

## THE CARBON REDUCTION COMMITMENT Important Policy Amendments Announced



**Significant amendments to the forthcoming Carbon Reduction Commitment (CRC) have been put forward by the newly-formed Department of Energy and Climate Change (DECC). The DECC, which will be responsible for all UK energy demand and supply policy, has proposed two major changes to the CRC:**

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The third consultation on the CRC, which had initially been planned for this autumn, is now set to take place in February 2009. This consultation will focus on establishing 'comprehensive and accurate' regulations for the legally-binding scheme, which will affect approximately 4,000 public and private sector organisations across the UK.

In light of the re-scheduled regulations consultation, two further dates in the scheme have also been revised. The registration period, which had been due to commence early in 2009, will now run concurrently with the first six months of the scheme, from 1st April 2010 to 30th September 2010. Registration packs will now be issued to all organisations affected by the CRC in July 2009.

As such, the first year of the scheme (1st April 2010 – 31st March 2011) will be considered a preliminary period, or 'Footprint Year'. Throughout this period, organisations will need to monitor consumption information from all energy sources. Collected data will then be used

to prepare a comprehensive 'Footprint Report', which will need to be submitted by July 2011.

At present, qualification criteria for the Carbon Reduction Commitment scheme remains unchanged: The CRC will apply to all organisations using half-hourly meters, whose total electricity consumption is greater than 6,000 MWh between 1st January and 31st December 2008. As a general rule, the CRC will only affect organisations (including any parent company or subsidiaries) which consume in excess of £500,000 worth of electricity a year in the UK via half-hourly meters.

Further information regarding the Carbon Reduction Commitment can be found at [www.defra.gov.uk](http://www.defra.gov.uk) and [www.decc.gov.uk](http://www.decc.gov.uk). UPL is currently working with several of the UK's larger corporations which already know they are going to be captured by the CRC. Please contact us on **02920 739518** or email [mark.henley@up-ltd.co.uk](mailto:mark.henley@up-ltd.co.uk) to find out what you can do to ensure straightforward entry onto the scheme.

# CONNECTIONS

## DEPARTMENT OF ENERGY AND CLIMATE CHANGE FORMED

For the first time since 1992, responsibility for all UK energy policy will now be held with just one governmental department. The newly-formed Department of Energy and Climate Change (DECC) will tackle both energy demand and energy supply policy, previously dealt with by BERR and DEFRA. Former Minister for the Cabinet Office Ed Miliband has been appointed Secretary of State for the DECC. Mr. Miliband revealed:

'I am looking forward to the responsibility of running the new Department of Energy and Climate Change. The new department reflects the fact that energy policy and climate change are directly linked. We will do all we can to ensure affordable fuel bills for people, put Britain at the forefront of creating green jobs and play our part in ensuring every country meets the climate change challenge.'

[www.decc.gov.uk](http://www.decc.gov.uk)

## SUSTAINABLE ENERGY WEEK: 9TH – 13TH FEBRUARY 2009

The third annual Sustainable Energy Week is set to take place between 9th – 13th February 2009. The event, co-ordinated as part of the EU Sustainable Energy Europe (SEE) campaign, will be hosted in Belgium and staged in cities across the continent. A range of conferences, seminars and exhibitions focused on renewable energy will be taking place throughout the event.

Sustainable Energy Week aims to highlight the 'multi-sectoral nature of sustainable energy development, and the need for everyone to work together towards a common goal'.

Further information about the European Union Sustainable Energy Week can be found at [www.eusew.eu](http://www.eusew.eu)

## ENERGY SAVING TIPS WE CAN ALL MAKE A DIFFERENCE!



### AT WORK...

- 70 million m<sup>2</sup> of office space in the UK is unnecessarily lit. Converting to low level 'background' lighting, with local workstation lights, would save almost 2.5 million tonnes of CO<sub>2</sub>.
- Make sure radiators are turned down before you open a window to cool your work area. An open window can lose enough energy in a day to produce 130 wine bottles.
- Don't put hot equipment, like photocopiers or printers, near cooling vents. The cooling system will need to work much harder to cool an area that is constantly being heated.
- Leaving the lights on all night in an office wastes enough energy to heat water for 1000 cups of tea.

