

energy measures

fact file

28

Emissions Trading and Carbon Offsetting

Fact File 28 defines 'Emissions Trading and Carbon Offsetting' and outlines the considerations and the benefits involved, as well as details about carbon offsetting via a third-part intermediary. With climate change now firmly on the political agenda of all parties, new measures – possibly including legislation and taxes – may be introduced to encourage the commercial sector become more energy efficient and reduce CO₂ emissions or other gasses implicated in global warming. One of the options that appear to be favoured by the Government is an 'Energy Performance Commitment' that would focus the attention of businesses on good energy management. If implemented, it would cap carbon emissions from relatively large energy users across business and industry. Businesses that exceed their 'cap' would pay a financial penalty and those that do not use their full allocation of carbon emissions would receive financial awards. In anticipation of possible changes in regulation to favour an Energy Performance Commitment (or as a core part of their business philosophy), some businesses have already started the process of off-setting their emissions of Carbon Dioxide. Most do this through the considerable number of schemes that have been established specifically to offset carbon emissions.