ferrous metals, or is engaged in related manufacturing activities.
NFU1	Pigs	A facility belongs to the pig farming sector if it is a facility which is specifically used in indoor pig production.
NFU4	Horticulture	At an installation or site where (in controlled, environment-protected structures) horticultural crops are grown, harvested and receive primary preparation for market: planting, seeding, heating, lighting, ventilating, irrigating, fertilising, cooling, preparing and sterilising growing media, grading and conveying.
NFU5	Eggs and Poultry Meat	A facility belongs to the NFU poultry meat sector if it is a facility which is specifically used for rearing poultry for the production of meat. And/or A facility belongs to the egg production sector if it is a facility which is specifically used for rearing poultry for the production of eggs.
NMI	Semiconductors	A facility belongs to the semiconductor sector if it is a facility which manufactures semiconductors and/or raw materials specific to the manufacture of semiconductor devices.
OFFB	Spirits – Offsite bottling	At an installation where spirit drink is packaged into a retail container and closures are applied on packaging lines, the eligible processes are any such packaging or application taking place on those packaging lines. Packaging lines include secondary packaging processes, labelling, placement of retail containers into cases and automatised palletising operations.

PIFA	Packaging and Industrial Films	An installation or site where plastic film is produced using extrusion to convert melted polymer into blown or cast film: all processes and activities involved in the production of plastic film using extrusion to convert melted polymer into blown or cast film, and which may include printing using organic solvents in the following processes; lithography, letterpress, flexography, gravure and screen printing on plastic film.
SEA	Surface Engineering	A facility belongs to the surface engineering sector if it is a facility which surface treats substances, objects or products using organic solvents, in particular for dressing, printing, coating, degreasing, waterproofing, sizing, painting, cleaning or impregnating or which surface treats metals and plastic materials using an electrolytic or chemical process.
SEEC	Spirits	A facility belongs to the spirit drinks sector if it is a facility in the United Kingdom of Great Britain and Northern Ireland that is engaged in one or more of the following activities: • the production and/or preparation of spirit drinks (as defined in EC Regulation 110/2008) (the ethyl alcohol, distillate or spirit of which is of agricultural origin); • the distillation of ethyl alcohol of agricultural origin (as defined in EC Regulation 110/2008) intended for human consumption • the production of distillate of agricultural origin (as defined in EC Regulation 110/2008) intended for human consumption; iv) the processing of by-products from a distillery which is a facility engaged in any activity covered by (i)-(iii) above
SEHT	Surface Engineering Heat Treatment	A facility belongs to the heat treatment sector if it is a facility where pre-formed or manufactured metal components are heat- treated to facilitate their efficient formability or to enhance their service performance, all processes and activities involved in the heat treatment of pre-formed or manufactured metal components to facilitate their efficient formability to enhance their service performance.
SGS	Slag Grinding	A facility belongs to the slag grinders sector if it is a facility which grinds granulated blast furnace slag.

SMMT	Motor Manufacturing	A facility belongs to the motor industry sector if it is a facility within the motor industry that undertakes one or more of the following activities: the casting of ferrous and non-ferrous metals in a foundry; the surface treatment of substances, objects or products using organic solvents, in particular for dressing, printing, coating degreasing, waterproofing, sizing, painting, cleaning or impregnating; the surface treating of metals and plastic materials using electrolytic or chemical process, operates as a forge, producing from a cold or heated metal work piece by a blow or series of blows a product or component with enhanced physical and or metallurgical properties, resin transfer moulding, plastic injection moulding, on-site nitrogen generation and the burning of fuels in a Part A combustion plants or if it is a facility where pre-formed or manufactured metal components are heat-treated to facilitate their formability or to enhance their service performance: the relevant processes and activities are all processes and activities involved in the heat treatment of pre-formed or manufactured metal components to facilitate their efficient formability or to enhance their service performance. The motor industry shall mean motor vehicles, components and accessories and shall include chassis of motor vehicles, trailers, engines, vehicle bodywork, freight containers, tyres and transport service equipment, and engine components for marine craft.
TSA	Laundries	At an installation or site, not being a launderette predominately offering self-service washes or predominately serving the domestic market, where textiles are laundered by washing with water, drying and smoothing except where such laundering is carried out in support of other activities carried out by the business (not being textile rental activities), whether or not such activities are carried out at the installation or site.
UKLF	Leather	A facility belongs to the leather sector if it is a facility that processes, tans, dresses or finishes raw and part processed hides and skins to produce part processed leather intermediates or finished leather.

UKRA	Rendering	A facility belongs to the rendering sector if it is a facility which is engaged in rendering animal material not used for human consumption by utilising heat treatment to reduce moisture content and separation of animal protein from tallow by centrifuging and pressing.
UKSA	Steel	A facility belongs to the steel sector if it is a facility which is used for manufacturing iron or steel products or carrying on related activities of a description agreed between the sector association and the Secretary of State. In this clause - 'iron' and 'steel' include any alloy where the iron content is at least 50% by weight; 'iron or steel products' means – (i) pig iron used for steelmaking or related purposes; (ii) steel ingots, blooms, billets and slabs; (iii) semi-finished steel for tube making; (iv) uncoated, and coated rolled products, bright steel bars, wire, tubes and pipes; (v) railway rails and accessories (including light rails), tyres, wheels, axles, rolled steel rings, wheel-pairs, steel arches and forgings; 'manufacturing' means making, rolling, casting, forging, or drawing iron or steel or if it is a facility where pre- formed or manufactured metal components are heat-treated to facilitate their formability or to enhance their service performance: the relevant processes and activities are all processes and activities involved in the heat treatment of pre- formed or manufactured metal components to facilitate their efficient formability or to enhance their service performance.
WPIF	Wood Panels	A facility belongs to the composite wood-based boards sector if it is a facility which manufactures composite wood-based boards and products: wood particleboard, oriented strand board, wood fibreboard, plywood, cement bonded particleboard or any other composite wood based board.