### AT HOME...

- Is your water too hot? Your cylinder thermostat should be set at 60°C/140°F.
- Low energy light bulbs last up to 15 times longer and cost about 75% less to run than conventional bulbs.
- Investing in home improvements can bring significant savings. Insulating cavity walls, lofts, tanks and pipes can reduce both your heating bills and CO<sub>2</sub> emissions.
- Buy energy efficient appliances. Look for European Union (EU) energy labels on fridges, freezers and washing machines, which make it easy to see how energy-efficient an appliance is on a scale of A to G (where A is most efficient and G is least efficient).

## CLIENT PROFILE: THE VODAFONE GROUP



Vodafone Group PLC is the world's leading mobile telecommunications company. The group has equity interests in 27 countries across five continents, and partner networks in more than 40 additional countries. Vodafone provides a range of telecommunications services to 269 million customers across the globe.

As an expanding multinational communications corporation, Vodafone is committed to helping tackle global climate change. The company has set a target to reduce CO<sub>2</sub> emissions by 50% by 2020, from the 2006/07 baseline of 1.23 million tonnes.

As Vodafone Energy Manager Simon Mendham explains: 'Vodafone has continued to expand in recent years, and we are keen to use our influence within the industry and beyond to address important global issues such as climate change. We carry out regular assessments of energy use within our network to monitor our climate impact and identify opportunities to reduce it.'

UPL has been working with The Vodafone Group over the past four years. For details of the range of smart metering and energy management services which UPL provides for Vodafone please visit [www.up-ltd.co.uk](http://www.up-ltd.co.uk)

## WINDS OF CHANGE



Plans to construct Europe's largest onshore wind farm in South Lanarkshire have been approved by ministers in Scotland. The 152-turbine wind farm at Clyde, Abington, will have a total capacity of 548 MW and will be capable of powering up to 320,000 homes. Currently the largest operational wind farm in Europe is at Guadalajara, Spain, which has a generating capacity of 208MW. Construction of the £660m Clyde scheme, which will be undertaken by Scottish and Southern Energy, is due to begin early next year, with final completion in 2011. The project is expected to create 200 jobs during the construction phase, with 30 staff employed on completion.

The new wind farm will also play an important role in helping the UK to meet European renewable energy targets. Last year EU leaders agreed to adopt a legally-binding scheme whereby member states are required to obtain 20% of national energy consumption from renewable sources by 2020. Scottish and Southern Energy Chief Executive Ian Marchant has described the project as 'essential' if the UK is to have any hope of meeting the EU target.

## COME AND VISIT US!

UPL will be attending:

**February 25th 2009:**  
ESTA aM&T Conference and  
Exhibition at the Ricoh Arena, Coventry



## UPL – Proud supporters of BBC Children in Need

Our staff raised more than  
£1,600 in one day for the BBC's  
annual Children in Need event.



## DID YOU KNOW... THAT YOU CAN ACCESS ENERGY EFFICIENCY FUNDING FOR YOUR BUSINESS?

Small and medium-sized businesses can now access energy efficiency loans of up to £200,000 from The Carbon Trust. The unsecured, interest-free loans provide a cost-effective way for businesses to invest in energy efficient

equipment, cutting energy bills and reducing carbon emissions.

For more information visit:  
[www.carbontrust.co.uk](http://www.carbontrust.co.uk)

## ENERGY USE IN WATER INDUSTRY INCREASES

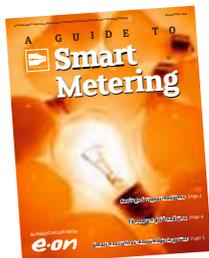


New figures released from water industry representative Water UK have revealed that energy use in the sector has increased for the second consecutive year. Total energy usage across the water industry reached 8,290.1 GWh in 2007/08, up from 7,896 GWh in the previous period. Sustainable energy accounted for 13% of this total, approximately half of which was generated on-site.

Water UK's annual sustainability report highlights population demographics and

consumption growth, along with more stringent treatment standards, as the main factors which have contributed to increased energy use across the industry. Whilst the relationship between such factors and rising energy usage has not been made clear, it must be recognised that many water companies are taking active steps to improve their energy efficiency performance. UPL is currently working with several water companies across the UK to ensure that energy efficiency targets are achieved.

