



E.ON Action for CRC

We have been proactively measuring our energy use and setting energy reduction targets for a number of years and have achieved significant energy savings as a result. Over the last 4 years we have reduced our absolute energy consumption by 29.2%, a reduction of 5,603,993 kWh and 3,055 tonnes of CO₂. Even so, compliance with CRC has been challenging in some areas. The CRC Order is supported by over 800 pages of formal guidance, this demonstrates how complex the scheme has become and we welcome DECC's intention to simplify certain administrative aspects of the scheme.

CRC emissions are responsible for just 0.1% of our overall GHG emissions so we have not developed a separate CRC strategy per se; we have incorporated CRC compliance within our existing carbon reduction programmes.

Following the introduction of CRC, our energy bills are now collated at a central location and saved electronically to comply with the information storage requirements. Long term storage of data can be challenging so we welcome DECC's simplification proposal that the length of time individual annual reports are required to be kept should be reduced to six years after the end of the scheme in question.

It has been necessary to develop new data collection and storage systems in order to comply with CRC rules that capture our relevant emissions based on our organisation structure as defined under the Companies Act. This is different to how we organise our business to measure emissions in accordance with the Greenhouse Gas Protocol (and almost all other greenhouse gas emission reporting standards). DECC's simplification proposal to allow groups, after qualification, to disaggregate to allow the monitoring, management and reporting of energy use for CRC compliance purposes to proceed in accordance with natural business units is an improvement. However in our case, investment has already been made to comply with the original CRC rules.

Having completed and submitted our annual report and footprint report on time, we now have two areas of focus. Firstly, we have completed an external audit of our evidence pack and are building on the conclusions of this exercise to help us further improve our performance. Secondly, we are preparing for the introduction of allowance payments next year and investigating how best these costs can be recharged throughout the different areas of our business.

Early Action metrics

We have taken action to improve our CRC league table position. We were first awarded the Carbon Trust Standard (CTS) back in 2009 and have recently successfully completed the recertification process. We have been able to report 96% coverage of CRC emissions in our annual report. However, we consider there is potential for different participants to interpret the CTS (or equivalent scheme) coverage calculation differently – we would like to see this calculation included in future



versions of the Source List Tool to help remove such ambiguity.

E.ON has been proactively installing automated meter reading (AMR) meters since 2007; however, the CRC did serve to accelerate our installation programme. To date we have installed 36 AMR meters on a total of 49 eligible electricity supplies, most of which were installed prior to the start of the first compliance year. Now we have completed the first compliance year the incentive under CRC to install AMR meters has been removed. However, we may still choose to install them on our remaining sites (those not already covered by the mandate to install AMR meters) if we see commercial benefit in doing so.

Whilst we were pleased to see the AMR calculation in the Source List Tool, we found that it does not collect all the information required to make the calculation so are concerned about its accuracy. We believe that there is potential for participants to interpret the calculation rules differently.

The uncertainty over both the CTS calculation and the AMR calculation is a concern as it casts doubt over the validity of the initial league table positions. As the metrics for calculating participants' league table positions change over the coming years, we are also concerned that league table positions will unfairly penalise those organisations that have been effectively managing their energy use for a number of years.

Eon have a Consultancy team who offer a CRC reporting and compliance service. For more information, see <http://www.eonenergy.com/In-Business/Sustainable-Energy/Carbon+Consulting>.