

CRC UPDATE

January 2012

In January, the Department of Energy and Climate Change (DECC) issued a new draft of the CRC Energy Efficiency Scheme allocation regulations. The draft regulation is open to comments until 10th February 2012. The key points are summarised as follows:

Account Holder

Each CRC participant must designate at least one account representative, and can designate up to a maximum of three representatives. A fee of £70 will be charged to make any representative changes. More detailed guidance is expected to be published by the Environment Agency (EA) in early 2012 regarding account representatives.

Purchase and Allocation of Allowances

According to the regulation, there are two main allocation periods - Primary and Secondary. During the Primary Allocation Period, participants purchase allowances from the Government. The Secondary Allocation Period is an opportunity for the EA to finalise any late allowance requests.

The first Primary Allocation Period begins on the first working day of June 2012 and ends on the last working day of July 2012. This will be repeated for the 2012-13 and 2013-14 CRC reporting periods.

It should be noted that the account holders may make multiple requests during each Primary Allocation Period however they will not be able to request allocations in the Secondary Allocation Periods.

Price and Payment of Allowances

The price of allowances for the 2011-12 year has been confirmed at the rate of £12/tCO₂, however it has not been confirmed beyond that date.

Payments must be made to the bank account appointed by the EA, by electronic transfer.

The EA may charge participants for buying allowances, with the fee yet to be determined "by reference to the costs of allocating the allowances".

Issue of Allowances

Upon the receipt of payment in full for allowances, the EA will issue the number of allowances to the participant's compliance account.

Need help with your CRC compliance strategy or evidence pack? Call us today on 0845 838 7564.