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How this form works: Please only respond to questions you are interested in. Where indicated, you are required to initially select a response from a drop down menu. Depending on your response, you may be prompted to provide further details which should be typed into the blank response box below the question. This box will expand to allow a maximum of 1000 characters as you type. To start a new line in the response box you can hit ALT-ENTER.

If you require more space or have other comments (including on the User Guide) please use the comments box at the end, clearly indicating which question you are addressing.

**Consultation on the Draft Order to implement the Carbon Reduction Commitment
Response Form - March 2009**



The consultation package can be found on the DECC website at:

<http://www.decc.gov.uk/en/content/cms/consultations/crc/crc.aspx>

Please use this form to respond to the questions in the 'Consultation on the Draft Order to implement the Carbon Reduction Commitment'. The closing date for the submission of consultation responses is **17:00 Thursday 4 June 2009**. Responses should be sent by email to:

crc2009consultation@decc.gsi.gov.uk

In order to help us analyse responses to the consultation, please provide details of your organisation below.

Please note: DECC's confidentiality statement related to this consultation can be found in the Consultation Letter.

	Please respond below
Name	Bruce Horton
Organisation/ Company	Water UK
Organisaton size (no. of employees)	20
Annual electricity use (MWh) / total energy bill (£)	350 MWh (Water UK) 8,290,000 MWh (UK water industry)
Job title	Environmental Policy Adviser
Department	

Address	1 Queen Anne's Gate, London SW1H 9BT
Email	bhorton@water.org.uk
Telephone	2073441817
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Organisation type	Please click on cell below and select response from drop down menu Other
Please provide description of organisation in the cell below	
Trade association and representative body of the UK water industry	

CHAPTER 2: Determining the CRC Participant

Q1a - Should organisations have to report total energy use emissions from their Principal Subsidiaries?	Please click on cell below and select response from drop down menu Yes

Q1b - Does the wording in the Draft Order (Article 2 and Schedule 16) around Principal Subsidiaries lead to any unforeseen consequences?	Please click on cell below and select response from drop down menu No

Q2 - Should Government transfer the responsibility for participating in the scheme with the purchase of participants and Principal Subsidiaries?	Please click on cell below and select response from drop down menu Yes

Q3 - Should designated business change be deemed to have taken place at the start of the emissions year?	Please click on cell below and select response from drop down menu No
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Q3 cont. - Please explain your reasoning in the cell below

It should be deemed to have taken place when it actually occurs, otherwise this will lead to difficulties in organisations'

Q4 - Does the wording in the Draft Order (Article 7 and Schedule 2) around the treatment of business groups lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu

No

Q5a - Does the proposed definition of franchising (see Paragraph 6 of Schedule 3) achieve the stated CRC policy goal of including large franchise based and similar organisations?

Please click on cell below and select response from drop down menu

Yes

Q5b - Does the proposed definition of franchises lead to unforeseen consequences?

Please click on cell below and select response from drop down menu

No

Q6 - Do you agree with the proposed policy approach as regards determining ownership of Joint Ventures and PFI?

Please click on cell below and select response from drop down menu

Yes

Q7 - Are there any other collegiate universities where it would also be beneficial for independent colleges to be grouped as part of the university?

Please click on cell below and select response from drop down menu

Q8a - Should schools be required to report annual energy use data to LAs as part of the wider Associated Person 'reasonable assistance duty'?

Please click on cell below and select response from drop down menu

Yes

Q8b - Does the Draft Order for this lead to any unintended consequences?

Please click on cell below and select response from drop down menu

Q9 - Do you agree with the proposed approach for NHS organisations participating in the CRC?

Please click on cell below and select response from drop down menu

Yes

Q10 - Do you agree with Government's proposal not to proceed with the option of allowing limited transfers of emissions responsibility from the landlord to the tenant?

Please click on cell below and select response from drop down menu

Yes

However, we think DECC should give further thought to organisations with emissions >6,000 MWh pa which will not be included in the scheme purely because many of their sites are leased

Q11a - Do you agree with the proposed approach to domestic households?

Please click on cell below and select response from drop down menu

Yes

Q11b - Are there aspects which Government needs to consider in taking forward this approach?

Please click on cell below and select response from drop down menu

CHAPTER 3: Qualification

Q12 - Does the wording in the Draft Order (Articles 6 - 27) around qualification lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu

Yes

Q12 cont. - Please explain your reasoning

The water industry has a significant programme for installing AMR on non-half hourly sites. The proposed approach could increase the 'applicable percentage' of emissions covered, meaning that organisations with AMR programmes for non-half hourly sites would face additional CRC reporting and allowance costs.

