

Climate Change Agreement for NAMB

Note 08: How CCAs interact with other schemes

Dec 2015

Carbon and Energy Policies

Climate Change Agreements (CCAs) are just one of a suite of carbon and energy policies introduced by the UK Government to reduce energy consumption and hence carbon emissions. CCAs are one of the 'oldest' policies having been introduced in 2001 when the Climate Change Levy (CCL) was introduced. Since 2001, a number of other carbon and energy reporting schemes have been introduced. In recent years, the Government has tried to prevent overlap between the schemes, however, there remains complex interactions between the schemes.

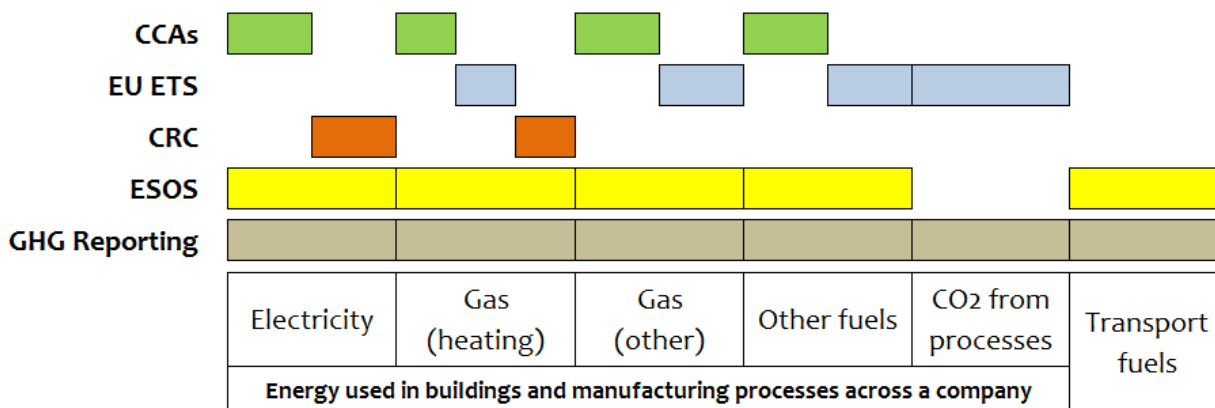
The purpose of this guidance note is to summarise the other schemes and explain what companies with a CCA need to know about them. The table below provides a high level overview of five government policies where energy and carbon data is collected and reported upon.

<u>Climate Change Agreements</u>	CCAs are voluntary and only available to sites undertaking an 'eligible' process. A company agrees to reduce the energy consumption or carbon emissions at the site in return for both a discount on the Climate Change Levy and for that energy to be exempted from the Carbon Reduction Commitment.
<u>EU Emissions Trading Scheme</u>	EU ETS is mandatory for all sites undertaking specific processes or having a large amount of combustion equipment. EU ETS is a 'cap and trade' scheme; i.e. a site is set a cap on the CO ₂ e it can emit and if it is over that allowance it must secure more allowances in a trading market to cover its actual emissions.
<u>Carbon Reduction Commitment</u>	CRC is mandatory for all organisations that use over 6,000 MWh of electricity through half hourly meters. The affected organisation then reports electricity and gas annually which is converted in carbon allowances and must then be purchased. Any energy already covered by CCAs or EU ETS is excluded from CRC.
<u>Energy Savings Opportunity Scheme</u>	ESOS is mandatory for any organisation that contains at least one company that is classed as a 'large undertaking'*. A qualifying organisation must measure their buildings and vehicle energy use over a 12 month period and assess the potential for energy savings across at least 90% of the total energy consumption.
GHG Director's Report	All UK quoted companies must calculate their Greenhouse Gas (GHG) emissions in tonnes carbon equivalent (CO ₂ e, also known as their carbon footprint) annually and include in their Director's Report. The CO ₂ e emissions cover all sources of greenhouse gases (e.g. energy, transport, waste, refrigerants, agriculture, etc).

* A large enterprise is classed as a company that has 'more than 250 employees', or, 'a turnover exceeding €50m and a balance sheet exceeding €43m'.

Overlaps between the policies

The diagrams below illustrates for a typical company which energy sources are reported under each scheme.



As illustrated above, energy covered by a CCA should not also be reported in EU ETS or CRC, but it could also be included in ESOS or a GHG report.

Other differences

The five schemes highlighted also use different reporting years as illustrated by the diagram below.



Further information

If you, or think you could be, affected by the other carbon and energy policies, please find links below to accessing further information or please do not hesitate to contact the CCA helpdesk as we are knowledgeable about many of these schemes.

CCAs

<https://www.gov.uk/climate-change-agreements--2>

CRC

<https://www.gov.uk/crc-energy-efficiency-scheme-qualification-and-registration>

EU ETS

<https://www.gov.uk/participating-in-the-eu-ets>

ESOS

<https://www.gov.uk/energy-savings-opportunity-scheme-esos>

GHG Reporting

<https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance>

The government is looking to simplify this policy landscape and if there are consultations relevant to NAMB CCA companies we will make you aware of them via a news email.

For further information please contact SLR's NAMB CCA helpdesk:

+44 (0)844 800 1880

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or visit **www.slrconsulting.com/namb**

The full suite of NAMB CCA Guidance Notes are listed below and can be accessed via contacting the helpdesk or visiting the website.

Guidance Note	Title
1	What is a CCA
2	Applying for a CCA
3	NAMB CCA Administration Charges
4	Completing HMRC PP10 and PP11 Forms
5	Timetable of NAMB CCA Activities
6	Obligations under your CCA including audits
7	Reporting data at each Target Period
8	How CCAs interact with other schemes
9	Glossary and Abbreviations
10	What happens if...