Appendix B: Reporting deadlines for Target Periods 7 to 9

Deadline	Reports	
1 May 2027	TP7 Final Target Period Report	Performance Report
1 May 2028	TP8 Interim Target Period Report	Performance Report
1 May 2029	TP8 Final Target Period Report	Performance Report
1 May 2030	TP9 Interim Target Period Report	Performance Report
1 May 2031	TP9 Final Target Period Report	Performance Report

Appendix C: Summary of changes in the new CCA scheme

The new CCA scheme started in January 2026 and includes the following Target Periods (TP):

- TP7: 1 January 2026 to 31 December 2026
- TP8: 1 January 2027 to 31 December 2028
- TP9: 1 January 2029 to 31 December 2030

The certification periods (CP) for the new scheme are:

- CP8: 1 January 2027 to 30 December 2029
- CP9: 1 January 2029 to 30 December 2031
- CP10: 1 January 2031 to 31 March 2033

The main changes in the new scheme include:

- Targets previously set at a target unit level have been replaced with facility level targets. Agreements may still contain multiple facilities. Target Period Reports and Performance Reports must be submitted for each facility within an agreement. As performance is measured at facility level, any surplus or buy-out fee will be calculated for each facility separately. Surplus cannot be transferred between facilities.
- A new single adapted novem energy or carbon target has been introduced to replace the previous target types (absolute, relative or novem). The adapted novem target is based on fixed and/or variable energy consumption.
- The standard base year for target periods 7 to 9 is a 12-month period from January to December 2022.

- Operators must submit interim and final target period reports. Interim reports will not be used to assess whether a facility has met or failed to meet its target, but will demonstrate progress at the halfway point in the target period.
- Operators must submit performance reports, including the Performance Account Template (PAT), a declaration on whether over 70% of energy consumption at the facility is used for eligible activities or directly associated activities, and information regarding energy consumption under the UK ETS where this applies to a facility.
- The carbon dioxide conversion factors have been updated, and the primary grid electricity conversion factor has changed from 2.6 to 2.1.
- If all the criteria for the Special Reporting Methodology (SRM) are met, then SRM **must** be used in the new scheme.
- Self-generated renewable electricity consumed at the facility is multiplied by a factor of 1.0.
- Managing your Climate Change Agreement (MyCCA) replaces the previous CCA Register and is the primary digital service used to administer agreements.
- New sectors will join the CCA scheme from January 2027 – these include the mechanical recycling of plastics, packaging of spirits and automotive battery cell production.

Appendix D: Calculation methods

D.1 Accounting for CHP in the CCA scheme

CHP – where all fuel input is non-renewable

Where all fuel inputs to the CHP plant are not renewable energy, they should be accounted for in CCA as stated in paragraphs 17 to 28 in [Technical Annex](#).

Where the electricity or heat outputs from a CHP plant are consumed within the target facility, and the CHP is not covered by UK ETS, the units of energy to report must be calculated on the basis of the units of energy input to the CHP plant, not the units of electricity or heat consumed.

Where a target facility is served by a CHP plant (whether the CHP plant is on the associated facility or whether the CHP plant is operated by a third party operator) and all of the energy from the CHP plant is consumed within the target facility, the target facility must be treated as consuming all of the units of energy input to the CHP and no allocation of those units is required.

Where a target facility is served by a CHP plant on the associated facility and some of the electricity or heat outputs from the CHP plant are exported from the facility, or where the target facility imports electricity or heat generated by a CHP plant that is not part of the facility, the energy input to the CHP must be allocated to each consumer of the heat or the electricity as follows.

First allocate the energy inputs to the CHP to the electricity and heat outputs using the following 2 formulae:

$$\text{Heat Energy} = \left(\frac{\text{Fuel Input}}{(2 \times \text{Electricity Output}) + \text{Heat output}} \right) \times \text{Heat output}$$

$$\text{Electricity Energy} = \left(\frac{2 \times \text{Fuel input}}{(2 \times \text{Electricity Output}) + \text{Heat output}} \right) \times \text{Electricity output}$$

Where:

- **Heat Energy** is the input energy allocated to the heat outputs of the CHP plant.
- **Electricity Energy** is the input energy allocated to the electricity outputs of the plant.
- **Fuel Input** is the total fuel supplied to the CHP plant, expressed in energy terms, using the Gross Calorific Value of the input fuels. For CHP schemes certified under

the Combined Heat and Power Quality Assurance (CHPQA) programme it is the Total Fuel Input (TPI), as defined by the CHPQA Standard.

- **Heat Output** is the quantity of heat produced by the CHP plant, expressed in energy terms. For CHP schemes certified under the Combined Heat and Power Quality Assurance (CHPQA) programme it is the Qualifying Heat Output (QHO), as defined by the CHPQA Standard.
- **Electricity Output** is the quantity of electricity generated by the CHP plant, expressed in energy terms. For CHP schemes certified under the Combined Heat and Power Quality Assurance (CHPQA) programme it is the Total Power Output (TPO), as defined by the CHPQA Standard.
- Energy units must be consistent throughout.

Where absorption cooling is used to produce a cooling supply, the heat input to the absorption chiller must be metered so far as is reasonably practicable. If the heat input to the absorption chiller is not metered, then the cooling output must be metered and divided by the average coefficient of performance (COP) of the cooling system to estimate the heat consumed.