Q13 - Do you think that organisations with half hourly settled electricity of at least 6,000 MWh should have to disclose their total half hourly electricity (and, if not, that the Order should be amended accordingly)?

Please click on cell below and select response from drop down menu

No

Q13 cont. - If you have comments about Q13 please enter these below

The water industry has a large number of non-automatic half-hourly sites. Including these sites would significantly increase administration and other costs

Q14 - Does the wording in the Draft Order (Article 36 and Schedule 10) with regards to registration lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu

No

CHAPTER 4: Emissions Coverage

Q15 - Does the wording in the Draft Order (Schedule 7, Paragraph 1) around the exclusion of EU ETS emissions lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu

No

Q16 - Does the wording in the Draft Order (Schedule 7, Paragraph 2) around the exclusion of CCA emissions lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu

Yes

Q16 cont. - Please explain your reasoning

We do not understand how the 25% figure for CCA exemption has been arrived at. It seems arbitrary and could lead to a large amount of emissions being included/excluded in the scheme for a given organisation. We would suggest that any emissions from an organisation which are not covered by a CCA should be included in the CRC.

Q17 - Does the wording in the Draft Order (Schedule 6,

Please click on cell below and select response from drop down menu

Paragraph 4 and 5) around the exclusion of fuels purchased for trading purposes lead to any unforeseen consequences?

Yes

Q17 cont. - Please explain your reasoning

Yes. We would like to see credits for electricity generated from using biogas given as per renewable energy

Q18 - Does the wording in the Draft Order (Schedule 12, Paragraphs 1 and 2) around the calculation of a participant's footprint lead to any unforeseen consequences?

No

Q19 - Does the wording in the Draft Order (Article 38 and Schedule 12) around the calculation of the 'Applicable percentage' and the compilation of a residual measurement list

No

Q20 - Please indicate your preferred option to the treatment of school's energy use in CRC and justify your response.

Q20 cont. - Please explain your reasoning

Q21a - Does the definition in the Draft Order correctly identify electricity from half hourly meters settled on the half hourly market?

Yes

Q21b - Does the definition in the Draft Order correctly identify electricity from pseudo half hourly metering?

Yes

Q21c - Does the definition in the Draft Order correctly identify from half hourly Automatic Meter Reading (AMR) meters?

Please click on cell below and select response from drop down menu

No

Q21c cont. - Please explain your reasoning

The order does not clarify the standard to which the meter/data needs to be certified to (e.g. code of practice 5 or 7)

Q21d - Does the definition in the Draft Order correctly identify electricity from profile class 5-8 meters?

Please click on cell below and select response from drop down menu

Yes

Q22a - Does the definition in the Draft Order correctly identify gas from daily read gas meters?

Please click on cell below and select response from drop down menu

No

Q22a cont. - Please explain your reasoning

AMR gas meters consist of a physical meter asset and a separate data collection and communication/storage unit. The order does not reflect this technology.

Q22b - Does the definition in the Draft Order correctly identify gas from Automatic Meter Reading (AMR) gas meters?

Please click on cell below and select response from drop down menu

Yes

Q22c - Does the definition in the Draft Order correctly identify gas from large gas supply points?

Please click on cell below and select response from drop down menu

No

Q22c cont. - Please explain your reasoning

The order does not clarify the standard to which the meter/data needs to be certified to

CHAPTER 5: Participant Exemptions

Q23 - Do you agree with the proposed Transport exemption for large qualifying organisations with very limited CRC energy use? *Please click on cell below and select response from drop down menu*
No

Q23 cont. - Please explain your reasoning
We understand the need to keep the CRC as simple as possible. However, we would expect to see these emissions captured by a future scheme in the near future

Q24 - Do you agree with the proposed Transport exemption based on an exemption threshold of 1,000 MWh total half hourly electricity use (over the qualification year/footprint year)? *Please click on cell below and select response from drop down menu*
No

Q24 cont. - Please explain your reasoning
The threshold should be set at a point where it makes a difference to the coverage. DECC should demonstrate whether 1,000 MWh is the appropriate threshold

Q25 - Should the transport exemption apply for the duration of a phase? *Please click on cell below and select response from drop down menu*
Yes

Q26 - Should the CCA Group member exemption and Residual Group Exemption be based on half hourly electricity usage over the 'footprint year'? *Please click on cell below and select response from drop down menu*
No

Q26 cont. - Please suggest an alternative period
We do not understand how the 25% figure for CCA exemption has been arrived at. It seems arbitrary and could lead to a large amount of emissions being included/excluded in the scheme for a given organisation. We would suggest that any emissions from an organisation which are not covered by a CCA should be included in the CRC.

