



DON'T LET THE **CARBON REDUCTION** COMMITMENT MAKE AN **APRIL FOOL** OUT OF YOU

The Carbon Reduction Commitment, or "CRC", is coming but many organisations are either unaware of the obligations that it places on them or are not taking the steps that need to be taken.

The CRC will involve management time, new systems and skills and cost.

In late summer this year the Environment Agency will write to all organisations covered by the scheme - that is, any organisation which consumes electricity through half hourly meters. Organisations will have to reply with details of their half hourly meters and of electricity consumption in 2008.

From April 2010 organisations which (together with their group entities) consumed, in aggregate, more than 6,000 MWh of electricity through half hourly meters in England and Wales in 2008 will have to purchase and submit allowances to emit carbon dioxide. Allowances must be purchased for all energy used other than in transport.

You need to be taking steps now. Most importantly:

- ||| understand how the scheme applies to your organisation - some of the rules are complex
- ||| check that you have details of all half hourly meters of organisations within your group
- ||| check that you have electricity consumption figures for 2008
- ||| nominate one person to be responsible for CRC compliance and make sure that they understand the obligations
- ||| make sure that the person who is responsible for paying the electricity bill (this is the person to whom the Environment Agency will write in the summer) knows who is responsible for CRC compliance

For organisations caught by the CRC there will be potentially onerous obligations including monitoring, reporting and administering the scheme, as well as a need to tie up capital to purchase allowances. A publicly available league table of efficient and inefficient energy users will put organisations' performance in the public domain and will put pressure on them to live up to their green claims.

We will be producing a series of bulletins on how the CRC will affect you. These will be published on our website and emailed to our mailing lists. If you would like to receive copies of the bulletins please subscribe at <http://www.martineau-uk.com/subscribe.htm>

This bulletin summarises complicated issues and should not be relied upon in relation to specific matters. You are advised to take legal advice on particular problems and we will be happy to assist.

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