

# Climate Change Agreements (CCAs)

Deadline 31st March 2022

Key Facts Webinar



Now, for tomorrow



An independent member of

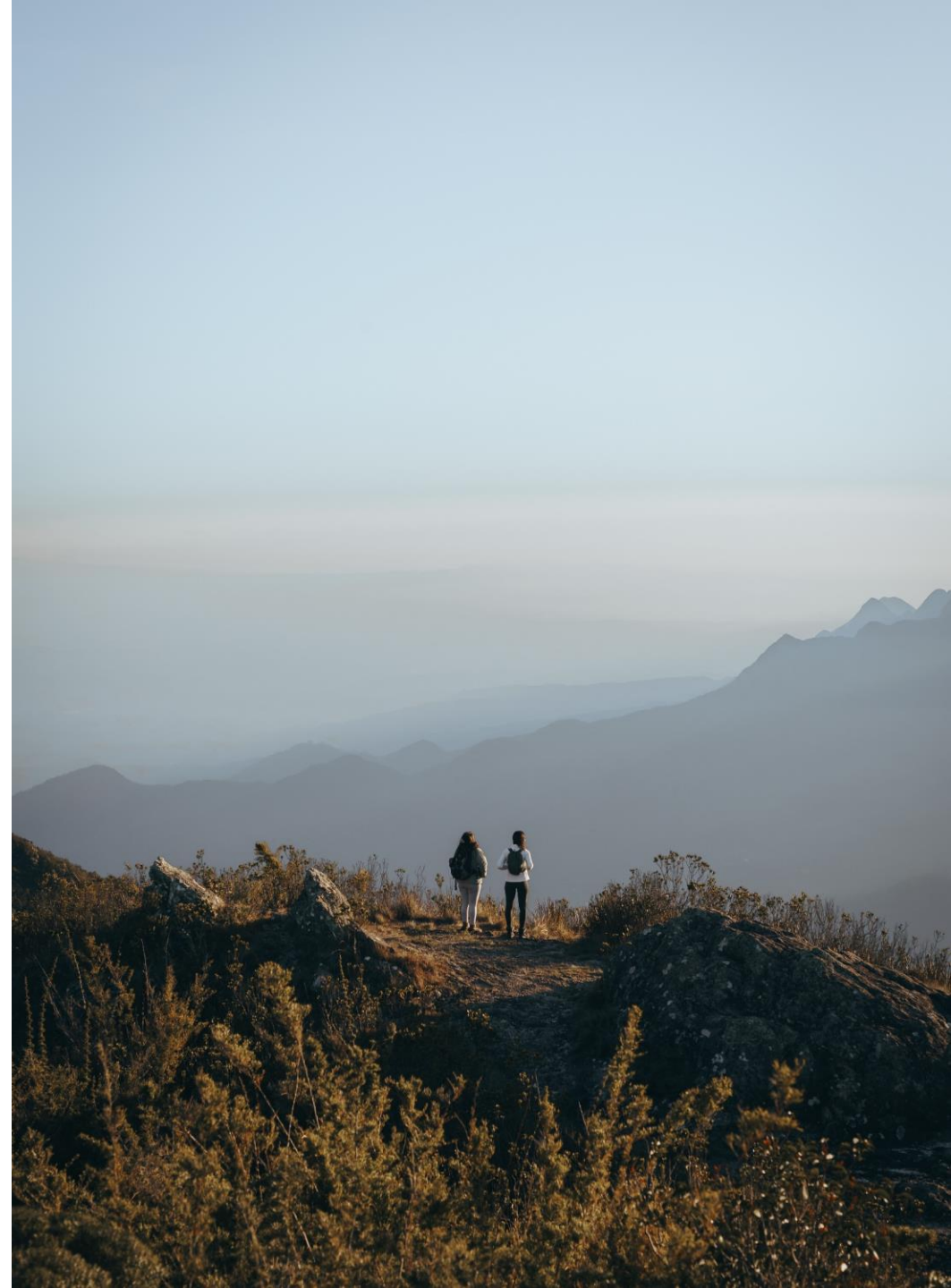
**bakertilly**  
INTERNATIONAL

# Timing

- New entrants into scheme: deadline 31st March 2022
- New targets for 'New Scheme' set: second half 2022
- New legislation laid: 2023
- In scheme (under reduced rates) until 31st March 2025