Q27 - In the case of Residual Group organisations covered by *Please click on cell below and select response from drop down menu*

Climate Change Agreements (CCAs) where the Residual Group organisation subsequently ceases to be covered by any CCA, do you agree that the Residual Group organisation should fall back into CRC from the start of the next compliance year?

Yes

CHAPTER 6: Obtaining Allowances

Q28 - Do you agree that proposed minimum Safety Valve price of £12/tCO₂ is appropriate?

Please click on cell below and select response from drop down menu

Yes

Q29 - Do you agree with Government's proposal to issue safety valve allowances once a month to reduce administrative costs?

Please click on cell below and select response from drop down menu

No

Q29 cont. - Please state reasoning and your preferred alternative approach

There is potential for market distortion when traders know that the EA will be looking to enter the market at known dates in the calendar

CHAPTER 8: The Performance League Table

Q30 - Does the wording in the Draft Order (Paragraphs 1 to 5 of Schedule 20) around the calculation of the early action metric lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu

Yes

Q30 cont. - Please explain your reasoning reporting to Ofwat or similar regulator should be allowable

Q31 - Does the wording in the Draft Order (Paragraph 11 of Schedule 20) around the calculation of the Performance League Table lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu
Yes

Q31 cont. - Please explain your reasoning

We are concerned about the role of league table in general for a number of reasons. 1. Reduced allocation of emissions over time in line with CC Act should be sufficient incentive to drive desired behaviour change, as carbon price increases within the scheme. There is no need for additional 'reputational' and financial incentives through the league table. As the consultation states, "emissions trading schemes provide a financial incentive to reduce emissions by placing a price on carbon emissions, whilst allowing the reductions to be made where they are most cost effective." We are therefore not convinced that a league table is necessary at all. 2. The water industry is in a different position to most CRC participants in that we have a growing asset base (through statutory water quality drivers, forthcoming transfer of private sewers to water companies, new requirements under the Water Framework Directive, etc) but largely static turnover and revenue. Whilst growth drivers are likely to increase our emissions significantly in coming years, we

Q32 - Do you agree that the Performance League Table should be published twice, to take into account the outcome of appeals and adjustments necessary to correct any errors?

Please click on cell below and select response from drop down menu
No

Q32 cont. - Please explain your reasoning and your preferred alternative approach

It is unclear why this would be useful given that it will not alter the recycling payments received. It could easily be reflected in the following years table.

Q33 - Does the wording in the Draft Order (paragraph 14 to 16

Please click on cell below and select response from drop down menu

of Schedule 20) around the methodology for updating baselines to account for CCA emissions transfers lead to any unforeseen consequences?

No

Q34 - Should Government update historic baselines to reflect the sale or purchase of Principal Subsidiaries and participants ('designated changes')?

Please click on cell below and select response from drop down menu.
Yes

Q35 - Does the wording in the Draft Order (paragraphs 17 and 18 of schedule 20) around the methodology for updating baselines to account for 'designated changes' lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu.
No

Q36 - Does the wording in the Draft Order (paragraphs 23 to 25 of schedule 20) around the disclosure of information on energy management lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu.
No

CHAPTER 9: Compliance, Reporting and Record Keeping

Q37 - Does the wording in the Draft Order (Part 5, Chapter 2) around participant obligations lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu.
No

Q38 - Does the wording in the Draft Order (Schedule 11) around the Footprint Report lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu

No

Q39 - Does the wording in the Draft Order (Schedule 13) around the Annual Report lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu

Yes

Q39 cont. - Please explain your reasoning

In order to allow companies greater flexibility in how they manage any claimed ROCs after investing in renewable energy (to sell ROCs or to use them against the CRC position) there will be a need to include in the Annual Report the further information on ROCs in Schedule 13 paragraph 5 as follows:
c) the total number of ROCs sold by the participant;
d) the quantity of electricity covered by these ROCs

Q40 - Do you agree with the Governments proposals for the Footprint and Annual reports?

