

## Case Study: UCL Carbon Accountability Scheme

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**Keywords** Target-based reduction model; Carbon Accountability

**Synopsis** University College London (UCL) is piloting a “Carbon Accountability Scheme” to reduce carbon emissions. The basic mechanism is a financial incentive for departments that reduce energy use. Along with an annual charge or rebate, the Sustainability team will provide information to departments each term on emissions from buildings and operations, procurement, and academic travel. The Sustainability team will also offer advice on how to improve performance, and will encourage departments to engage further with UCL’s existing sustainability programmes and projects.

**Primary stakeholders involved** This scheme was initiated by the UCL Sustainability team and developed through a working group comprising academic colleagues with research interests in carbon policy and behavioural economics. UCL has a well-established network of volunteer Green Champions who work to promote sustainability within their departments. This network has helped identify departments to take part in the pilot.

**Timeline** The scheme will be piloted in roughly a dozen departments starting in the 2018-19 academic year, with ambitions to extend the full scheme across UCL the following academic year.

**Scope** The scheme will measure departments’ scope 1 & 2 carbon emissions and apply a charge or a rebate based on performance relative to an overall institutional target for carbon reduction. The scheme will report scope 3 emissions from procurement and business and academic travel, but will not include these emissions in the charging mechanism initially.

**Determining a carbon price** The minimum proposed cost of carbon for this scheme will be around £30/tonne (approximately \$40/tonne), which is equivalent to what UCL will be charged under the UK Government’s Climate Change Levy. As part of the pilot we will be exploring whether this figure sufficiently represents the social cost of carbon

**Development process** In 2016 UCL published its updated Carbon Management Plan, “Degrees of Change,” which set out how we would reduce carbon emissions and identified key targets and milestones. The plan included a commitment to develop and implement financial incentives for departments to reduce their environmental impact.

A working group designed the incentives. This involved input from colleagues in central finance, representatives from the student body, and academics working in environmental policy and behavioural economics. This working group produced the “Carbon Accountability Scheme” for UCL.

**Approval process** The UCL Council approved the Carbon Management Plan, which introduced this idea, in 2016. The scheme’s pilot will provide the evidence on which approval for full implementation will rest.

**Sources/Uses of funds** The carbon price chosen by UCL should allow any rebates to departments to be met from energy bill savings made by the institution as a whole. The final use of any charges collected has not been decided, though there have been several interesting proposals, including a green fund into which departments can bid for project funding and a form of low-carbon travel subsidy.

**Other key implementation/context notes** UCL has drawn on the experience of Yale University and others in developing this scheme. One of the key differences we have observed has been the existence of UK and EU carbon pricing legislation. This means the concept of “polluter pays” is already well-established in the minds of the UCL community and there is enthusiasm for the introduction of carbon pricing. Existing legislation also helped us arrive at an appropriate carbon price.