

# CRC Carbon Jargon Glossary

**Absolute metric:** one of 3 metrics used to rank CRC Energy Efficiency Scheme participants in the Performance League table during the Introductory Phase; the score is based on the participant's percentage reduction or increase of absolute emissions in a given year, relative to the group's average emissions over the preceding 5 years.

**Allowance:** GHG emission rights obtained from the government by participants in mandatory cap-and-trade schemes like the EU-ETS, the CRC Energy Efficiency Scheme and RGGI, and representing the right to emit one tonne of CO<sub>2</sub>e.

**Automatic meter reading (AMR):** a device that remotely captures electricity consumption data on at least a half hourly basis and reports it to the user.

**Cap-and-trade:** a system pioneered in the United States in the 1980s under which an overall limit or "cap" for emissions is set and tradable allowances are auctioned, sold or granted to participating organisations. The total amount of allowable emissions is gradually reduced causing participants to trade their permits to achieve the desired reduction at the lowest overall cost.

**Carbon dioxide equivalent (CO<sub>2</sub>e):** a metric used to compare the relative global warming potential of different greenhouse gases. For example, methane is 21 times more potent than CO<sub>2</sub> - making 1 tonne of methane equal to 21 tCO<sub>2</sub>e.

**Carbon footprint:** the total greenhouse gas emissions from an organisation or activity, expressed in tCO<sub>2</sub>e.

**Carbon offsetting:** the process by which emissions from one source are matched against carbon credits derived elsewhere.

**Carbon Trust Standard (CTS):** a certification system developed by the Carbon Trust, demonstrating that an organisation has genuinely reduced its carbon footprint and is committed to making further reductions year-on-year; the CTS is an Early Action Measure under the CRC.

**Climate Change Act:** an Act of Parliament that became UK law in 2008; provides powers to set 5-year carbon budgets, make recycling payment and establishes enabling powers to introduce trading schemes such as the CRC.

**Climate Change Agreements (CCAs):** These relate to the Climate Change Levy, designed to encourage users to improve energy efficiency and reduce greenhouse gas emissions. CCAs allow energy intensive businesses to receive a discount from the CCL in return for meeting energy efficiency and carbon saving targets.

**Climate Change Levy (CCL):** a tax charged on electricity, coal and natural/petroleum gas supplied to industrial and commercial consumers.

**Core supplies:** energy supplies that CRC participants are obliged to report unless they are covered by a CCA or the EU ETS. This includes all electricity supplied through Half Hourly Meters, all electricity and gas supplied through AMR meters and all daily-read gas meters.

**CRC Emissions:** Regulated Emissions once one any EU ETS or CCA emissions have been subtracted.

**De-minimis Rule:** states that at least 90% of a CRC organisation's emissions must be covered by CRC, EU ETS or CCAs. The CRC allows participants to exclude up to 10% of their emissions from residual energy sources on the basis that the 90% of emissions are covered.

**Early Action Metric (EAM):** one of 3 assessment measures used to rank CRC Energy Efficiency Scheme participants in the Performance League table during the Introductory Phase. EAMs take into account energy management measures put in place, such as the use of energy saving meters and the obtaining of the Carbon Trust Standard.

**Emission factor or coefficient:** a number used to convert units of an activity or product into units of CO<sub>2</sub>e that result from the activity or from the manufacture and/or use of the product. Emission coefficients are usually expressed as tCO<sub>2</sub>e/[unit of activity].

**Emission reduction:** The removal, limitation, reduction, avoidance, sequestration or mitigation of greenhouse gas emissions.

**Evidence pack:** a set of records CRC participants must keep regarding their energy supplies, organisational structure and other supporting information to be given to the CRC administrator (the Environment Agency in England and Wales) as part of CRC compliance.

**Growth metric:** one of 3 assessment measures used to rank CRC Energy Efficiency Scheme participants in the Performance League table during the Introductory Phase. The score is based on the percentage change of emissions per unit of turnover or revenue expenditure and is determined by comparing carbon intensity relative to the participant's average over the preceding 5 years.

**Highest parent organisation:** the body with ultimate control over an organisational group; subsidiary undertakings of the highest parent will be grouped under the highest parent together to form the CRC participant.

**Performance league table:** a published table detailing the relative performance of all participants in the CRC Energy Efficiency Scheme against the various weighted metrics.

**Registry:** an inventory system that tracks the accumulation and removal or retirement of emission reduction credits by an organisation. Registries may be specific to a particular credit type, as is the case for the Gold Standard, CDM and Voluntary Carbon Standard registries, or may hold multiple credit types, as is the case for generic third party registries and proprietary registries maintained by individual companies.

**Regulated emissions:** Total Footprint Emissions once up to 10% of Residual energy sources have been excluded (see De-minimis rule) provided that at least 90% of organisational emissions are covered by CRC, EU ETS and CCA.

**Relevant emissions:** emissions from all sources of energy other than transportation, domestic accommodation, non-UK consumption, unconsumed supply and public lighting in Northern Ireland.

**Residual sources:** any energy supplies other than the Core sources – these include LPG, coal, and diesel. Various types of both non half hourly and gas supplies can be determined as residual.

**Significant group undertaking:** an individual undertaking or grouping of undertakings within an organisation that would have met the qualification criteria for participation in the CRC in their own right, were they not part of a large organisation.

**Total Footprint Emissions:** relevant emissions once any CCA related emissions have been subtracted.