Please click on cell below and select response from drop down menu

Yes

Q41 - Should the fuel conversion factors be in kgCO₂/ per measurement unit, rather than kgCO₂/kWh or any other measure?

Please click on cell below and select response from drop down menu

Yes

Q42 - Do the fuels listed in this section (and as set out in the

Please click on cell below and select response from drop down menu

table) cover all the fuels used by your organisation, other than those which are from 100% renewable resources?

No

Q42 cont. - Which fuels are missing from this table?

Electricity generated from sewage sludge and sewage gas [biogas from the sewerage treatment process] should be included on the list as zero emission rated.

Q43 - Do you agree with the fuel conversion factors stated in the table?

Please click on cell below and select response from drop down menu

No

Q43 cont. - Please explain why you think the conversion factors should be different to those stated?

The water industry has opportunities to generate renewable energy, through CHP, wind and hydro. However, applying the grid emissions factor for self-generated renewables where ROCs are claimed, as currently proposed, means that organisations will have to pay (through purchase of allowances) for this energy, regardless of its source. This will reduce the incentive to generate biogas and other forms of renewable energy. The recently announced half ROCs for sewage gas will make this effect greater and will undermine the case for renewable power generation in the water industry. We would propose that the consumption of onsite generation (e.g. CHP running on biogas) should be zero rated in the CRC for all organisations. This rule would apply equally to onsite generation connected by private wire to another site (e.g. hydro generation at a dam connected to a water treatment works).

Q44 - Are there any unintended consequences from the energy factors proposed?

Please click on cell below and select response from drop down menu

Yes

Q44 cont. - Please explain your reasoning

If grid factors are only updated at the start of each phase, companies will be reporting the same information on emissions in (at least) two different ways to Government - for the CRC, and using the national reporting guidelines, which updates emissions factors each year. This is confusing and an unnecessary additional burden on companies. The factor for grid electricity is known to vary year on year and is published annually as a five year rolling average. This should be reflected in the legislation. In addition, the proposals do not properly reflect the impact of renewable energy where it is both generated and used at a specific location. Local generation displaces grid electricity. The grid electricity emissions have a dual component, one reflecting the average emissions in generation, and one the average of transmission losses. It is reasonable that the generation emissions are accounted for as these come under the provisions of paragraph 32 (a) (ii), in effect reflecting the opportunity cost of

Q45 - Do you agree with the Government's proposal to require the disclosure of the type and quantity of fuels not listed in the conversion table?

Please click on cell below and select response from drop down menu

No

Q45 cont. - Please explain your reasoning

This could add significantly to the reporting burden for little additional benefit. We suggest DECC looks at the costs and benefits of the proposed approach in greater detail

Q46 - Do you agree with the proposed treatment of estimates regarding mixed fuels?

Please click on cell below and select response from drop down menu

Yes

Q47 - Do you agree with the proposed approach to establishing

Please click on cell below and select response from drop down menu

when an energy bill counts as an estimate for the purposes of applying a 10% emissions uplift?

No

Q47 cont. - Please describe how you would propose to define non-estimated bills to ensure transparency, accuracy and audability.

It is not clear from the consultation what is and is not an estimate. The water industry has thousands of sites and many fall outside profile 5-8, but it not clear whether these are classed as estimates or not. It would not be practicable or cost-effective to obtain non-estimated readings for every site all these sites.

Q48 - Does Government's proposal around the treatment of energy generation lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu.

Yes

Q48 cont. - Please explain your reasoning

1. Purchase of levy exempt electricity potentially provides an opportunity to reduce emissions. Energy that has been awarded exemption from the Climate Change Levy is generated by a low carbon source. LECs are traded with electricity, and as such the end user is the only beneficiary and should be able to claim the carbon benefit. This is not currently recognised in the proposals, and is not an allowable mechanism for reduction within the CRC. We propose that Levy exempt energy should be treated as low carbon and be an allowable carbon reduction mechanism under the CRC. 2. We think that the use of a 'grid average' emissions factor is inaccurate and does not provide electricity customers with the incentive to drive the renewables market. We support the view that the 'grid average' emission factor should be replaced with a series of product specific factors to reflect the actual carbon intensity of the product. This would have the additional benefit of enabling the UK to adopt methodologies that reflect international standards, such as the GHG Protocol. It

Q49 - Does the wording in the Draft Order (Schedule 14) around

Please click on cell below and select response from drop down menu.

the records to be maintained in the evidence pack lead to any unforeseen consequences?