## SMART METERING: DOING THE BUSINESS



**The Daily Telegraph has published a comprehensive report underlining the advantages of smart metering. The 16-page review includes features emphasising the beneficial effects of AMR**

**systems, as well as information regarding forthcoming legislative requirements and the potential transformation of the national power grid. Sample editorial highlighting the benefits of smart metering for businesses is summarised in the article below:**

**The benefits of smart metering for businesses can be summed up in one phrase: knowledge is power**

'Much of the focus on smart metering has been on what improvements households will see, but commercial customers are likely to see even greater benefits. The Carbon Trust, the government-backed organisation that aims to cut emissions from business, carried out a three-year field trial into the use of smart metering in small and medium-sized enterprises (SMEs).

The trial results suggest that by switching to advanced metering, on average SMEs can identify potential carbon savings of over 12 per cent. On average, the companies who took part in the trial saved more than £1,000 a year on their energy bills. The largest financial benefits were seen by multi-site businesses and high energy users. Widespread adoption of advanced metering across the UK SME community would result in annual cost savings of £300 million for small businesses, the Carbon Trust says.

Bigger businesses will benefit even more. For those that are covered by the forthcoming Carbon Reduction Commitment, smart meters will be vital to enable them to track their energy usage and

comply with the requirements of the CRC. Multi-site businesses may not have a big carbon footprint per site, but when added together, the total nationwide impact of say every Marks & Spencer store or Shell filling station will be considerable. Such companies will be able to aggregate their energy use and approach their energy supply to negotiate more favourable terms, says Dave Robinson, Market Development Director at meter maker Landis+Gyr.

Tom Delay, Chief Executive of the Carbon Trust, commented: 'Our trial has shown that advanced meters can help businesses save money and also deliver significant carbon savings for the UK. To harness this potential there needs to be a structured and sustainable roll-out of this important technology to help the UK meet its commitment to cut carbon emissions by 80 per cent by 2050.'

Businesses cannot make rational decisions about energy consumption if they cannot see the consequences of their actions, says Robinson. 'If you are on a quarterly bill, by the time it arrives it is a bit late to do anything about it. Having the information there immediately allows customers to make informed choices, put them into practice and see the results.'

Utility Partnership Ltd has installed 6,000 meters for telecoms group T-Mobile at its base stations around the country, as well as in its offices and retail sites. Gary Mawer, chief executive, says the new technology is essential for businesses in the current environment. 'You cannot manage what you don't measure. Once you start measuring your energy consumption, you can do something about it,' he says.

There are four key benefits to businesses from smart metering, he says. The first is in procuring power – if you have proper data in your consumption profile, you can optimise tariff arrangements. Not knowing the full details of how, when and where you consume energy leads to uncertainty, which is a risk that is priced into your tariff. Conversely, if you

do know, it removes that risk. You may also identify opportunities in moving your consumption away from peak times, which gives you leverage with your supplier. Smart metering also makes it much easier to switch suppliers, too.

Next, the technology improves a company's financial controls, simply by letting you see what is going on. It is possible to discover errors earlier and because there is no need for estimated bills, you are not giving your money to the utility. Smart metering also creates huge opportunities to improve energy efficiency, and to measure the effect of any efficiency measures once they have been implemented.

Finally, it allows companies to reduce their environmental impacts – and to provide proof that they are doing so. With the advent of a range of environmental regulations, this will become increasingly important. 'If you put smart meters in and make good use of the data – and that is crucial – you can cut your business's energy costs by 10-20 per cent,' Mawer says.

As long as smart metering leads to more transparency in the energy market as a whole, it should also make the market more competitive. It will enable companies to differentiate their offerings more clearly in an attempt to win customers. 'Smart metering is one of the few things that can genuinely encourage competition,' says Mark Powell, utilities partner at Fujitsu Services. However, significant structural changes to the market would be needed for genuine competition, he adds.

To order your free copy of *The Daily Telegraph's* smart metering supplement, please call **Karen Browne** on **02920 739518** or email **karen.browne@up-ltd.co.uk**.

### UPL DELIVER

- Smart Metering
- Automatic Monitoring and Targeting
- Energy Procurement
- Bill Investigation and Dispute Resolution
- Data Services
- Environmental and Energy Management
- Wayleaves
- Utility Management
- Value Engineering
- Design and Feasibility Services
- Sustainable Energy Services
- Legislative Advice

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