CLIMATE CHANGE AGREEMENTS

TSA CCA Scheme

Climate Change Agreement Overview

What is the **CCA**?

Climate change agreements are voluntary agreements made between UK industry and the Environment Agency (EA) to reduce energy use and carbon dioxide (CO_2) emissions. In return, operators receive a discount on the Climate Change Levy (CCL), a tax added to electricity and fuel bills.

The Environment Agency administers the CCA scheme on behalf of the whole of the UK.

Sector associations manage the underlying agreements for businesses in their sector. An operator that wants to enter into a CCA must apply first to its sector association.

Levy Discounts

The benefits of having a CCA and partaking in the Climate Change Levy Discount Scheme result in up to 92% discount on electricity, up to 89% on gas, and up to 77% on LPG on the CCL charged in return for meeting energy or carbon saving targets. For a typical laundry, this can work out to be up to 20% of their energy spending.

Who is it for?

The CCA umbrella agreement held by the TSA is for members and non-members. However, TSA members receive a 50% discount on the CCA fees.

Over 140 laundry sites are currently part of the CCA scheme. Some of them have been part of the scheme since 2010 and others have joined the scheme along the way as new entrants were allowed to join.

How does it work?

The TSA have appointed **Jacobs** (a specialist CCA consultancy company) to administer the scheme on behalf of the association. You can contact them directly or speak to the TSA if you would like further information.

CCA Helpline Team

Telephone

0845 600 8122

(0161 235 2498)

Email

cclevy@jacobs.com

- Jacobs CCA Helpline Team will help a laundry to:
  - Provide guidance on how to conduct an eligibility check on the 70/30 principle. If 70% or more of a site's energy is used in the eligible laundry process then the site can claim the maximum rate of CCLevy discount.
  - Understand the annual data collection sheets and answer any questions relating to energy data or textile tonnage processed.
  - Outline the process of claiming the discount from your energy supplier and reporting to HMRC.
- Once registered for the CCA scheme and approved by the Environment Agency (EA), you will receive an underlying agreement from the EA to confirm your assent.
- Once you are officially part of the TSA CCA scheme, Jacobs will provide you with the timelines of data collection and other important details.
- TSA agrees a performance target for the industry which is communicated to CCA members.
- You can apply for the discount from your suppliers by using HMRC forms PP10 and PP11.
- You receive the stated discount against your gas and electricity levy charges (up to 92% discount on electricity, up to 89% on gas, and up to 77% on LPG).
- The new scheme announced by the government starts in 2026 and runs up to 2033.
- The new base year will be 2022 and targets are set against this base year for later years.
- If you meet the target or exceed it in your annual energy efficiency performance, there is nothing to do but enjoy the continued discounts. You can accumulate the surplus carbon over the course of the scheme and use it to offset any performance gaps in future.
- If you fail the target, you will be required to pay a carbon buyout amount by June of the reporting year to remain certified in the scheme. This is currently set to be £37 per tCO_2.
- In almost all cases, the CCL discount a laundry receives is greater than the buyout charges in the case of a failed target

Current and future scheme

The current scheme will end in 2025, and the new scheme will run from 2026 to 2033. Members of the current scheme will be transferred over to the new scheme and will not be subject to a new entrant joining fee. The window for the new scheme is January to August 2026 and applications must be processed during this time. A number of elements will change from the current to the new scheme.

- **Targets** – the TSA has been working with the EA to agree on an industry target which is both ambitious and practically viable. The targets are now set as 6.5% reduction for end of 2026, 9.5% for end of 2028 and 13%.
- **Baseline** – current baseline is set against 2018, the new baseline will move to 2022.
- **Site Level Targets** – there will be no "bubbling" of sites into a group of same company laundries and the targets will have to be achieved on a site level only.

TSA administers the Umbrella Agreement for the sector and is responsible for the management of the CCA scheme. TSA also holds training webinars, in partnership with Jacobs and industry suppliers, to help laundries get the best results from the scheme.

Cost of being a member of the CCA per site per year (based on 2025 and subject to minor change for 2026)

	CCA Fee (TSA member)	CCA Fee (Non member)	One-off joining Fee (TSA member)	One-off joining Fee (Non member)	Environment Agency Fee
Micro	£498	£996	£300	£600	£185
Small	£747	£1,494	£300	£600	£185
Medium	£996	£1,991	£300	£600	£185
Large	£1,245	£2,489	£300	£600	£185

Micro <2,500,000 kWh / **Small** 2,500,001 - 3,500,000 kWh / **Medium** 3,500,001 - 5,500,000 kWh / **Large** >5,500,000 kWh

Typical benefits being part of the CCA Scheme (based on upper consumption thresholds per site per year)

	Gas Discount (89% of the levy)	Electricity Discount (92% of the levy)	Total Discount
Micro	Up to £15,175	Up to £2,140	Up to £17,315
Small	£15,175 up to £21,245	£2,140 up to £2,995	Up to £24,240
Medium	£21,245 up to £33,385	£2,995 up to £4,705	Up to £38,090
Large	Over £33,385	>£4,705	Over £38,090

To find out more details on the scheme, please contact **T 020 3151 5600 E tsa@tsa-uk.org**