Yes

Q50 cont. - Please explain your reasoning

The inclusion of special events could potentially be a huge undertaking as meters often change status or fail resulting in estimated readings, etc. The administration burden needs to be smaller than energy managed or saved and we would urge DECC to take a proportionate approach. We would also welcome some guidance and acceptable estimation techniques in this area. The consultation uses three common examples but there may be others. For example, we would suggest that swapping a meter for an AMR should not be classed as a special event but this needs to be made clear. It is also not clear what the responsibility of suppliers is to maintain records.

Q50 - Does the wording in the Draft Order (Part 8) around the creation of the registry system lead to any unforeseen consequences?

Please click on cell below and select response from drop down menu

Yes

Q50 cont. - Please explain your reasoning

There will be a discrepancy between organisation HHM data and supplier reports (suppliers can update these up to 13 months later), due to use of estimates, meter failures, challenges, etc. The scheme needs to take account of disputes process and potential changes to CRC reported emissions around this. We propose that the organisation's AMR readings or some other appropriate measurement, rather than billed date, should be used.

CHAPTER 10: Audit

Q51 - Does the wording in the Draft Order (Parts 6-9) around

Please click on cell below and select response from drop down menu

the respective roles of the Administrators lead to any unforeseen consequences?

No

Q52 - Does the wording in the Draft Order (Article 63) around the audit process lead to any unforeseen consequences?

Yes

Q52 cont. - Please explain your reasoning

We are extremely concerned that this is an additional burden for organizations that are already externally audited for regulatory purposes, as is the case in the water industry where GHG reporting is thoroughly audited by Ofwat on an annual basis. Auditing by another government agency should be taken into account. We are also concerned about the impact of increasing the scale of auditing from 5% to 20% on administration costs and on the ability of the EA to provide the resource and expertise for this level of audit.

CHAPTER 11: Enforcement

Q53 - Do you agree with the level and type of penalties imposed for failure to register?

Yes

Q54 - Do you agree with the level and type of penalty imposed for failure to disclose information?

Yes

Q55 - Do you agree with the level and type of penalties imposed

for failure to provide a footprint report?

No

Q55 cont. - Please explain your reasoning

There may be occasions when participants do not comply fully with the requirements of the scheme because of a mistake, administrative error or circumstances beyond their control. For large organisations, a fine in relation to their emissions could be significant and out of proportion to the seriousness of the error. We therefore think that a fine linked to the type of error rather than the organisation's emissions, should be considered. Alternatively, there could be a cap on the level of the fine.

Q56 - Do you agree with the level and type of penalties imposed for failure to provide an annual report?

Please click on cell below and select response from drop down menu

No

Q56 cont. - Please explain your reasoning

There may be occasions when participants do not comply fully with the requirements of the scheme because of a mistake, administrative error or circumstances beyond their control. For large organisations, a fine in relation to their emissions could be significant and out of proportion to the seriousness of the error. We therefore think that a fine linked to the type of error rather than the organisation's emissions, should be considered. Alternatively, there could be a cap on the level of the fine.

Q57 - Do you agree with the consequence of depriving participants of the revenue recycling payment for that year?

Please click on cell below and select response from drop down menu

No

Q57 cont. - Please explain your reasoning

This is effectively a double penalty for the same offence where in addition the total emissions are deemed to double that of the most recently submitted report and placed at the bottom of the league table.

Q58 - Do you agree with the level and type of penalties imposed

Please click on cell below and select response from drop down menu

for incorrect reporting?

No

Q58 cont. - Please explain your reasoning

There may be occasions when participants do not comply fully with the requirements of the scheme because of a mistake, administrative error or circumstances beyond their control. For large organisations, a fine in relation to their emissions could be significant and out of proportion to the seriousness of the error. We therefore think that a fine linked to the type of error rather than the organisation's emissions, should be considered. Alternatively, there could be a cap on the level of the fine. In addition, the consultation document indicates that Government is considering whether, to encourage accurate reporting, the penalty for incorrect reporting should be applied or mitigated where a participant has detected the error and voluntarily notified the Administrators. We think that the penalty should be mitigated in those circumstances and DECC should provide clear and precise provisions setting out the circumstances in which the penalty will be mitigated and the level of mitigation.

Q59 - Do you agree with the level and type of penalties imposed for failure to comply with the performance commitment?

