



News Release

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AEA leads the way on helping companies prepare for the Carbon Reduction Commitment

Leading climate change and energy consultancy AEA is helping companies to save money by advising them on how to prepare for the impending introduction of the Carbon Reduction Commitment (CRC). In preparation for the introduction of the CRC in 2010, AEA has produced an expert paper which answers the key questions businesses are asking when considering how to prepare for the CRC.

Under the Carbon Reduction Commitment (CRC), affected organisations will have to buy carbon allowances according to the amount of energy they use. These will cost £12 per tonne of CO₂ produced, coming in at a total upfront annual cost of £1 million upwards.

At the end of the year this amount will be paid back by the government, plus or minus a bonus/penalty, depending on whether the company has met its energy reduction targets and how it compares to other companies in the sector. Defra will make public the league table detailing the relative positions.

The way the CRC is structured prompts a number of frequently asked questions which AEA address in their expert paper, *Carbon Reduction Commitment – getting behind the big questions*. The key finding of the paper is that if you want to make the most of the opportunities the CRC presents then you cannot afford to wait to put the correct processes in place. If you do, your business will be left behind and it will cost you money.

Daniel Waller, Knowledge Leader, AEA, has some advice for affected businesses:

“The first thing a company needs to do in advance of this legislation is to understand your liability to the scheme and work out your total value at stake. This will help inform your strategy and help you understand the relative benefits of the early action metrics. The company then needs to assess its current energy situation and work out a detailed energy efficiency and energy reduction strategy to be implemented from 2010. This can be done by the company itself, or can be outsourced to an expert, safe in the knowledge that any outlay now will be more than returned when the strategy is implemented.

“However the work is done, one thing is clear, if your energy bill is above £500,000 a year, you need to act now to not only minimise the impact to your bottom line, but maximise your advantage over your competitors.”

To download a copy of AEA's expert paper, visit www.aeat.com/cms/CRC

For more information contact:

Michael Evans/Graham Moonie

Madano Partnership

020 7593 4000

www.madano.com

Jo Wheeler – AEA PR Manager – 0870 190 2799/ jo.wheeler@aeat.co.uk

About AEA

AEA is one of the world's leaders in the field of climate change and energy consultancy - operating in the UK, Europe, the US and China. It is the leading provider of advisory services to the UK Government and works extensively with the EU and major private sector organisations. With internationally renowned expertise in air quality and climate change, carbon management, resource efficiency and the environmental impacts of transport, AEA employs many world leading experts and provides a high-level of policy consultancy and a range of technical services to its public and private sector clients.

AEA manages the UK government's Envirowise project, one of the world's largest resource efficiency programmes and provides carbon management expertise to many of the UK's largest private sector organisations.

AEA is voted Number One Consultancy for Climate Change and Renewables by industry consultants (Eddie surveys 2006, 2007 and 2008).

For further information please visit www.aeat.co.uk.