

Title: Climate Change Agreements:
proposals for a future scheme

Date: 15th February 2022

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NFU Consultation Response



NFU



Q7. What are your views of the options for measuring trade openness (trade intensity and import penetration ratio) and which do you believe would be most appropriate for determining scheme eligibility?

We agree that both energy intensity and trade intensity metrics are desirable components of the qualifying criteria, given the need to avoid unfair competition in



Yes

Q21. Do you have any specific views on potential changes required regarding throughput measures used within any CCA?

Any non-novem target can be represented as a single product novem target, so there is no loss of utility, and a great deal of simplification, to be gained with this change, especially in sectors with a mix of novem and non-novem target units.

Q22. Should the scheme continue to have a surplus mechanism to allow overperformance to offset underperformance in future Target Periods?

Yes.

Q23. What reforms should be considered for the surplus mechanism?

See also our response to Q12 above. Historic overperformance can be booked against future underperformance, however if annual targets are to be adopted, being able to offset historic overperformance against current year potential underperformance would be useful in smoothing out influences outside of facilities' control.

Q24. What reforms should be considered for the buy-out mechanism?

We appreciate why the time from issuing the buy-out memorandum of account to the operator needing to pay is short. However, the chain – of BEIS noting a payment has been made, and in turn updating the Environment Agency, who then pass it on to the sector association, who then contact the operator – is long and labour intensive. Automated emails from BEIS to both EA and sector association when payment has been received, with a list of those still outstanding would be one way of shortening the chain and making it less labour intensive. Payment via a website would simplify the process for many SMEs who have difficulty doing a bank transfer quoting a reference specific to the individual transfer.

Q25. Has the pricing for buy-out in the current scheme been effective at discouraging