Then apportion the energy input to each consumer of heat and electricity as follows:

- allocate the heat energy to each consumer of the heat in proportion to the quantity of heat from the CHP plant that each consumes
- allocate the electricity energy to each consumer of the electricity in proportion to the quantity of electricity from the CHP plant that each consumes

If heat is distributed to a number of users (m), this is expressed:

$$\text{Heat Output} = \text{Heat}_1 + \text{Heat}_2 + \text{Heat}_3 + \dots + \text{Heat}_m$$

If electricity is distributed to several electricity consumers (n), this is expressed:

$$\text{Electricity Output} = \text{Electricity}_1 + \text{Electricity}_2 + \text{Electricity}_3 + \dots + \text{Electricity}_n$$

The energy inputs to the CHP plant are assigned to consumer, 'i', according to the formula:

$$\text{Heat Energy}_i = \left(\frac{\text{Heat}_i}{\text{Heat Output}} \right) \times \text{Heat Energy}$$

The electricity energy inputs to the CHP plant are assigned to consumer, 'j', according to the formula:

$$Electricity\ Energy_j = \left(\frac{Electricity_j}{Electricity\ Output} \right) \times Electricity\ Energy$$

If some of the CHP generated electricity is exported to the public supply (that is the grid), and not directly to a known consumer, a credit must be allocated to each heat consumer in respect of all or part of this electricity exported to the grid.

The electricity exported to the grid in respect of which a credit must be allocated is the Good Quality CHP electricity (as defined by the CHPQA Standard) exported to the grid. The Good Quality CHP electricity exported to the grid is given by:

$$GQCHP\ electricity\ exported\ to\ the\ grid = QPO - QPO\ consumed\ by\ known\ consumers$$

Where:

- QPO is the Qualifying Power Output (as defined by the CHPQA Standard)
- QPO consumed by known consumers is the CHP electricity on which the climate change levy is not paid

The credit allocated to each heat consumer is calculated as follows:

1. Multiply the Good Quality CHP electricity exported to the grid by 2.1.
2. Subtract the energy apportioned to the Good Quality CHP electricity exported to the grid (as calculated in paragraph 20 in the [Technical Annex](#)). This gives the primary energy that has been saved as a result of the grid exported CHP electricity displacing conventional grid electricity generated at a power station.
3. Divide this saving among each of the consumers of heat from the CHP on a pro-rata basis according to the quantity of heat each uses.
4. Subtract the pro-rata saving from each of the Heat Energy figures (as calculated in paragraph 20 in the Technical Annex), to get a revised Heat Energy figure.

Thus, if QPO were exported to public supply instead of being supplied to consumer 'k', then the revised Heat Energy figures for each consumer 'i' (i = 1,...,m) would be as follows:

$$\begin{aligned} & Revised\ Heat\ Energy_i \\ &= Heat\ Energy_i \\ &- \left((Exported\ QPO \times 2.1 - Electricity\ Energy_k) \times \frac{Heat_i}{Heat\ output} \right) \end{aligned}$$

In cases where there is export of CHP generated electricity to the grid, consumer 'i' must report total primary energy consumption, as a result of the use of CHP generated electricity and heat, as Revised Heat Energy_(i) plus Electricity Energy_(i).

When calculating credits for grid exported QPO:

- if the fuel allocated to a heat user minus the credit for exported QPO results in an overall fuel figure of less than zero the user affected must set the overall fuel figure to zero
- if the heat credit itself for exported QPO to a heat user is negative the user affected must set the credit for exported QPO to zero

When reporting primary energy (fuel) consumption associated with the consumption of CHP generated electricity or heat, this fuel consumption must be recorded under the same fuel type as the fuel inputs to the CHP. For example, if the fuel inputs to the CHP are natural gas, then the fuel consumption associated with the consumption of CHP electricity and heat will be reported under natural gas.

CHP – where all fuel input is renewable

Paragraphs 35 to 39 from the [Technical Annex](#) state that:

If the fuel input to the CHP is 100% renewable all of the electricity and heat outputs of the CHP must be considered renewable. This means that consumption of all of this electricity will be treated as if it were grid electricity using a Primary Emission Factor of 2.1.

Consumption of CHP heat will lead to the reporting of primary energy consumption (in the form of some of the input fuels), but this energy consumption will be zero rated for carbon.

For a CHP where the fuel inputs are 100% renewable, the primary energy for CHP heat is calculated as follows:

Primary energy for CHP heat = Total Fuel Input to CHP – (Total Power Output from CHP × 2.1)

If Total Fuel Input to CHP < (Total Power Output from CHP × 2.1), then primary energy for CHP heat must be set to zero.

This means that the energy input to renewable CHP must be recorded in order that the primary energy for renewable CHP heat can be determined and reported.

When reporting primary energy (fuel) consumption associated with the consumption of CHP generated heat, this fuel consumption must be recorded under the same fuel type as the fuel inputs to the CHP. For example, if the fuel inputs to the CHP are biogas, then the fuel consumption associated with the consumption of CHP heat will be reported under biogas. The consumption of CHP generated electricity in this case would be reported as primary together with grid electricity consumed.

CHP – where fuel input is mix of renewable and non-renewable

Paragraphs 40 to 43 from the [Technical Annex](#) state that:

If the fuel input to the CHP is not 100% renewable, then a proportion of the electricity output must be treated as renewable and the balance as non-renewable. The proportion of the electricity output that is treated as renewable must be the same as the proportion of the fuel input that is deemed renewable, on an energy content basis.

The primary energy associated with electricity and heat outputs of the CHP treated as renewable must be determined as set out in the section above (CHP where all of the fuel input is renewable).

The primary energy associated with the electricity and heat outputs of the CHP treated as non-renewable must be determined as set out in the section above (Combined Heat and Power where all of the fuel inputs are non-renewable).

The following example illustrates how to determine the energy to report and how carbon will be accounted for in respect of the consumption of electricity and heat outputs of a CHP fuelled by a mix of renewable and non-renewable fuels.

Example

A reciprocating engine (CHP) situated on CCA facility A generates electricity through the combustion and carbon is accounted for by facilities A and B as follows.