**Savings on Levy: 92% for Electricity, 81% for Gas,  
77% for LPG**

**Plus reduced energy bills through energy-saving**



# Savings

Savings on Levy:  
**92% for Electricity**  
**81% for Gas**  
**77% for LPG**

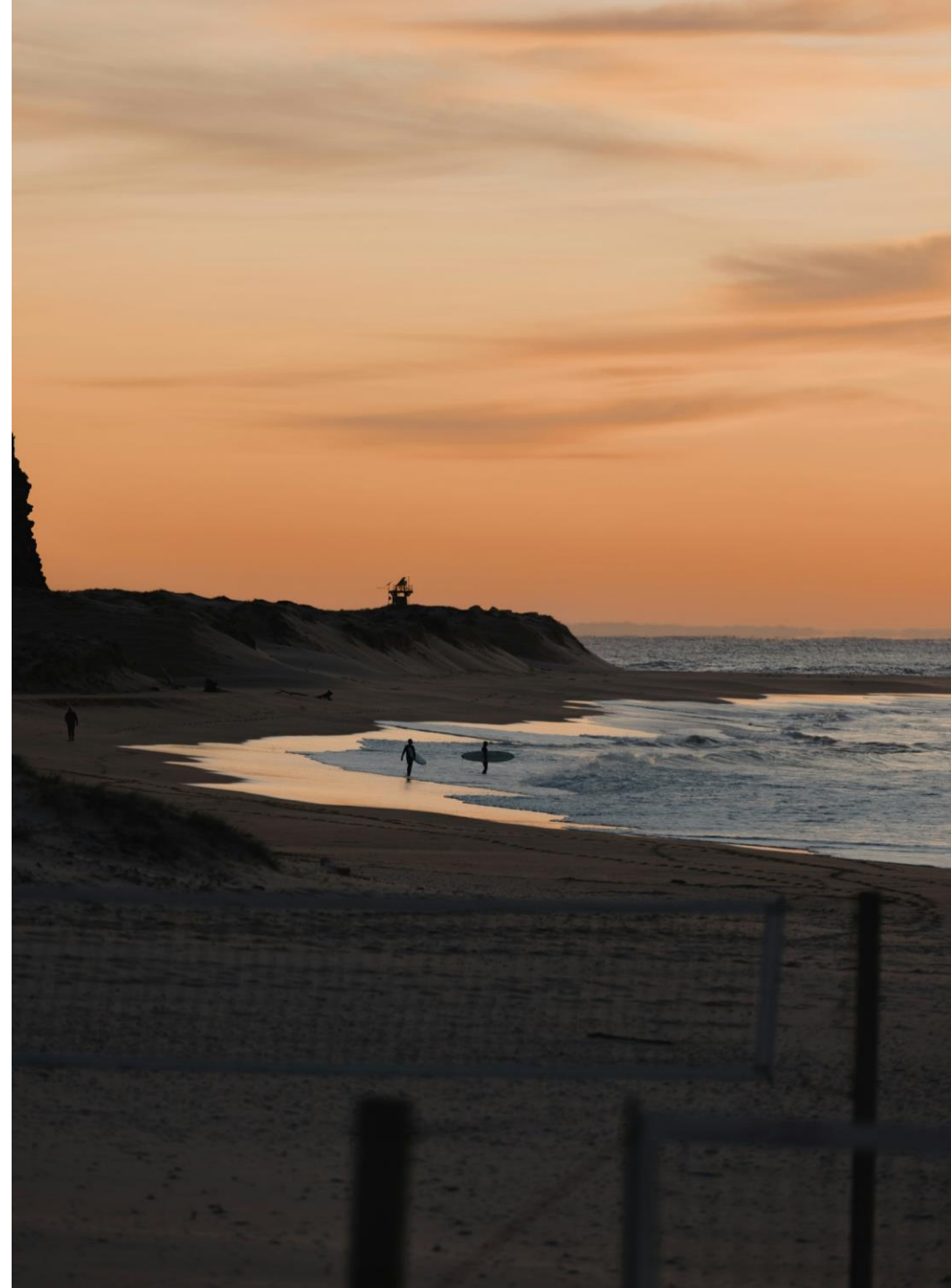
Current Levy Rates			Levy discount	Savings
'p' = pence	Electricity	0.811 p/kWh	92%	1,000 mWh £7,461
	Gas	0.406 p/kWh	81%	1,000 mWh £3,288
	LPG	2.175 p/kg	77%	1,000 mWh £16,747
	Other Tradable Commodities	3.174 p/kg	81%	1,000 mWh £25,709



# Process (1)

- Must be one of the 53 sectors outlined in CCA Processes
- Exemptions for metallurgical and mineralogical processes
- Site eligibility: 'Energy Intensive Process' above de minimus rule  
(1,000 kWh Electricity/4,397 kWh Gas p/month)

**Sector Associations will check your eligibility  
& your entrance to CCA Register System**



# Process (2)

## Eligible Sites:

1. Eligible process (in Scope 53 sectors) eg Food - 'a facility that treats and processes materials intended for the production of food products'
2. Directly associated activities (boilers, lighting, compressors, re Fridgeration)
3. Ineligible activities

**70% or above of all energy (electricity +2.6) & all other fuels = whole site is eligible**



# Process (3)

## Base Line Calculations

1. Target periods 1-4 (2020). Base year Jan - Dec 2008  
Target period 5 (2021). Base year Jan - Dec 2018  
Unless major site changes In which baseline Reset.....
2. Set energy savings target. kWh/tonnes
3. Multi-site can 'bubble' - join all targets together

