

# Carbon Reduction Commitment

## Outline of schools responsibilities and options

### 1. Background

From April 2010 Government is introducing the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) for large commercial and public sector organisations. The Authority is a mandatory participant and all state-funded schools in its administrative area are required to participate as part of its portfolio. The relationship between the Authority and its schools is the subject of a “reasonable assistance” duty defined as:

*“An associated person [schools] must provide the responsible person [the Authority] with all such assistance, including the provision of information or records, as is necessary to enable the responsible person to identify fully, and discharge, the requirements imposed on the combined participant.”*

### 2. Basis of “reasonable assistance”

The duty should meet the following objectives;

- To minimise the financial and reputational impacts on the Authority.
- To minimise the financial and administrative burden on schools.
- To achieve cost-effective carbon reduction in schools and savings in energy costs.

### 4. Information/Reporting Requirements

**To enable the Authority to meet its statutory obligations all schools will need to provide;**

- **Details of energy supply arrangements for all fuels before 1<sup>st</sup> April 2010;**
- **The annual energy consumption for each account by May from 2011 – the minimum (statutory) requirement is for two actual meter readings at least six months apart;**
- **All records of energy use will need to be retained in an evidence pack for at least five years for audit purposes.**

### 5. Energy management

The scheme also includes two measures to promote good energy management;

- The Authority’s carbon footprint will be increased by 10% if it uses estimated [rather than actual] meter reads, resulting in a need to buy more allowances.
- Installation of automatic meter reading (AMR) technology by 31<sup>st</sup> March 2011 will be recognised in the annual performance league table which is the basis for recovering expenditure on allowances.

### 6. An option for schools

The Authority has recently procured an energy management software package for use by facilities managers. This package is the basis of a solution consisting of three components, that aims to minimise the reporting burden on schools;

- **Energy supply arrangements.** To build the database the Authority requires details of metered supplies from all schools that have opted out of the corporate energy contract, and of unmetered supplies [such as oil and LPG supplies] from all schools by 31<sup>st</sup> March 2010.

- **On-line energy management.** The package has the capability to provide the evidence pack for audit purposes. To create this record all schools will need to provide annually two actual meter reads six months apart and record all fuel deliveries. There is no charge to schools for accessing the system.
- **Deployment of AMR.** By implementing AMR all future energy bills will be accurate and meter reading will not be required. AMR is deemed cost-effective where annual electricity consumption exceeds 11,000 kWh (+90% of schools) and 44,000 kWh (+60% of schools) for gas. The technology will cost £10 per month per meter for electricity and £13 for gas. The Authority will make the installation arrangements but the charge will appear on schools' utility bills.

## **5. DCSF support**

On the 26<sup>th</sup> November the DCSF announced a funding initiative that will enable all schools to acquire a smart meter. The full details will be circulated to schools as soon as they are made public. It is hoped that this might complement the DCC proposals outlined above.

## **6. Financial & Legal Considerations**

The Authority is the legal entity with financial responsibility for participating in CRC. It will bear all the costs of participation which include the purchase of allowances for schools, fines for non-compliance and penalties for poor performance. At present it is not anticipated that schools would be penalised for poor performance but they will be responsible for costs incurred by the Authority as a result of schools non compliance.

## **7. Sustainability Considerations**

The scheme is a Government initiative to reduce carbon emissions and therefore is a key part of the national sustainability agenda.

## **8. Equality Considerations**

The software package provides an intuitive, web-enabled interface so that facilities managers can input meter reads/fuel deliveries without the need for training. Guidance will be given on meter reading where required. Schools that have opted out of the corporate energy contract will have to make their own AMR arrangements.

## **9. Discussion**

CRC is a very complicated scheme which presents its participants with a renewed focus on energy, and now carbon, management. As schools represent almost half of the Authority's carbon footprint, a good performance can only be delivered by making significant energy savings across this part of the estate. In line with the recommendations of the Members Task Group it is recommended that a "project" is defined to further the delivery of energy saving initiatives to school.

The Task Group's report to Cabinet on 24<sup>th</sup> November 2009 can be found at [http://www.devon.gov.uk/index/councildemocracy/decision\\_making/cma/cma\\_report.htm?cmadoc=report\\_cx09101.html](http://www.devon.gov.uk/index/councildemocracy/decision_making/cma/cma_report.htm?cmadoc=report_cx09101.html)

It is hoped that schools will wish to play an active part in this project.