Total fuel input to CHP	17,000 MWh
Renewable input biogas fuel	$17,000 \times 50\% = 8,500$ MWh
Non-renewable natural gas fuel input	$17,000 \times 50\% = 8,500$ MWh
Renewable fuel input	$= (8,500/17,000) \times 100\% = 50\%$ Therefore, not all electricity and heat generated is considered renewable.
Non-renewable fuel input	$= (8,500/17,000) \times 100\% = 50\%$

Renewable outputs

Proportion of electricity considered renewable	50%
Proportion of heat considered renewable	50%
Electricity considered renewable	$= 50\% \times 4,800 = 2,400 \text{ MWh}$
Heat considered renewable	$= 50\% \times 7,000 = 3,500 \text{ MWh}$
Total fuel for renewable outputs	$= 50\% \times 17,000 = 8,500 \text{ MWh}$
Primary energy for renewable electricity	$= 2,400 \times 2.1 = 5,040 \text{ MWh}$
Primary energy for renewable heat	$= 8,500 - 5,040 = 3,460 \text{ MWh}$

Non-renewable outputs

Proportion of electricity considered non-renewable	50%
Proportion of heat considered non-renewable	50%
Electricity output considered non-renewable	$= 50\% \times 4,800 = 2,400 \text{ MWh}$
Heat output considered non-renewable	$= 50\% \times 7,000 = 3,500 \text{ MWh}$
Total fuel for non-renewable outputs	$= 50\% \times 17,000 = 8,500 \text{ MWh}$
Fuel for non-renewable electricity output (calculated using formula given in paragraph 20 of the Technical Annex)	$\frac{2 \times 8,500}{(2 \times 2,400) + 3,500} \times 2,400$ $= 4,916 \text{ MWh}$
Fuel for non-renewable heat output (calculated using formula given in paragraph 20 of the Technical Annex)	$\frac{8500}{(2 \times 2,400) + 3,500} \times 3500$ $= 3,584 \text{ MWh}$

Facility A Consumption and accounting – electricity

Total delivered electricity consumed (renewable and non-renewable)	= 3,000 MWh
Delivered electricity consumed – renewable	= 50% × 3,000 = 1,500 MWh
Delivered electricity consumed – non-renewable	= 50% × 3,000 = 1,500 MWh
Primary energy accounted for – renewable electricity	= 1,500 × 2.1 = 3,150 MWh
Primary energy accounted for – non-renewable electricity	$\left(\frac{1,500}{2,400}\right) \times 4,916 = 3,073 \text{ MWh}$

Facility A Consumption and accounting – heat

Total delivered heat consumed	= 3,500 MWh
Delivered heat consumed renewable	= 50% × 3,500 = 1,750 MWh
Delivered heat consumed non-renewable	= 50% × 3,500 = 1,750 MWh
Primary energy accounted for renewable heat	= (1,750/3,500) × 3,460 = 1,730 MWh
Primary energy accounted for non-renewable heat	= (1,750/3,500) × 3,584 = 1,792 MWh

Facility A Reporting

Delivered renewable electricity	1,500 MWh
Non-renewable electricity	3,073 MWh (as natural gas)
Renewable heat	1,730 MWh (as biogas)
Non-renewable heat	1,792 MWh (as natural gas)
Reporting would return total CO ₂ emissions associated with this energy consumption	1,038,747kgCO _{2e}
Of which renewable electricity	$= 1,500 \text{ MWh} \times 0.10046 \text{ kgCO}_{2e}/\text{kWh} \times 1,000 = 150,690 \text{ kgCO}_{2e}$
Of which non-renewable electricity	$= 3,073 \times 0.18254 \times 1,000 = 560,945 \text{ kgCO}_{2e}$
Of which renewable heat	0 kg CO _{2e}
Of which non-renewable heat	$= 1,792 \text{ MWh} \times 0.18254 \text{ kgCO}_{2e}/\text{kWh} \times 1,000 = 327,112 \text{ kgCO}_{2e}$

Facility B Consumption and accounting – electricity

Total delivered electricity consumed	= 1,800 MWh
Delivered electricity consumed – renewable	= 50% × 1,800 = 900 MWh
Delivered electricity consumed – non-renewable	= 50% × 1,800 = 900 MWh
Primary energy accounted for – renewable electricity	= 900 × 2.1 = 1,890 MWh
Primary energy accounted for – non-renewable electricity	= (900/2,400) × 4,916 = 1,844 MWh

Facility B Consumption and accounting – heat

Total delivered heat consumed	= 3,500 MWh
Delivered heat consumed – renewable	= 50% × 3,500 = 1,750 MWh
Delivered heat consumed – non-renewable	= 50% × 3,500 = 1,750 MWh
Primary energy accounted for – renewable heat	= (1,750/3,500) × 3,460 = 1,730 MWh
Primary energy accounted for – non-renewable heat	= (1,750/3,500) × 3,584 = 1,792 MWh

Facility B Reporting

Delivered renewable electricity	900 MWh
Non-renewable electricity	1,844 MWh (as natural gas)
Renewable heat	1,730 MWh (as biogas)
Non-renewable heat	1,792 MWh (as natural gas)
Reporting form would return total CO ₂ emissions associated with this energy consumption	754,130 kgCO _{2e}
Of which renewable electricity	$= 900 \text{ MWh} \times 0.10046 \text{ kgCO}_{2e}/\text{kWh} \times 1,000$ $= 90,414 \text{ kgCO}_{2e}$
Of which non-renewable electricity	$= 1,844 \times 0.18254 \text{ kgCO}_{2e}/\text{kWh} \times 1,000 =$ $336,604 \text{ kgCO}_{2e}$
Of which renewable heat	0 kg CO _{2e}
Of which non-renewable heat	$= 1,792 \text{ MWh} \times 0.18254 \text{ kgCO}_{2e}/\text{kWh} \times$ $1000 = 327,112 \text{ kgCO}_{2e}$

Facility A reports:

- 1,500 MWh of delivered renewable electricity (which will be treated exactly the same as grid electricity)
- 3,073 MWh natural gas for the non-renewable electricity it consumed
- 1,730 MWh of biogas for renewable heat it consumed
- 1,792 MWh of natural gas for non-renewable heat it consumed

The reporting form would calculate CO_{2e} emissions associated with this energy consumption of 1,038,747 kgCO_{2e}.