Please click on cell below and select response from drop down menu

No

Q59 cont. - Please explain your reasoning

There may be occasions when participants do not comply fully with the requirements of the scheme because of a mistake, administrative error or circumstances beyond their control. For large organisations, a fine in relation to their emissions could be significant and out of proportion to the seriousness of the error. We therefore think that a fine linked to the type of error rather than the organisation's emissions, should be considered. Alternatively, there could be a cap on the level of the fine.

Q60 - Do you agree with the level and type of penalties imposed

Please click on cell below and select response from drop down menu

for failure to keep adequate records? No

Q60 cont. - Please explain your reasoning

There may be occasions when participants do not comply fully with the requirements of the scheme because of a mistake, administrative error or circumstances beyond their control. For large organisations, a fine in relation to their emissions could be significant and out of proportion to the seriousness of the error. We therefore think that a fine linked to the type of error rather than the organisation's emissions, should be considered. Alternatively, there could be a cap on the level of the fine.

Q61 - Do you agree with the procedure for dealing with failure to comply with civil penalties? Please click on cell below and select response from drop down menu. Yes

Q62 - Do you agree with the proposed enforcement process for this obligation? Please click on cell below and select response from drop down menu. Yes

Q63 - Is the appeals process clear and reasonable? Please click on cell below and select response from drop down menu. Yes

Q64 - Do you agree with the level and type of punishment proposed for criminal offences? Please click on cell below and select response from drop down menu. Yes

Q65 - Do you agree with the overall approach that Government has taken to enforcement of the Carbon Reduction...

has taken to enforcement of the Carbon Reduction Commitment?	No
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Q65 cont. - Please explain your reasoning

We would reiterate comments made above. In addition, it is not clear how the administrator can exercise the discretion contained in Article 71(2) of the Draft Order to impose a lesser penalty or waive a penalty. The administrator has such discretion where satisfied that (a) the failure has occurred despite the person “making every possible effort” to comply in so far as it was capable, and (b) in all the circumstances it is appropriate to lessen or waive the penalty having regard to the fair functioning of the scheme as a whole. The test of “making every possible effort” is difficult to apply in practice and an element of reasonableness needs to be considered. In relation to inspection powers, there is no clear provision for the Administrator to give prior notice of proposed entry to a participant’s premises to carry out inspections. We would propose that in the majority of cases prior notice should be

CHAPTER 12: Fees and Charges

Q66a - Do you have any comments on the approach set out on the charging proposals?	Please click on cell below and select response from drop down menu
	Yes

Q66a cont. - Please state comments below

As stated previously, we are concerned about the impact of increasing the scale of auditing from 5% to 20% on administration costs and on the ability of the EA to provide the resource and expertise for this level of audit. This also has implications for the proposed approach to charging

Q66b - Do you have any comments on the approach set out on the draft of Schedule 23 of the CRC Order?	Please click on cell below and select response from drop down menu
	Yes

Q66b cont. - Please state comments below

Although we are generally supportive of the proposed reasonable flat rate charges identified in Schedule 23 of the CRC Draft Order, we are concerned by the looseness of the framing of Schedule 23, Part 2, 14 Variation and the potential charges for participant's. There is a need for this part of the schedule to be much more open and transparent and there also needs to be an opportunity to appeal against costs. We do not think it is acceptable for the test to be " the administrator considers the variation to be reasonable". With the charges likely to vary and the uncertainty of audit frequency it will make costing the CRC more difficult. Because the audit scheme is intended to random, it would be unfair to penalise organisations that happen to be audited more frequently, so we believe that the cost of audits should be apportioned equally across all participants. We propose that there needs to be a best value test that the administrator has to demonstrate with respect to

Q66c - Do you have any comments on the approach set out on the approach to audit charges?

Please click on cell below and select response from drop down menu.
No

Additional comments box

In response to Q.30, the spreadsheet does not allow a full response. Our response is therefore as follows.
We believe that the Carbon Trust Standard is not appropriate as the sole indicator of part of the early action metric. It is increasingly costly to attain and does not take account of legislative changes and statutory growth, which makes absolute emissions reductions extremely challenging for water companies and which is a major concern for us.
We propose that statutory reporting of emissions data to Ofwat with annual audits should be sufficient for inclusion in the early action metric, particularly as it evolved from the water industry taking the initiative (early action) on a voluntary basis. To ensure all CRC organizations are treated fairly, we would also propose that BS EN 16001, ISO 14064 or Achilles CEMARS should also be allowable.

CEMARS should also be allowable.

