



The End of CRC

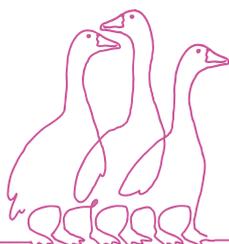
On October 1st this year, the CRC Energy Efficiency Scheme (Revocation and Savings) Order 2018 will come into force and will abolish the CRC when its current phase ends.

This means that from 1 April 2019 onwards, there will be no further obligation to monitor gas and electricity supplies under the CRC. The final CRC allowances must be purchased and then surrendered by the last working day of October 2019. The CRC Registry will continue to operate, and participants will have access to their CRC accounts until 31 March 2022 when the Registry will be closed.

What next?

The Streamlined Energy & Carbon Reporting (SECR) will be introduced from April 2019. The Government has legislated to increase the Climate Change Levy in 2019, to compensate for the removal of approximately £790m in annual CRC tax revenues.

Full guidance on compliance with the new SECR framework will be released later this year. Energy and Clean Growth Minister, Clare Perry, stated that the new requirements are expected to result in a 20% boost for energy efficiency by 2030, as well as supporting overall economic growth.



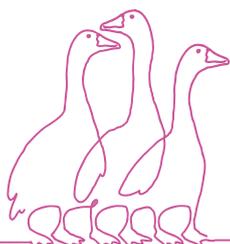


Who will need to comply with the SECR?

- All quoted companies that currently provide mandatory reporting of Scope 1 and 2 greenhouse gas emissions, and intensity metric as part of their directors' reports. In addition, under SECR they will need to include their annual energy consumption and any energy efficiency actions made in the reporting year.
- Unquoted companies with at least 250 employees, or an annual turnover greater than £36m and an annual balance sheet total over £18m (two criteria or more must apply). This is the definition of a large company in the Companies Act 2006 and includes large limited liability partnerships (LLPs).
- UK subsidiaries that qualify for SECR will not be required to report if they are covered by a parent's group report.
- Companies that are not registered in the UK are not obliged to file annual reports at Companies House and will not be in scope for SECR.
- Where a parent company is not registered in the UK, but has subsidiaries that are, these subsidiaries will be in scope if they qualify for SECR in their own right.
- Organisations not registered as companies, such as public sector organisations, are not in scope of the SECR framework.
- There will be an exemption for "very low energy users", which the government suggests will be entities that use 40,000 kWh or less in a 12-month period.

How will businesses report on their emissions?

- Companies will need to report under SECR using their annual report, by disclosing the information in the Director's Report.
- Reporting via Annual Reports is mandatory; however, electronic format reporting will be voluntary for 2019 and will be available as an option for the longer term.
- The Department for BEIS is giving further thought to whether there will be a centralised mechanism for collating published energy and carbon data.



For more information on CRC Energy Efficiency Scheme and the SECR please contact us on 01327 811166 or enquiry@4see.co.uk.

4see Ltd, Henge Barn, Pury Hill Business Park, Alderton Road, Towcester, NN12 7LS.

Tel: 01327 811166 | E-mail: enquiry@4see.co.uk | www.4see.co.uk

Follow us on: 


A SOCOTEC COMPANY