Facility B reports:

- 900 MWh of delivered renewable electricity (which will be treated exactly the same as grid electricity)
- 1,844 MWh of natural gas for the non-renewable electricity it consumed
- 1,730 MWh of biogas for renewable heat it consumed

- 1,792 MWh of natural gas for non-renewable heat it consumed

The reporting form would calculate CO_{2e} emissions associated with this energy consumption of 754,130 kgCO_{2e}.

D.2 CHP special reporting methodology

Fuel consumed in plant carrying out activities listed in Schedule 2 to The Greenhouse Gas Emissions Trading Scheme Order 2020 (ETS) is excluded from the CCA target facility. This means that such fuel is not included in the target facility's baseline and will not be reported by the target facility at future target periods.

For a number of facilities, all fuel consumed for the generation of heat is covered by UK ETS. This means that, in many cases, grid electricity is the only energy included in the CCA target facility.

However, at some facilities where all fuel for the generation of heat is covered by UK ETS, CHP plant is also used to meet all or a proportion of the facility's electricity demand. Where the fuel consumption of this CHP is covered by UK ETS, the fuel consumed by the CHP plant is also excluded from the CCA target facility.

Over a given period of time, such as a base year or a target period, the CHP plant may not meet all the facility's electricity demand. This could be because the CHP plant has insufficient capacity to do this or it is not operating for maintenance or other reasons. In these situations, the facility will have to import grid electricity and this electricity will be included in the CCA target facility. This means that the electricity consumption included in the CCA target facility could change appreciably over time even if its total electricity consumption remains the same. In these situations, the apparent performance of the CCA target facility is subject to large movements, up or down, and for reasons unconnected with the efficiency with which electricity is consumed. This means that apparent performance may become uncoupled from actual performance.

A special reporting methodology (SRM) has been devised to reduce this volatility in apparent performance and for changes in apparent performance to more closely reflect changes in actual performance.

The SRM works by adjusting the throughput used in the calculation of performance of the target facility to reflect the proportion of total electricity consumption that is sourced from the grid. Actual grid electricity consumption is used as normal in the calculation of performance.

As such, performance for the facility in the base year or at a future target period is expressed as follows:

$$Performance = \frac{Total\ grid\ imports_{Primary} + Total\ Photovoltaic,\ wind\ or\ hydro_{Primary}}{Total\ throughput \times Grid\ intensity\ factor}$$

Where:

Grid intensity factor(delivered electricity) =

$$\frac{Total\ grid\ imports_{(d)} + Total\ Photovoltaic,\ wind\ or\ hydro_{(d)}}{Total\ grid\ imports_{(d)} + Total\ Photovoltaic,\ wind\ or\ hydro_{(d)} + Total\ other\ generators_{(d)} + Total\ CHP_{(d)}}$$

Where:

1. (d) is delivered electricity.
2. 'Total grid imports' is total electricity imported from the grid.
3. 'Total Photovoltaic, wind or hydro' is photovoltaic, wind or hydro renewable electricity generated onsite, not via the combustion of a fuel, and consumed onsite.
4. 'Total other generators' is all other electricity which is generated by the facility via the combustion of a fuel (which may be renewable or non-renewable) and consumed within the eligible facility.
5. 'Total CHP' is electricity generated by CHP (which may be either renewable or non-renewable) which is consumed within the eligible facility.

Where a facility meets the SRM criteria, the operator must use the SRM to calculate facility performance for the facility for the base year and subsequent target periods.

Appendix E: Definition of an installation in the CCA scheme

The Finance Act 2000 sets out that a facility to which a Climate Change Agreement can apply is taken to mean:

- (a) an installation covered by paragraph 51; or
- (b) a site on which there is or are—
 - (i) such an installation or 2 or more such installations,
 - (ii) a part, or parts, of such an installation,
 - (iii) a part, or parts, of each of 2 or more such installations, or
 - (iv) any combination of such installations and parts of such installations.

Paragraph 51 outlines that Part A installations in the Environmental Permitting (England and Wales) Regulations 2016 are the relevant installations to which a Climate Change Agreement can apply.

Paragraph 51 also includes installations that carry out eligible activities included in The Climate Change Agreements (Energy-Intensive Installations) and The Climate Change Agreements (Eligible Facilities) regulations (as amended).

The definition of an installation is included in The Environmental Permitting (England and Wales) Regulations 2016. An installation means:

- a stationary technical unit where one or more activities are carried on, and
- any other location on the same site where any other directly associated activities are carried on

Further information is provided in Appendix 2 of the Environmental Permitting [Regulatory Guidance Note No. 2: Understanding the meaning of regulated facility](#). Relevant extracts for the CCA scheme are included below.

Limb (i) Stationary Technical Unit (STU)

Two criteria exist for the purpose of determining whether plant or machinery satisfy the first limb of this definition:

- (1A) the plant or machinery must be a “technical unit” where one or more activities listed in Part 2 of Schedule 1 to the Environmental Permitting Regulations (“listed activities”) are carried out; and
- (1B) The technical unit must be stationary

For the purpose of criterion (1A), ‘technical unit’ can be taken to mean something which is functionally self-contained in the sense that the unit – which may consist of one component or a number of components functioning together – can carry out the Schedule 1 activity or activities on its own.

If there are 2 or more STUs on the same site they will be treated as a single STU if they are technically connected and one of the following criteria is met:

- they carry out successive steps in an integrated industrial activity
- one of the listed activities is a Directly Associated Activity (DAA) of the other
- both units are served by the same DAA

Limb (ii) Directly Associated Activities (DAA)

An installation consists of the stationary technical unit, identified under the first limb of the definition, plus any location on the same site where activities that satisfy the second limb are carried out. Three criteria are proposed for the purpose of determining whether an activity satisfies the second limb:

- (2A) The activity must be directly associated with the stationary technical unit.
- (2B) The activity must have a technical connection with the listed activities carried out in or by the stationary technical unit.
- (2C) The activity must be capable of having an effect on emissions.

