

# A FOCUS ON...

## STREAMLINED ENERGY & CARBON REPORTING



### SUMMARY

In 2017, the government finally published the long-awaited consultation on the future of company carbon and energy reporting. *Streamlined Energy & Carbon Reporting – Raising awareness, reducing bills, saving carbon*, published by the Department for Business, Energy and Industrial Strategy (BEIS), outlines the government's key proposals into what reporting will look like once the Carbon Reduction Commitment (CRC) comes to an end in 2019.

The reporting framework will be UK-wide, with the UK government and Devolved Administrations working together to deliver the best outcome for businesses and the environment. The key points outlined in the consultation document are summarised below:



## What is being proposed?

**It is proposed that energy and carbon reporting will now be included within companies' annual reports and filed with Companies House. Reporting will apply to UK companies formed and registered under the Companies Act 2006 (and potentially Limited Liability Partnerships). However, in a significant change from CRC reporting, it is not proposed that mandatory reporting will apply to the public sector. The key proposals and points for consultation are as follows:**

- Certain UK unquoted companies will be required to report emissions from energy use on an annual basis. The proposal is to apply the new legislation to 'large companies' and the consultation lays out various options for discussion as to how a 'large company' will be defined (e.g. ESOS definitions of a large company, or the CRC reporting threshold)
- Companies will be required to include the information within their annual reports, which are filed with Companies House, possibly using a new bespoke electronic reporting system
- The scope of emissions to be reported will be those associated with electricity and gas consumption, plus energy used for transport
- Only the reporting of Scope 1 (direct) and 2 (energy indirect) emissions will be mandatory
- Additional reporting on any identified energy savings opportunities and energy efficiency action taken may also be included



## What about other existing reporting schemes?

- **CRC** – It has been confirmed that CRC will come to end as planned in 2019, with the new reporting scheme replacing this from April 2019
- **MGHG** – The consultation proposes that companies already captured under existing mandatory GHG Reporting will still be required to report in the same way under the same scope
- **ESOS** – No change to the scope of ESOS has been proposed, although there may be the potential to use ESOS outputs in the new streamlined reporting
- **EUETS** – No changes to EUETS reporting are proposed
- **CCA** – No changes to the current CCA scheme are mentioned. The current phase ends in 2023, with the final target period being 2019-20. However, the Clean Growth Strategy document, also published in October, states that next year BEIS is likely to undertake an evaluation of CCAs to inform any successor scheme

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**For now, it's really business as usual with respect to any carbon and energy reporting schemes that your organisation is currently involved in.**

The changes discussed will apply from April 2019 onwards. The consultation will close on 4 January 2018, and you have the opportunity to respond to this via the link below. The full document can also be found here: <https://www.gov.uk/government/consultations/streamlined-energy-and-carbon-reporting>

Visit: [www.inenco.com](http://www.inenco.com)