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CRC - A Strategic Approach will Reap Rewards

The CRC Energy Efficiency Scheme is now in full swing, but many companies covered by its criteria are still grappling with registration, and getting into place the processes needed to stop it being an administrative nightmare for each year's reporting. If, in 2008, your organisation had at least one half hourly electricity meter, then you will be obliged to register for the scheme. There was a misconception that if you are a user of under 6 million kWh you would be exempt, but this is not the case, and up to 30,000 businesses and public sector organisations will need to register by the end of September 2010.

The delay in getting registered is not the result of laziness or a dismissive view of the scheme. A recent survey we conducted at a series of seminars with Board level executives across London showed that 60% feel the scheme will give them competitive advantage and a staggering 74% were confident that the scheme would reduce their carbon consumption. The desire to get the most from the scheme is strong, but 58% of respondents stated that preparations for the scheme had been tougher than they expected.

So once you have established that your business is covered by the scheme and you need to prepare for registration by September 2010, what is the best way to approach the scheme and what are the chief considerations? From our experience, here are our top tips on navigating phase one of the scheme and making sure it doesn't become a distraction from your core business:

Strategic considerations

Allow plenty of time - If you have not already started planning, you now have less than three months to complete the registration process. Being structured and organised is the only way to reduce errors and avoid high implementation costs, so start today and get a board level sponsor.

Could the CRC Energy Efficiency Scheme effect your reputation? - It is increasingly important that a company's brand is seen by its stakeholders and customers, as a 'green brand'. The most obvious mechanism for measuring a company against its competitors on this issue will be via the league table. So, a strategy should cover how success

will be exploited to the business' advantage, but equally companies should anticipate, and be prepared for, any failing that the CRC league table will show.

Involve tenants - If you have tenants or franchisees engage with them in preparing for the scheme. This not only spreads the workload, but it is in their interests for the company to perform well, as savings as well as costs will affect their businesses.

Cashflow for allowances - A strategy for the scheme needs to consider the cash requirements to purchase and sell CO2 allowances during the later phases. If your business is covered by the league table element of the scheme, your performance in this will have a direct impact on the buying and selling of allowances.

Phase one tactical considerations

Understand the structure of the business - It is helpful to draw up an initial view of the group, its assets and energy supplies in order to develop a strategy. Use this and background information on the scheme to present to the board. If you have struggled to get carbon reduction onto the Boardroom agenda, you will find a vital ally in the CRC Energy Efficiency Scheme. No board of directors would welcome its organisation being positioned at the bottom of the public carbon reduction league table, particularly when it can actually reduce its energy use and save money. Even if your organisation does need to make a financial investment, a bonus paid through the league table system will make this worthwhile.

Crunching the numbers - The next step is formal collection of data, a time-consuming but important task based around the organisation structure and the energy meters and consumptions. We have found the best technique is to set up a Request for Information based on existing information and we ensure our customers' systems are integrated together for this process.

Maintain your evidence pack - In terms of the technicalities of registration and setting up the subsequent phases a physical Evidence Pack that clearly shows compliance is a must. The company could be asked to provide this information at any time, and an audit does not need to be a painful experience. Make sure someone in the business has clear ownership over maintaining the evidence pack.

Make year one count - There is a chance to gain back money from year one, whilst also establishing a good reputation for the company. The Early Action Metric delivers equal weighting of voluntary AMR and carbon accreditation and can which can affect the ranking to such an extent that nearly 2% of your annual energy costs will be saved. The process is simple - in principle at least - install AMR meters on all supplies where AMR is not mandatory and apply successfully for accreditation under Carbon Trust Standard (or equivalent) for energy and carbon management.

Once you are registered and active in the scheme its onto phase two, our next article will highlight the next steps on forecasting, purchasing of CO2 allowances and reporting.

Please view this link to hear more from Power Efficiency on CRC www.powerefficiency.co.uk/crcinterview