Criterion (2A) requires that the activity is carried out on the same site as the stationary technical unit and that the activity serves the stationary technical unit (that is, there is an asymmetrical relationship whereby the activity serves the stationary technical unit, but not vice versa). If an activity, such as operating a landfill, serves a stationary technical unit carrying out a listed activity and some other industrial unit or units on a different site or carrying out non-listed activities, then the activity will only be directly associated with the stationary technical unit if that unit is the principal user of the activity.

Criterion (2B) gives rise to 4 types of DAA which may be said to have a technical connection with a stationary technical unit:

- input activities concerned with the storage and treatment of inputs into the stationary technical unit
- intermediate activities concerned with the storage and treatment of intermediate products during the carrying out of the listed activities – this might apply particularly where the stationary technical unit consists of a number of sub-units, with the product of one sub-unit being stored or treated prior to being passed on to the next sub unit in the production chain
- output activities concerned with the treatment of waste (or other emissions, like manure) from the stationary technical unit
- output activities concerned with the finishing, packaging and storage of the product from the stationary technical unit

These activities have a technical connection in the sense that they are integral parts of the overall listed industrial activity. Often there will also be a physical connection, such as a conveyor belt or pipeline, but this does not have to be the case.

The need for input, intermediate and output activities to be an integral part of a listed activity before it is caught by limb (ii) is presented as part of criterion (2B). Note, however, that the requirement for associated activities to be ‘directly’ associated in criterion (2A) also emphasises the need for associated activities to be an integral part of a listed activity before they are treated as part of an installation.

Criterion (2C) covers both activities that have an effect on emissions and pollution from the listed activities with which they are associated and activities that have such an effect in their own right.

Appendix F: Estimation techniques for meter failure or fault

The estimation techniques described in this appendix should only be used when there are gaps in energy supply data, for example, when a meter fails or is subsequently found to have been faulty.

F.1 Introduction

There are 5 basic steps you should follow when applying an estimation technique:

1. Identify gaps in energy supply data.
2. Identify a suitable technique to address these gaps.
3. Quantify the missing data using the technique.
4. Use the data to complete target period reporting data.
5. Retain records for future reference and potential facility audit.

To decide whether an approach is reasonable or not, you should consider which technique will be the most accurate, that is, you should select the technique on the basis that it is limited to filling the data gaps, maximises the use of primary source data and acknowledges the levels of activity during the period of the data gaps.

You must ensure that the reasons for your choice of technique and the steps in your estimation process are documented to provide an audit trail.

F.2 What are the estimation techniques?

The 4 techniques available to use are:

- estimated energy bills
- pro-rata calculation
- direct comparison
- price settlement

The ways in which you can apply these techniques are described in turn below with examples. They are not in a priority order and you should consider which method is most reasonable as outlined above.

Other techniques, such as benchmarking, are not valid as estimation techniques within the CCA scheme. This is because establishing benchmark data and then measuring estimated data against them would make effective verification (either by the operator or the Administrator) too complex.

It is important to ensure the estimate resulting from your chosen method does not under-estimate supply.

Technique 1: Estimated energy bills

You can use estimated bills from suppliers to establish the energy supplied for electricity or fuels (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 period. All evidence for estimated bills should be kept to provide an audit trail.

Example – Operator A

Step 1: Some time after the billing period, an invoice for natural gas supply to operator A is identified as being estimated.

Estimates are used where bills are issued more frequently than actual meter readings are recorded.

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 operator A uses estimated bills to cover that period.

Operator 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 2 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

Operator A should report the estimated supply for the period where appropriate.

Step 5: Operator A should keep auditable records of the estimated bills as part of its records for the target period. These are:

- supplier invoices for CCA 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)

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 CCA target period 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).

To ensure that the data used to fill the supply gap remain relevant, the data must cover at least 3 months and be no more than 12 months outside the period to be estimated. You should keep all evidence to provide an audit trail.

This technique can also be used for situations where a gas meter corrector fails but the mechanical meter continues to operate, preventing the corrected energy consumption over a period of time from being known. Provided both corrected and mechanical meter readings have been collected over a reasonable period of time during which the whole metering system has been operating correctly, and a good correlation exists between the 2, this correlation can be used to estimate the corrected energy consumption from the mechanical meter readings over the period of corrector failure.

Example – Operator B

Step 1: Operator B is missing natural gas data for the final 2 months of a target period due to meter failure.

Step 2: Operator B has chosen to use the pro rata method based on actual meter readings for the 10 months before the meter failure.

Step 3: Operator B calculates the amount of energy supplied for the period.

Actual meter reads (corrected) in units of hundred cubic feet (HCF):

- 1 January 2016: 2,090,658 HCF
- 1 November 2016: 2,240,658 HCF

Supply between 1 January 2016 and 1 November 2016 = 2,240,658 – 2,090,658 = 150,000 HCF

Metered period: 303 days, missing 62 days at the end of the period.

Supply in period: 150,000 HCF

Pro rata for the January to December year = [(daily supply rate) × data gap in days] + rest of year supply = total year supply = [(150,000/303) × 62] + 150,000 = 180,693 HCF.

Or:

This can be calculated as kilowatt hours (kWh). Using the conversion factors given below for this example calculation, the supply in the period is calculated as 4,706,226 kWh:

- Temperature and pressure correction factor = 1.02264 (usually the figures for temperature/pressure correction and calorific value are printed on the gas bill)
- HCF (corrected) × 2.832 to convert to cubic metres (m³)
- m³ × CV of 39.0000 MJ/m³ to convert to megajoules (MJ)
- MJ divided by 1,000 to convert to GJ
- GJ × 277.78 (1 GJ = 277.78 kWh) to convert to kWh

Pro rata for the January to December year = [(daily supply rate) × data gap in days] + rest of year supply = total year supply = [(4,706,226/303) × 62] + 4,706,226 = 5,669,216 kWh
Note that this figure is not for the whole target period.

