

# **CRC scheme must continue to focus on carbon reduction and not on fining administration, energy experts warn**

An independent energy broker says the CRC scheme must continue to focus on its goal of national carbon reduction and not on revenue generation for the Government.

Despite threats of fines, only 2,598 from the expected 5–6,000 large organisations have registered for the CRC in time to meet today's deadline, and many smaller companies have been unable to submit information and complete the registration process on time.

Leading energy procurement experts at Bergen Energi UK say the lower-than-expected registration figures prove the administrative burden and level of bureaucracy involved of complying with CRC regulations has been too great and too slow a process.

Bergen Energi UK has urged the Government to be as lenient as possible on those companies and work with them to help them register successfully as quickly as possible – without levying potentially crippling penalties.

The Environment Agency is now due to administer fines of £5,000 to businesses for non-registration and £500 per day for further non-compliance.

Richard Southgate Vice President, Bergen Energi UK said: "There had to be a cut-off point, and the idea of using fines as a threat to make more companies take part in the CRC was appropriate up to a point, but hitting already-struggling companies with fines will have irreversible repercussions for many firms especially in this economic climate.

Our concern is that the sheer volume of businesses that remain unregistered, either due to non-compliance or being stuck in the paperwork processing pile may force the Environment Agency to follow through with its promise to administer levies. This level of fining will not be of any benefit to participants and is bound to hamper the scheme's overall success.

As the flagship scheme for UK carbon reduction it must continue to focus its support solely on driving down national energy consumption.

"The money shouldn't matter here and CRC should not be seen as a source of revenue for the Government – what really counts is carbon reduction, and it's obvious that smaller companies involved with the CRC need help to ensure they can register properly.

"What's needed now is an equitable solution that suits everyone – those employers that have taken the time to register – and those that have not been able to do so. A phasing-in based approach would provide a sensible starting point.

CRC requires any business which has at least one half-hourly electricity meter reading during 2008 to make an information disclosure. Every participant who uses 6,000MWH of electricity via these meters must monitor and submit their energy consumption between April 2010 and March 2011. This performance data will result in an initial league table position which will change depending on participants ability to cut emissions.

Southgate added: Registration itself is not overly complex but can be a bit of a maze and thus an exasperatingly lengthy process. If you are an energy-intensive company that has found registration simply too time-consuming to your operations we understand you need to focus on your core business but would advise that you prioritise it sooner rather than later and seek expert support.

Although it s a wait and see for now as to how the government handles the financials of non-compliance, there will certainly be other negative repercussions such as on a company s reputation and via competitor comparisons, so it s best to act now.

We can guide customers through the entire CRC process from registration to data capture, correct format reporting, putting into place full and proper carbon abatement plan and preparing for purchasing allowances. Our ability to understand what the government requires and what is necessary to significantly reduce co2 emissions is second to none.

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