

*When it comes to reducing carbon emissions, someone has to take a lead, says Greg Davies, head of service development at Elementus*

## Time to step up

The first day of April saw, amid all the usual pranks, the start of the Carbon Reduction Commitment Energy Efficiency Scheme (CRC). It captures in a mandatory cap and trade programme large, but not energy-intensive, organisations across both the public and private sectors. The legislation itself is ground-breaking, being the first scheme of its kind to come into force anywhere in the world. However, its motives and need have been widely debated. If a general and broad agreement could not be made at Copenhagen, why are we burdening our struggling businesses with more bureaucracy? The easiest answer is, well, someone has to start somewhere.

If you believe, as many do, that climate change is the biggest single challenge we face, then surely it is a good thing to be leading the way? If you don't believe that climate change is all it is made out to be, consider this: at Copenhagen, the science wasn't the issue, that has been accepted. Agreement on action was the sticking point. So doesn't someone need to take a lead?

The next question is – why us? Three facts and a forecast need to be balanced out:

- The UK's 1.8 million non-domestic buildings account for about 18 per cent of our total energy use.
- Since 2005 the UK has been a net importer of energy raw materials. We use more than we can produce.
- By 2020 a third (33 per cent) of our current energy-generating capacity will have gone.
- By 2030 it is estimated that our energy demand will have increased by between 17 per cent and 30 per cent.

So in terms of supply, security, cost and carbon, there is a pressing need for the UK to be not just energy efficient, but energy intelligent.

Hot on the heels of Part L changes, the EU ETS, climate change agreements, the climate change levy, energy performance and display energy certificates (EPCs and DEC)s and the Climate Change Act, the CRC was originally going to capture approximately 5000 organisations across all sectors. Following the replacement of 'principal subsidiary' with 'significant group undertaking' in the 3rd consultation, however, recent estimates have indicated as many as 25,000 organisations could be caught.

This should significantly help in managing and therefore achieving our 2020 targets. From an enforcing perspective, it could present the Environment Agency (EA) with a major challenge if indeed the scheme ends up five times bigger than intended. The 20 per cent of scheme vetting per year the EA was working on initially could now be in jeopardy. The downside of this is that where no adequate enforcement is in place, such as with EPCs and DEC)s, the main objectives of the regulations are lost and pure commoditisation occurs, as we have seen.

Time will tell how effective the CRC, together with the other climate/energy-based initiatives (both mandatory and voluntary) will be. For FM it is an opportunity to support and deliver on key future imperatives.

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