Step 4: Operator B reports the estimated supply as part of its submission for its facility's target period. This will need to include all metered data for year 1 of the target period as well as any other fuels consumed for the CCA target facility.

Step 5: Operator B records all meter readings and conversion factors used and documents these for its audit trail. This should also contain details of monthly gas supply and calorific values (CVs) for the reporting period. CVs can be obtained monthly from supplier's invoices or daily from the [National Grid website](#).

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). 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 must be no more than 12 months from the period to be estimated. You should keep all evidence to provide an audit trail.

Example – Operator C

Step 1: Operator C has inaccurate natural gas supply data caused by a meter fault.

Step 2: Subsequent analysis by operator C or the supplier shows that natural gas supply was under-reported over a 3-month period before the fault was noticed and rectified.

Step 3: Operator C should calculate the amount of energy supplied in the period.

The fault related to a manufacturing operation which uses natural gas for drying a product.

Operator C notes that shift patterns and production volumes are similar to the previous year.

Operator C selects best fit data for 3 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 this could be for temperature, for example, using degree days).

Step 4: Operator C reports the supply for its target period reporting as follows:

Reported supply in CCA target period: 21 months' actual data and 3 months' adjusted data

Step 5: Operator C should record the following:

- evidence that a fault affected the gas meter and, if available, that it was repaired
- analysis showing the fault had affected 3 months' data
- the 3 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, production volumes and so on.

Technique 4: Price settlement

As a last resort, you may use a price settlement (energy cost data) with suppliers as the basis for CCA target period 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 operator, to justify a reasonable unit price figure is used to convert this into a supply figure. You should keep all evidence as an audit trail.

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 – Operator D

Step 1: Operator 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: Operator D can take the aggregated cost data and convert this into supply data using the unit price shown on an earlier bill for this billing period (pence per kWh).

Step 3: Operator 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 6.87 p/kWh (see Step 5: Records))
- then calculate energy supply = $\text{£}150,000 / 0.0687 = 2,183,406 \text{ kWh}$

Step 4: Operator D reports the supply for the purpose of target period reporting as follows.

- Reported supply in period: 2,183,406 kWh

Step 5: Operator D should record the following:

- 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 operator D might use are as follows:
 - weekend units: 8.69 p/kWh, estimated as 35.6% supply
 - night units: 4.78 p/kWh, estimated as 7.4% supply
 - other time units: 6.00 p/kWh, estimated as 57% supply
 - average unit price = $(8.69 \times 35.6) + (4.78 \times 7.4) + (6.00 \times 57) / 100 = 6.87\text{p}$

Appendix G: Facility eligibility form (FEF)

The facility eligibility form (FEF) can be used by operators for an application for an agreement or when providing facility eligibility evidence for an audit.

Section 1 – Operator Details

1) Operator

1a) Operator Name	Enter operator name
1b) Company Number (if applicable)	Enter company number
1c) Operator Address	Enter operator address

Section 2 – Facility Profile

2) Facility

2a) Site Name	Enter site name
2b) Facility Address	Enter facility address
2c) Facility Postcode	Enter facility postcode
2d) Facilities Contact	Enter contact name
2e) Facilities Contact email address	Enter contact email address
2f) Facilities Contact address	Enter contact address
2g) Facilities Contact phone number	Enter contact phone number
2h) Consultant Name (where applicable)	Enter consultant name (where applicable)
2i) Consultant Company (where applicable)	Enter consultant company name (where applicable)
2j) Consultant email address (where applicable)	Enter consultant email address (where applicable)
2k) Consultant phone number (where applicable)	Enter consultant phone number (where applicable)

3) Related agreements

3a) Is the facility adjacent to or connected to an existing CCA facility?	Yes/No
3b) Connected Facility Number	If Yes to 3a - Supply

4) Previous agreements

4a) Has any part of the facility been previously covered by a CCA?	Yes/No
4b) Has the facility recently had a change in ownership?	If Yes to 4a - Supply
4c) Previous Facility Number	If Yes to 4a and 4b - Supply
4d) Has any part of the facility been covered by a CCA that has previously been terminated?	Yes/No
4e) Previous Facility Number	If Yes to 4d - Supply
4f) Date agreement commenced	If Yes to 4d - Supply Day/Month/Year
4g) Date agreement was terminated (If applicable)	If Yes to 4d - Supply Day/Month/Year
4h) Reason for termination	If Yes to 4d - Supply

5) UK emissions trading scheme (UK ETS) coverage

5a) Is the facility covered by the UK ETS?	Yes/No
5b) UK ETS Number	If Yes to 5a - Supply
5c) Installation Name	If Yes to 5a - Supply
5d) Installation Postcode	If Yes to 5a - Supply

6) Agreement type

6a) Eligible under	Environmental Permitting Regulations (EPR) or Energy Intensive (EI)
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7) EPR authorisation – where applicable

7a) Do you currently hold an EPR for any activity being carried out in the facility?	Yes/No
7b) Please provide permit number(s)	If Yes to 7a – Please Supply
7c) Who is the regulator who has issued your permit?	If Yes to 7a – Please Supply
7d) If Yes to 7a, please attach a copy of the Permit. When providing a copy of your permit, please ensure you include the sections describing the activities and their extent.	Attached/not attached

Section 3 – Information on the extent of the facility

A detailed description of the process from start to finish must be provided. This must identify the eligible activities and explain which activity or substance makes them eligible under the sector's CCA eligibility criteria (see Appendix A).

Please also demonstrate how any directly associated activities (DAA) are included. These are activities on the same site with a technical connection to those listed in Appendix A and which could have an effect on emissions.

Where activities are neither eligible nor directly associated with eligible activities, they will be considered ineligible.

All additional information necessary to identify what is being produced and how must be provided. A process flow map and site plan must be included, with annotations clearly identifying eligible, directly associated, ineligible, and 70% areas. Colour coding should be used as follows: green for eligible activities, amber for DAA, and red for ineligible activities.

