



Department
of Energy &
Climate Change



The Scottish
Government



Llywodraeth Cymru
Welsh Government



Department of the
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Enhancing the CRC Annual Report Publication – Options for Discussion

Government response

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Introduction

1. The Government and Devolved Administrations asked for views on three proposals to make small changes to the CRC Annual Report Publication (ARP), which the Environment Agency (EA) publishes each autumn. The ARP provides information about CRC participant organisations. This includes information about their organisation type, CO₂ emissions and renewable energy use.

Purpose and scope of discussion paper

2. The proposals were set out in the discussion paper “*Enhancing the Annual Report Publication – Options for discussion*”, which ran from 21 May to 2 July 2014, which was sent to CRC participants and stakeholders, and was also available on DECC’s CRC webpage on www.gov.uk. The purpose was to explore the possibility of publishing additional data sets to give public recognition for the investment in onsite renewables via the CRC, improve information on the performance of participants in the take up of cost-effective energy efficiency measures and to facilitate analysis and comparisons of participants’ energy efficiency performance by third parties. The paper sought views on:-

Renewables data

- i) new narrative section within the explanatory document that accompanies the ARP to highlight the total use of renewables; and
- ii) new column (to an existing table in the ARP) to represent for each participant the amount of CO₂ emissions that had been avoided through using onsite renewables.

Energy Use or Supply data

- iii) publishing energy use/supply data broken down by fuel type or on an aggregate basis for each participant, including applying a voluntary opt-in option to protect commercial confidentiality.

Turnover data

- iv) publishing up to date turnover data on a voluntary basis to provide a helpful context to emissions changes within an organisation.

3. 14 responses were received and a discussion workshop (with 80 attendees) was held on 18 June 2014.

Summary of Responses

4. There was limited support at best for the proposals. The main concerns were:
 - i) making more changes to the CRC at this stage is unnecessary so soon after the major simplification of the scheme in 2013. The priority of CRC participants at this time is for the scheme to benefit from some stability while the simplification changes are bedding in;
 - ii) publishing further information on renewables would dilute the main focus of the CRC as an energy efficiency scheme and be confusing. Participants felt that the purpose of the ARP should be to highlight what the Government is seeking to achieve on energy

efficiency through the whole of the CRC scheme rather than a specific focus on renewables within the ARP. Some respondents also pointed out that participants have a free text box within the ARP to report on renewable activity if they wish;

iii) releasing energy use/supply data would risk the publication of commercially confidential information by potentially revealing production volumes and could allow competitors to calculate commodity costs. It was acknowledged that the option of supplying this data on a voluntary opt-in basis would address concerns around commercial sensitivity, but consultees also indicated there would be limited take-up of this option. As a result, the data provided would be of limited analytical value and would not provide a meaningful or consistent way for third parties to compare participants' energy efficiency performance; and

iv) on turnover data, a number of concerns were raised about commercial sensitivity and whether turnover data provides a consistent and meaningful way to measure and explain changes in energy consumption. In many cases, there is a mismatch between the scope of a company's turnover data and the scope of its CRC energy use, for example where a company reports on a Group basis, but only part of the group's operations fall within the CRC. While the CRC has a standard annual reporting year, companies do not, so the latest turnover data a company could provide consistent with financial reporting rules may relate to a very different period to their CRC data. Again, responses indicated there would be limited take-up of the voluntary opt-in option and the data provided would be of limited value.

Conclusion and Next Steps

5. The Government and Devolved Administrations welcome these responses and would like to thank the respondents for their time in making them. We have considered these points carefully and on balance believe there is merit in the concerns raised.
6. Although it is delivering benefits to participants, it is acknowledged that simplification of the CRC scheme requires participants to familiarise themselves with a large number of changes. Although the changes proposed to the ARP are small and do not impose any new burdens on participants, we understand that participants would prefer some stability as the recent changes bed down. On renewables, the aim of the CRC scheme is to drive the take-up of cost-effective energy efficiency investment and although the proposals to publish further data do not change this focus, the responses indicated that they would not necessarily achieve the aim of recognising investment in renewables and could lead to confusion. The free text box provides an opportunity for participants to highlight wider renewables activity if they wish to use it.
7. The discussion document recognised concerns around commercial confidentiality if energy supply data were published. The responses received suggest that voluntary opt-in to publication of energy supply and turnover data would be limited, which means there would probably be limited value in providing this data. It is also accepted that there are some practical difficulties with proceeding with proposals to publish turnover data on a voluntary basis.
8. The Government and Devolved Administrations have therefore decided not to proceed with any of the proposals in the discussion paper to amend the ARP. This means the Government and Devolved Administrations will keep future publications of the ARP consistent with previous versions.

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