



CARBON
M A S T E R S

Analysis of the Carbon Reduction Commitment Performance League Table

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Executive Summary

On 8th November 2011 the Environment Agency published the first annual Carbon Reduction Commitment Performance League Table, revealing the CO₂ emissions of the 2,103 organisations taking part in the scheme and ranking all the participants in order of their Early Action scores. The Early Action score (and corresponding League Table ranking) rewards organisations who have signed up to Environment Agency approved carbon emission certification schemes and voluntarily installed Automated Meter reading devices. Whilst this first league table cannot tell us how well these organisations have performed in terms of actual CO₂ reductions, it does recognize efforts made to monitor emissions, and can therefore be regarded as a good initial indicator of how prepared organisations are to start reducing their emissions. The publication of emissions data and scorecards for 2,103 large energy users also marks an important step towards improved disclosure and reporting.

Critics of the Performance League Table (PLT) have argued that incorporating all 2,103 organisations into one table, without any differentiation between the private and public sector, or between light and heavy polluting industries, reduces the usefulness of the PLT and prevents organisations from understanding where they are positioned in relation to their sector. This report aims to address this criticism by looking in more detail at the big emitters, at the differences between the private and public sector and by focusing on 11 individual sectors in more detail. This report is the first of a series of annual reports Carbon Masters intend to publish to examine the progress of the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) over time and the performance and emissions of the 2,103 participants in the scheme.

The key findings of this report include:

- **CRC participants emit an estimated 12.5% of the UK's annual CO₂ emissions** with the largest 105 emitters alone responsible for 5.5% of the UK's total CO₂ emissions.
- **Organisations in the CRC face a double-edged sword of energy price hikes and new CRC costs in 2011/12** – CRC participants will pay £12 for every tonne of CO₂ arising from their CRC emissions in 2011/12 which equates to a new bill of £350,000 per annum for the average CRC participant. If you add to this the latest energy price projections, the average CRC participant could face a 55% increase in their energy bills in 2011/12 compared with the previous year.
- **The government will raise an estimated £734 million from the scheme in 2011/12** assuming emissions remain broadly the same as they were in 2010/11.
- **22 organisations shared the top PLT ranking with the top score of 100%** whilst 802 organisations shared the bottom position with a score of 0%.
- **Early Action Scores are low on average** - the mean Early Action score was 24%, the median 10% and a total of 1,724 CRC participants (82%) scored 50% or less indicating a significant potential for improving scores for next years PLT.
- **The public sector generally outperformed the private sector** in the scheme with higher average scores and fewer participants scoring zero.
- **Organisations in Scotland and Northern Ireland performed better** on average than organisations in other UK regions.
- **A large number of companies are registered under holding company names** or parent companies that were difficult to identify. As the PLT is supposed to function solely as a reputational driver or 'naming and shaming' exercise the fact that so many companies could not be easily identified reduces the effectiveness of this reputational risk.