



News Release

24 March 2010

Energy Managers urged to study clarification to the Carbon Reduction Commitment

The Environment Agency has published two points of clarification regarding the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme early action metric. Participants that do not take this guidance into account could fail to achieve full benefit from the scheme, which is due to come into effect on 1st April 2010.

Christine St John Cox, Principal Consultant Carbon Management and Regulation at energy and climate change consultancy AEA, has this advice for Energy Managers:

“Early action metric scores will now be based on kWh, not emissions coverage and credit will only be received through Automatic Meter Reading (AMR) meters for the period of time in 2010/11 that they qualify as AMR, not for the entire yearly supply.”

According to new guidance Energy Managers looking to install AMR equipment should make sure they fully understand how the metric will apply. This is important as the metric affects their league table position and revenue recycling payments over the first three years of the scheme.

St John Cox continued, “Energy Managers and the organisations they work for must pay attention to this guidance in order to maximize their opportunity from the CRC, to improve brand & reputational performance, reduce cost and benefit from a financial bonus.”

The new Environment Agency guidance and its implications are as follows:

- The AMR part of the early action metric will be based on supply coverage, i.e. kWh, rather than emissions coverage as was intended during the earlier development of the scheme. This is significant because the emissions intensity of electricity is nearly a factor of three greater than for gas. The business case for additional AMR must therefore be based on the energy supplied through each meter, and not the associated emissions.
- Secondly, participants will only get credit for the supplies through AMR meters for the period of time in 2010/11 that they qualify as AMR, not for the entire yearly supply for every meter that is AMR qualifying at the end of the year. They would be wrong to assume that installing a meter in March 2011 will gain a full year’s credit.

The Environment Agency has published its new guidance, which can be accessed on this link: <http://www.environment-agency.gov.uk/business/topics/pollution/116626.aspx>

- Ends -

For more information contact:

Michael Evans/Rowan Baker
Madano Partnership
www.madano.com

020 7593 4000

Jo Wheeler – AEA PR Manager – 0870 190 2799/ jo.wheeler@aeat.co.uk

About AEA

AEA is one of the world's leaders in the field of climate change and energy consultancy - operating in the UK, Europe, the US and China. It is the leading provider of advisory services to the UK Government and works extensively with the EU and major private sector organisations. With internationally renowned expertise in air quality and climate change, carbon management, resource efficiency and the environmental impacts of transport, AEA employs many world leading experts and provides a high-level of policy consultancy and a range of technical services to its public and private sector clients.

AEA manages the UK government's Envirowise project, one of the world's largest resource efficiency programmes and provides carbon management expertise to many of the UK's largest private sector organisations.

AEA is voted Number One Consultancy for Climate Change and Renewables by industry consultants (Edie surveys 2006, 2007, 2008 and 2009). AEA is also Winner of The Best Carbon Reduction Project (Edie Awards for Environmental Excellence 2009).

For further information please visit www.aeat.co.uk.