## Application

1. CCA form
2. Process application (including flow maps and site plan)
3. 70/30 evaluation
4. Joining fee (banding):  
Small (3,300 mW), Medium (<33,000 mW),  
Large (> 33,000 mW). £185 charge per facility



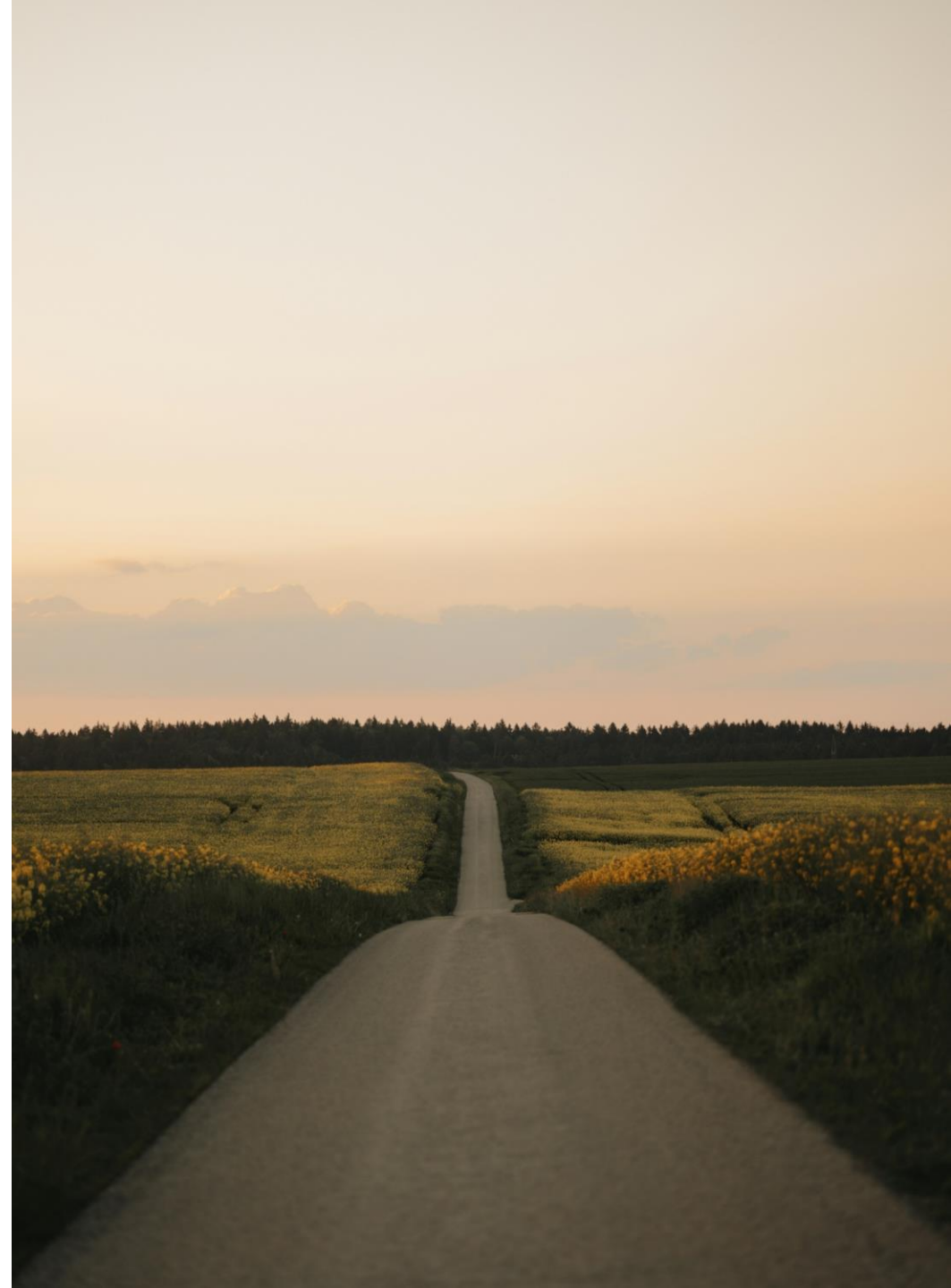
# Targets

## Four types:

1. Relative energy (eg KWh/m<sup>2</sup>)
2. Absolute energy (eg MWh)
3. Relative carbon (eg KGc/tonnes)
4. Absolute carbon (eg tonnes c)

**EG: 5% reduction on 1,000 MWh in each of 2 years  
=  $1,000 \times 2 \times 95\% = 1,900$  MWh Target**

Report by 1st May after each December 31st Year End  
Unable to meet targets (Period 5 21/22): £18 per tonne CO<sub>2</sub> charge



# **Delivering a sustainable tomorrow, today**

**Contact MHA to discuss options & base lines**

**Engage with your sector association  
(deadlines)**

**Be pro-active**

