



## **Press release**

**7<sup>th</sup> October 2009**

### **AEA IDENTIFIES NEW OPPORTUNITIES FROM CARBON REDUCTION COMMITMENT GUIDELINES**

AEA Technology welcomes the policy decisions on the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme which are published today. The Government, for which AEA is principal technical adviser on the CRC, has announced that the first year of the scheme, which will run from April 2010 to March 2011, will now be a reporting year only. This means that there will now no longer be a requirement to buy emissions allowances for that period of the scheme.

The key benefit of this important change will be a reduction in the cash flow implications for participating companies but at the same time it will still create the incentive for good performance through the league table. Furthermore, the weighting for the performance metrics has been altered in the second league table in favour of early action rather than late take up. The weighting will now be 40% for early action, 45% for absolute emissions reduction and 15% based on growth. What's more, it will now be possible to demonstrate early action by gaining accreditation with schemes equivalent to the Carbon Trust Standard, rather than only with the Standard itself.

Commenting on the revised guidelines, Mark Johnson of AEA said:

'Today's decisions outline in more detail just how the CRC will work and how it will help incentivise businesses to decarbonise their sectors. The challenge now for companies will be to grasp the opportunities and maximise their reductions.'

'The visibility of the CRC for senior executives has been relatively low until now. With the revised guidelines being published, AEA hopes that this acts as the clarion call for action that has been needed for some time'.

The new CRC announcement also includes other new developments such as a new rule that allows major parts of large organisations to participate separately. There is also a revision to the definition of franchise agreements and the penalties and charges related to the scheme. The point at which companies with Climate Change Agreements can claim CRC exemption and the definition of transport exclusion have also been revised. As well as these developments a new tick box question for employee engagement, which will ensure companies run a coordinated engagement programme for employees, will be introduced to inform the league table.

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**Notes to Editor**

AEA is a leading consultancy, with operations in the UK, Europe and the US. We provide advisory services to the UK Government and work extensively with the EU and major private sector organisations around the world. Our multi-disciplinary team of over 1,000 technical and scientific consultants, project management experts, information technology professionals, and legal and regulatory specialists enables us to deliver fully integrated and business-oriented solutions for our customers.

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