



The Streamlined Energy Carbon Reporting Scheme (SECR)

For some time now, the UK has been on a mission to become a low-carbon nation. It all started with the Intergovernmental Panel on climate change in 1988, and was further reinforced with the United Nations Framework Convention on climate change, established in 1992.

As part of its latest strategy, the Government has now announced plans for the new Streamlined Energy and Carbon Reporting (SECR) regulations which take effect in 2019. Julian Grant from Chauvin-Arnoux UK looks at the new regulation to see which businesses it will affect and what it will involve for them.

The new mandatory reporting framework will replace the CRC Energy Efficiency Scheme (CRC EES), and extend the scope of the existing Mandatory Carbon Reporting (MCR) regulations to include all large organisations. It aims to use energy efficiency as a mechanism to help increase business productivity, and in doing so will also improve the security of energy supplies, as the goal is to reduce current demand by at least 20 per cent before 2030.

As the name suggests, the SECR is designed to streamline and reduce complexity in the carbon and energy reporting landscape, as well as broaden the scope for reporting compliance. It is aimed at companies with at least 250 employees or an annual turnover greater than £36m, as well as an annual balance sheet greater than £18m. The number of companies reporting into the SECR will also include those in the Energy Saving Opportunities Scheme (ESOS), increasing the number of businesses involved from 1,200 to about 12,000.

If a business meets the criteria it will be automatically entered into the scheme and the energy use, carbon emissions, and energy efficiency actions of the business will be made publicly available, alongside some reference comparison metrics.

For businesses that haven't already thought about increasing their energy efficiency, adherence to SECR will involve additional costs in administration and possible equipment purchase. However, if the quoted 20 per cent improvements in energy efficiency can be achieved, any costs will be more than covered.

Companies should embrace an energy management system that encompasses people, processes, and technology, and go back to the basics of energy management by analysing their operations, to understand the meaningful and sustainable changes that can be made.



Many forward-thinking businesses have, of course, already been doing this in recent years by using Power and Energy loggers (PELs) to monitor energy use around their facilities.

Based on Carbon Trust statistics that 20% of energy is wasted on inefficient equipment, and with British Gas SME smart meter surveys suggesting 46% of energy use is out of hours, use of PELs to identify such things is an obvious thing to do.

In addition to this, everybody in the business needs to be involved and new initiatives need the support of senior management. Without staff ownership and management support energy management improvements will likely dwindle.

An effective energy policy should be written for the business that should detail the commitment, set objectives, define targets, detail plans, indicate responsibilities, as well as ensuring compliance and continuous improvement.

Assessment of energy performance by examination of past and present energy consumption in order to establish benchmarks should take place, enabling an understanding of energy use patterns and trends. Conducting energy audits will help identify areas of potential energy savings within your organisation.

Encouraging staff to act in an "energy efficient" manner, thinking about their energy use, streamlining processes and installing energy efficient technology, setting realistic targets and timescales, prioritising activities, and making sure they all get done, should be top of the agenda.

Most of all it is important to measure and communicate the benefits. The results of projects should be communicated to staff to maintain motivation, and to senior management to ensure continued "buy in". It might make justifying capital expenditure easier in future if the implemented energy projects have a proven record of delivering savings.

Energy efficiency is beneficial to everybody as it removes unnecessary costs from businesses thus improving financial efficiency. And if every business does its part the UK could soon become the low-carbon nation it needs to be to remain competitive on the world stage, and at the same time do its bit to help reduce climate change.



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