

Simplifying the CRC Energy Efficiency Scheme: Next Steps - Response to the Department of Energy and Climate Change

Introduction

This document sets down the CRC simplification views of the Chartered Institution of Building Services Engineers www.cibse.org as represented by a panel of specialists working in the energy management industry. The panel includes members directly involved with CRC submissions for over 30 corporate, commercial, industrial and government institutions. Annex 1 below lists the panel members.

The views and proposals are set down in order of priority, referring to numbered clauses in the July 2011 DECC document "Simplifying the CRC Energy Efficiency Scheme: Next Steps".

Harmonising CRC reporting with Display Energy Certification (clauses 36 & 27)

Clause 36 concerns using DECs as a basis for CRC reporting, concluding that "this suggestion will be kept under review". We propose that this would provide a major rationalisation and cost saving for participants and that it should therefore be treated as a priority. Specifically:

The substantial primary simplification should be progressed: the convergence of energy data collection and evidence protocols for CRC and DECs – the fact that CRC is group-oriented and DECs are building occupant-oriented should not prove a problem.

A further substantial convergence and incentive generator should be progressed: the use of group-aggregated DEC results as a basis for the CRC League tables. The flexibility in the league table rules to be introduced via clause 27 should allow for this route.

To achieve these the government should make a firm commitment to roll out mandatory DECs to all commercial buildings in time for the second CRC phase. A soft start energy reporting approach starting in 2012 would enable benchmarks to be calibrated to reflect current data in all sectors. This would be supported by simplified and improved procedures for tenanted buildings and multi-building sites as addressed in the CIBSE documents "Extending Display Energy Certificates to Commercial Buildings" and "CIBSE Report on First 45,000 DECs" obtainable at <http://www.cibse.org/index.cfm?go=page.view&item=233>

Retaining the landlord/tenant rules

This is opposed in principle as the energy use in an individual tenancy is predominantly under the control of the tenant. Whilst there are landlords who fail to provide adequate mechanisms for tenants to reduce their energy consumption, the issue is far more complex than the one line statement in clause 34 admits. In further reviewing the CRC EES, CIBSE argues that it is essential to reconsider the balance of control over energy consumption in multi tenanted buildings.

Reducing the number of fuels from 29 to 4 (clauses 18 & 20)

This is supported although the accuracy criterion for the large number of smaller supplies should be relaxed from 5%, as their energy records and billing is generally poor. Also a possible problem is that removal of the 90% de minimis rule could significantly increase the number of supplies reported annually due to inclusion of all smaller Profile Class 03 and 04 electricity and smaller gas supplies. However this does not appear to be serious in practice based on a reasonable sample of CRC participants: for participants with large numbers of smaller properties such as retail chains this change will increase the number of supplies reported but these organisations have to report on a large numbers of such supplies in any case.

Changing to fixed price sales in Phase 2 (clauses 21-22)

This has mixed support. While the Scheme would then not serve one of its major original objectives – to guarantee national reductions by means of the allowances cap – a common view is that the complexity of cap, auction and trade is unpopular and not merited given the incentive of allowances costs, league tables and forecast purchase. The incentive to improve performance could be significantly increased by using the DEC performance as a basis for the league tables as discussed above.

Simplification of Organisational Rules and changes for Trusts (clauses 26 & 29)

The proposals are generally supported.

Simplifying the qualification process and reduced overlap with CCA and EUETS (clauses 15-16)

While the single-stage qualification and simpler exemption rules for CCA and EUETS are supported, installing AMR may carry a disincentive if it pushes a group over the qualification threshold. However this is likely to be relatively rare.

Reducing the administrative burden of Evidence Packs (clause 23)

This is welcomed. There is significant potential for improving the structure, reducing repetition and harmonising with the Annual Report.

Annex 1 Panel Members

Quinten Babcock	Transport for London
Ashley Bateson	Hoare Lea
Bill Bordass	William Bordass Associates
Harry Bruhns RIP	University College London
Robert Cohen	Camco
Hywel Davies	Chartered Institution of Building Services Engineers
John Field	Power Efficiency
Joe Glancy	Landmark
Nick Hogg	Jones Lang LaSalle Upstream
Chris Holme	Department of Health
Sungmin Hong	University College London
David Hughes	MTT Consulting
Phil Jones	Building Energy Solutions
Judit Kimpian	Aedas
Phil Steadman	University College London