The site plan should clearly show the boundary of the facility marked in red. Ideally, it should be based on a satellite or aerial image but must show the extent of the facility in relation to fixed infrastructure or features outside the facility boundary, such as roads, buildings, or other landmarks, to geographically contextualise the location.

7) The manufacturing process

Please attach a description of the manufacturing process conducted at this site from receipt of raw materials to dispatch of final product. It should be of sufficient detail to allow an unambiguous interpretation of the extent of your process(es). The narrative should also describe the product or range of products being produced.

Manufacturing process description (PDF)	Attached/not attached
Process flow maps (PDF)	Attached/not attached
Annotated site plans (PDF)	Attached/not attached

8) The eligible process

Please attach a brief description of the plant or processes directly used at the facility, covered by the sector's eligibility criteria (see Appendix A). Do not include any directly associated activities at this stage. It is essential that a clear explanation of how the activities meet the eligibility criteria, stated in Appendix A, for the sector are met. Simply quoting the eligibility criteria is not sufficient you should explain how you meet the criteria by drawing in the information supplied in the process flow and manufacturing process descriptions provided.

8a) Eligible process description	Attached/not attached
Enter eligible process description here if not attached.	

9). Directly associated activities

Please attach a description listing any activities that you consider to be 'directly associated'. The description should address how the activity or process meets the criteria for being directly associated. Any directly associated activities must be on the same site as the activities described above under section 8. They must be technically connected, they must serve the activities described in the eligible process and must be capable of having an effect on emissions.

9a) DAA description	Attached/not attached
Enter DAA description here if not attached.	

Section 4 – Application of the 70% rule (on basis of most recent 12-month continuous data)

10) Application of the 70% rule

10a) The facility occupies the entire site, that is, the energy consumed by the installation defined above in the 'Extent of Facility' (section 3) is greater than or equal to 70% of the primary energy used within the site.	Yes/No
10b) The facility occupies part of the site, that is, the energy consumed by the installation defined above in the 'Extent of Facility' (section 3) is less than 70% of the primary energy used within the site. In this case the eligible facility can be defined to include other activities that consume no more than 3/7ths of the consumption of the installation.	Yes/No
10c) Provide the exact percentage of energy consumed in the installation (STU + DAA) as a proportion of the whole site energy use, excluding any additional energy that can be claimed under the 3/7ths provision.	Please enter a number between 0% and 100%.
10d) Provide the percentage of energy consumed in relation to the 3/7ths provision as a proportion of the installation's (STU + DAA) energy use, where this is applicable (needs to be sub-metered).	If Yes to 10b – Please enter a number between 0% and 42.9%.
10e) Is sub-metering in place for the eligible facility (STU + DAA + 3/7ths)?	If Yes to 10b – Supply
10f) Sub-metered start date	If Yes to 10b – Supply

11) 70% evidence

You will need to provide data (for example, from permanent sub-metering or spot metering, or estimates). The origin of all data should be specified. Please give the basis of any estimates and show any formula used.

11a) Please attach: Evidence that the activities described in Section 3 consume the percentage of primary energy stated in 10c and 10d Evidence that suitable sub-metering has been installed.	If No to 10a – Attach evidence
11b) Please attach either: Evidence that activities in the installation (STU + DAA) is greater or equal to 70% of the site's total energy use. Or: Evidence that activities outside of the installation (STU + DAA) are less than 30% of the site's total energy use.	If Yes to 10a – Attach evidence

Section 5 - Eligibility confirmation

If you are aware, or become aware at any point, that the facility does not meet the eligibility requirements to hold a CCA, you must notify the Environment Agency immediately and confirm the date on which the facility ceased to be eligible and provide evidence. This applies whether that conclusion was reached before or as a result of compiling the information requested. Please note that this date will be notified to HMRC.

12) Eligibility confirmation

12a) Are you completing this form for an application for a change of ownership or facility eligibility audit?	Yes/No
12b) Are you aware, or have you become aware at any point, that the facility does not meet the eligibility requirements to hold a CCA?	If Yes to 12a – Yes/No
12c) Confirm the date on which the facility ceased to be eligible.	If Yes to 12a – Supply
12d) Please attach evidence to confirm the date on which the facility ceased to be eligible.	If Yes to 12a – Attach evidence

Section 5 – Submission

I declare that to the best of my knowledge the information provided on this form is correct.

I understand that the climate change agreement is bound by the process definition and description of eligible areas of the facility as described on this form. I accept that if there are any changes to the process or the eligible area, I will notify this to the Administrator through the operator in order that an assessment can be made of the need to review the extent of a facility's eligibility.

Please supply evidence that the operator associated with this facility has authorised the submission of this information.

Signed (electronic signature)	
Name	
Position or title	
Date	

Appendix H: Workbook tools

New entrant and variation target calculators

Workbook	Used for	File name	Application
Target calculator	New applications and base line variations including data corrections	LIT 10506	This workbook is for working out the appropriate targets for new entrant facilities or for existing facilities. It may be used for baseline revisions due to eligibility changes, structural changes or errors. Some data has to remain fixed (for example units, percentage improvement profile). It captures revised baseline energy and fuel split data and calculates the facility numerical targets by using the facility percentage targets.

Reporting variation target calculators

Workbook	Used for	File name	Application
Supply disruption calculator	Target adjustment	LIT 10083	This workbook is mandatory for use in cases where an unexpected disruption in the supply of energy to a site, or an unexpected failure in on-site dedicated electricity generation has occurred. It enables the target to be adjusted in line with the extra energy associated with the disruption of power supply.
Fall in throughput for facilities that have 100% fixed energy (previously known as absolute target)	Target adjustment	LIT 10086	This workbook is for target adjustment in cases where the throughput of a facility that has apportioned 100% of its energy as fixed energy falls by more than 10% of twice the base year throughput.