

Real Estate,
Energy and
Climate
Change

December
2010



CRC: GOVERNMENT CONSULTS ON PROPOSALS TO CHANGE PHASE 2 TIMELINE

London
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Rouen
Brussels
Geneva
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September saw the Government review the report of the Committee for Climate Change on the workings of the CRC Scheme.

The Committee was critical of the models used to create the existing base line. In its view, more time was needed before the implementation of Phase 2 to consider the effectiveness of the Scheme to drive energy use efficiency and the time could usefully be used to reduce the complexity of the Scheme before Phase 2 begins.

The October Spending Review included an announcement by the Government that the purchase of allowances would not be available in 2013/14, but a year later in 2014/15. Most controversially the payments received are to be used to support the public finances during this period.

This month the Government has started a consultation period which closes on 17 December 2010, putting forward for consideration:

- Extending the introductory phase by one year.

- Putting back the commencement of Phase 2 with the intention that the delayed Phase 2 (2012/13) will incorporate benefits of the review taking place during the “extra year” of Phase 1.
- Removing the information only disclosure which is believed to have little impact at the beginning of Phase 2.

Comments regarding the Consultation should be sent to CRC@decc.gsi.gov.uk.

The weightings resulting from Phase 2 will provide the ranking for the league table.

In the meantime the existing CRC Scheme remains mandatory and all participants should continue to comply fully. Organisations which fail to comply will be subject to enforcement action.

Of general interest, for its own reasons, the Government proposes an exception for Government buildings in Northern Ireland to the

usual treatment of energy reporting in respect of let buildings and an occupational tenant receiving a supply from the landlord will nevertheless be the responsible party.

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