

# Carbon Reduction Commitment Energy Efficiency Scheme

The Carbon Reduction Commitment Energy Efficiency Scheme (CRC) is a new mandatory government initiative encouraging organisations in the UK to reduce their energy use and carbon emissions.

The scheme requires qualifying organisations to buy carbon allowances covering the CO<sup>2</sup> emissions they generate from fixed energy sources, including fuels for heating but excluding transport.

## Challenges

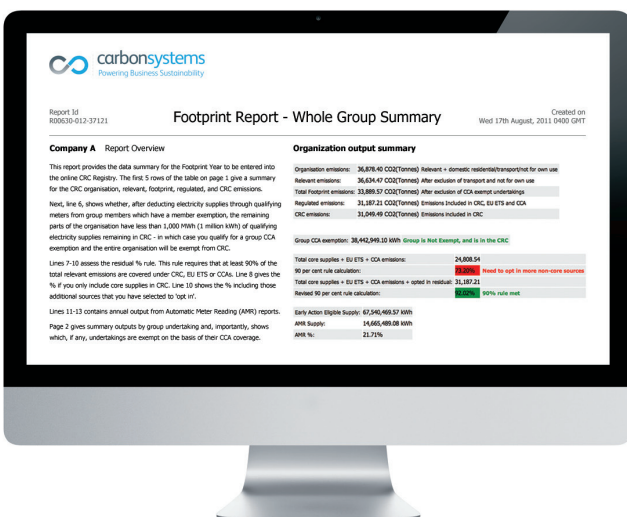
Many organisations are challenged by the complexity of the scheme's reporting obligations and face the risk of financial and reputational hazards and penalties.

*"This year we helped many organisations submit their first CRC footprint and annual report. Clients that used the ESP platform had significantly less administrative burden than our other clients. ESP surpassed our expectations. It simplified compliance reporting, regardless of organisational complexity."*

*Chris Maclean, Risk, Strategy & Carbon Consultant, EnergyQuote JHA*

## These challenges include:

- Data capture: many organisations face unprecedented challenges when it comes to capturing data from internal and external sources such as utilities, suppliers and metering agencies.
- Data assurance and reporting: organisations that fail to report carbon emissions accurately face reputational and financial risks.
- Organisational structure and boundaries: determining the scope and definition of an organisation according to CRC regulations, especially if foreign parents and subsidiaries are involved.
- Guidance: CRC reporting is a new, complex reporting regime. Organisations need guidance and support to ensure their submissions meet reporting obligations.
- Energy efficiency and performance: CRC reporting provides an opportunity for organisations to focus on their energy and fuel consumption – some for the first time.
- Carbon and environmental abatement program management – many organisations face challenges in evaluating the impact and return on investment of their carbon abatement programs.



## CRC Solution

CarbonSystems' Enterprise Sustainability Platform (ESP) delivers robust, audit level CRC compliance management and reporting capability. Hosted on a secure, web-based enterprise software platform, it delivers organisational reporting and carbon allowance purchasing with ease and assurance.

ESP allows you to store and manage your emissions data and evidence pack in one place, while providing financial grade reporting and flexible dashboards that summarise all your energy use and emissions.

Add to that our powerful forecasting tools and intuitive navigation interface and you can enjoy an unrivalled ability to meet all your CRC evidence pack and audit requirements.

ESP also delivers analytical, modeling and real time management tools allowing you to develop a comprehensive sustainability performance management framework. This gives you the power to drive internal accountability, benchmarking, management of your sustainability performance, and to target business areas for operational improvement and cost saving.

In sum, ESP solves all your business requirements for CRC reporting. What's more, it gives you the tools and intelligence to take a performance management approach to your energy and environmental performance in a carbon-constrained economy.

Issues	Business requirements	ESP Solution benefits
Data collection	Reduce time and cost of data collection + enhance process for compliance reporting	ESP speeds and simplifies data collection via robust, flexible electronic data interchange with internal business systems and 3rd party suppliers - reducing time and cost spent on CRC reporting.
Data assurance	Ensure data integrity	Data assurance features such as exception reporting, data estimation, automated error checking and audit trails ensure data accuracy and reporting confidence
Data reporting	Protect organisational reputation	ESP ensures accurate reporting by applying exclusions to emissions already covered by Climate Change Agreements and the EU Emissions Trading Scheme. ESP is always up to date with the latest regulatory requirements, ensuring all emission sources are automatically linked to relevant emission factors
Organisational structure and boundaries	Determine scope of organisation according to CRC regulations	Dynamic recording of organisational structure and boundaries ensures that your energy and emissions are accurately captured and reported in a CRC-ready format
Expert guidance	Comprehensive support	Our comprehensive guidelines and FAQs provide you with end-to-end support through CRC's complex reporting obligations
Audits and review	Meet Evidence Pack and potential audit compliance	ESP supports upload and attachment of evidence documentation to your assessment, ensuring all documentation is located in one place and accessible via the web. Multiple user functionality provides audit trail recording with accountability
Data security	Confidentiality of organisational data	ESP's secure web portal ensures absolute confidentiality and data protection. Our platform is hosted in a secure server environment using a firewall and other advanced technology to prevent interference or access from outside intruders.
Energy efficiency and cost reduction	Sustainability performance management	ESP delivers a range of analytical, modeling and real time management tools that allow you to develop a comprehensive sustainability performance management framework. Using internal and external benchmarking as well as scenario models, your organisation can identify areas for operational improvement and harness cost saving opportunities.
Strategy and scenario planning	Minimise financial risk associated with CO <sup>2</sup> allowance purchasing	ESP's accurate modeling and forecasting tools can produce significant savings by allowing you to buy sufficient CO <sub>2</sub> allowances in advance each year
Energy, carbon and environmental program management	Track, manage and assess the implementation and impacts of efficiency and abatement programs	ESP delivers a powerful suite of program management tools to set and track zenvironmental targets, manage performance and accountability, assess payback, return on investment and perform marginal abatement cost curve (MACC) analyses.

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