CCA – FAQ for the new scheme

Ahead of the start of the new CCA scheme on 1 January 2026 we are issuing an FAQ document in response to recently received queries. The purpose of this document is to provide intermediate advice, ahead of publication of an updated technical annex (DESNZ) and operations manual (EA). If you have further questions after reviewing this document, please contact cca@energysecurity.gov.uk.

What guidance is there regarding how to calculate fixed energy consumption for a unified target type?

The October 2024 Government Response provided initial information on the new unified target type and outlined various methods that could be used to calculate the fixed energy consumption (FEC) of a Facility including regression analysis or use of sub-meter and product run data. It is not essential for Operators to determine FEC rigorously using dedicated sub-metering, but Operators should be prepared to provide supporting evidence for any estimation method. This will be particularly important for those wishing to adjust their split between fixed and variable energy consumption later (noting that there will be limits on the circumstances in which this might be permitted).

Why is this important?

Accounting for the fixed energy proportion in the baseline is essential because it ensures reported performance reflects real efficiency improvements rather than production changes. When throughput rises or falls, an incorrect split between fixed and variable energy can distort results and impact on apparent performance. The greater the inaccuracy in the measure of the fixed energy, the greater the distortion will be.

While estimates may not always be perfect, including a fixed/variable split in the baseline consistently produces performance results that are closer to actual outcomes than approaches that do not make this distinction.

Can facilities amend their FEC and VEC split in their base line data after TP7 starts?

We appreciate that operators may wish to revisit the data that they provided in April via the SATs, and that in some cases will need to provide this data where it is missing. We ask that sector associations support sites to provide accurate base year information within the timescale recently set out by the EA and carefully consider how to split this between fixed and variable consumption.

We acknowledge that it may take some time and effort for operators to fully understand the impact of this and expect that it may be appropriate to allow adjustments to this split into 2026, including time for the introduction of product groups. We expect that these changes will be possible until 1st May 2026 subject to developments in the Register.

Will the throughput reduction rule apply where an operator assigns all their energy to fixed?

We still believe that this rule is required where there is a significantly large, fixed energy consumption and the unified target is acting, in practice, as an absolute target (e.g. 100% FEC). We will provide further details about this after the start of TP7, and before the window for adjusting base line data closes.

How do the updated energy factors impact the 70% rule? How are we expected to re-confirm this eligibility?

The updated energy factors may impact a sites' eligibility under the 70% rule. The primary electricity factor (PEF) and carbon emission factors (CEF) for all fuel types were updated ahead of the new scheme starting and will be fixed for the length of the 6-year scheme. The site's performance/baseline also use the updated factors. CEFs had not been updated since 2012, and PEF was a legacy figure from the scheme's inception in 2001. This update of factors includes benefits for participants using on site solar, wind or hydro-electricity. The change to PEF could impact the 70% rule evaluation, particularly for sites that are already very close to 70%.

Operators are expected to monitor their compliance with this rule and will need to review how this update impacts their eligibility. If they are no longer consuming more than 70% of the total site energy on eligible activities and directly associated activities, they are required to notify the Environment Agency of this. The EA will audit an increased proportion of participants during the scheme to assess whether they meet existing eligibility criteria including the 70% rule evaluation.

We expect the annual confirmation of eligibility to be a YES/NO exercise, likely combined with reporting templates. Participants/sectors are also confirming that they meet all eligibility requirements when assenting to the new umbrella and underlying agreements for the new CCA Scheme.

How is electricity generated from combustion of a renewable fuel in direct energy generators treated?

Under the amended CCA Eligible Facilities Regulations, Regulation 6(4) requires that electricity generated from the combustion of renewable fuels be multiplied by a PEF of 2.1 to calculate reckonable energy. In the Government Response in November 2024, we set out that the carbon factor of 0 and PEF of 1.0 apply only to electricity generated on-site from solar, wind, or hydro power. This did not apply to the generation of electricity from combustion of biomass or biogas, and the SI was updated in July in line with this position.

When there is combustion to generate electricity and the fuel input is a mix of renewable and non-renewable there is deemed to be an output of renewable and non-renewable electricity.

To calculate the proportion of the total electricity generated which is renewable, multiply the total electricity generated by the proportion of the total fuel used for generation which is renewable. To calculate the proportion of the total electricity generated which is non-renewable, multiply the total electricity generated by the proportion of the total fuel used for generation which is non-renewable.

- Quantity of Renewable Electricity Generated = Total Electricity Generated x (Renewable Fuel Input/Total Fuel Input)
- Quantity of Non-Renewable Electricity Generated = Total Electricity Generated x (Non-Renewable Fuel Input/Total Fuel Input)

Then, to calculate the primary energy associated with the renewable electricity, multiply the renewable electricity by 2.1. To calculate the primary energy associated with the non-renewable electricity, divide the non-renewable electricity by the thermal efficiency of the electricity generator.

- Primary Energy for Renewable Electricity = Quantity of Renewable Electricity Generated x 2.1
- Primary Energy for Non-Renewable Electricity = Quantity of Non-Renewable Electricity Generated x (1/ Efficiency of Electricity Generator)

Finally, adjust both primary energy values to reflect the proportion of electricity actually consumed within the eligible facility.

- Primary Energy for Renewable Electricity to Report by Eligible Facility = Primary Energy for Renewable Electricity x (Total Electricity Generated which is Consumed in EF/Total Electricity Generated)

- Primary Energy for Non-Renewable Electricity to Report by Eligible Facility = Primary Energy for Non- Renewable Electricity x (Total Electricity Generated which is Consumed in EF/Total Electricity Generated)

How is electricity generated from the combustion of renewable fuel in a CHP treated?

Under the amended CCA Eligible Facilities Regulations, Regulation 7A(2) requires that electricity generated from the combustion of renewable fuels, such as biomass in a CHP, be multiplied by a factor of 2.1 to calculate reckonable energy. The balance of the fuel input to the CHP (i.e. Total Fuel Input – [Electricity Generated *2.1]) is deemed to be associated with heat and is reported as a consumption of the fuel type used to generate the electricity together with the any other consumption of that fuel type.