STATUTORY INSTRUMENTS

2018 No. 268

INCOME TAX
CORPORATION TAX

The Capital Allowances (Energy-saving Plant and Machinery) Order 2018

Made - - - -	*28th February 2018*
Laid before the House of Commons - - - -	*1st March 2018*
Coming into force - -	*22nd March 2018*

[F1]The Treasury, in exercise of the powers conferred by sections 45A(3) and (4), 45B(1), 45C(2)(b) and (3)(b) and 180A(2) of the Capital Allowances Act 2001 [F2], make the following Order:

F1 Order revoked (with effect in accordance with s. 33(5) of the amending Act) by Finance Act 2019 (c. 1), **s. 33(4)**

F2 2001 c.2. Sections 45A to 45C were inserted by paragraph 2 of Schedule 17 to the Finance Act 2001 (c. 9). Section 180A was inserted by paragraph 4 of Schedule 18 to the Finance Act 2001.

Citation and commencement

1. This Order may be cited as the Capital Allowances (Energy-saving Plant and Machinery) Order 2018 and comes into force on 22nd March 2018.

Interpretation

2. In this Order—

"the Act" means the Capital Allowances Act 2001;

[[F3]"Energy Technology Criteria List" means the list headed "Energy Technology Criteria List February 2019" and issued on behalf of the Secretary of State for Business, Energy and Industrial Strategy on 26 February 2019;**]**

[[F3]"Energy Technology Product List" means the list headed "Energy Technology Product List February 2019" and issued on behalf of the Secretary of State for Business, Energy and Industrial Strategy on 26 February 2019.**]**

F3 Words in art. 2 substituted (29.3.2019) by The Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2019 (S.I. 2019/501), arts. 1, **2(2)**

Description of energy-saving plant and machinery

3.—(1) Plant or machinery is energy-saving plant or machinery for the purposes of section 45A of the Act (expenditure on energy-saving plant or machinery) if—

(a) it falls within a technology class specified in the Energy Technology Criteria List,

(b) it meets the energy-saving criteria set out in that List, and

(c) subject to paragraphs (3) to (5), in the case of plant or machinery falling within any of the technology classes specified in paragraph (2), it is of a type that—

(i) is specified in, and has not been removed from, the Energy Technology Product List, or

(ii) has been accepted for inclusion in the Energy Technology Product List.

(2) The technology classes specified for the purposes of paragraph (1)(c) are—

(a) air-to-air energy recovery equipment,

(b) automatic monitoring and targeting equipment,

(c) boiler equipment,

(d) compressed air equipment,

(e) heat pumps,

(f) heating, ventilation and air conditioning equipment,

(g) high speed hand air dryers,

(h) motors and drives,

(i) refrigeration equipment,

(j) radiant and warm air heaters,

(k) solar thermal systems, and

(l) uninterruptible power supplies.

(3) In the case of solar thermal systems, the solar thermal system or the solar collector included in the system must be of a type within paragraph (1)(c)(i) or (ii).

(4) In the case of automatic monitoring and targeting equipment, automatic monitoring and targeting systems need not be of a type within paragraph (1)(c)(i) or (ii).

(5) In the case of heat pumps, air source split and multi split (including variable refrigerant flow) heat pumps need not be of a type within paragraph (1)(c)(i) or (ii).

Certification of energy-saving plant and machinery

4. In the case of plant or machinery falling within the technology class "Combined Heat and Power" specified in the Energy Technology Criteria List, no section 45A allowance may be made unless a relevant certificate of energy efficiency is in force with respect to that plant or machinery [F4].

F4 "Section 45A allowance" and "relevant certificate of energy efficiency" have the meanings given by section 45B of the Act.

Energy-saving components of plant or machinery

5. Where one or more components of certain plant or machinery (but not all of that plant or machinery)—

(a) meets the conditions set out in article 3(1), and

(b) falls within any of the technology classes specified in sub-paragraphs (a), (c), (d), (f), (h) to (j) and (l) of article 3(2),

the amount specified in respect of each such component for the purposes of section 45C of the Act is the amount specified in the Energy Technology Product List in relation to that component.

Energy services providers

6. The class of plant or machinery specified for the purposes of section 180A(2) of the Act is the technology class "Combined Heat and Power" specified in the Energy Technology Criteria List.

Revocations

7. The following instruments are revoked—

(a) the Capital Allowances (Energy-saving Plant and Machinery) Order 2001 [F5],

(b) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2002 [F6],

(c) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2003 [F7],

(d) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2004 [F8],

(e) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2005 [F9],

(f) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2006 [F10],

(g) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2007 [F11],

(h) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2008 [F12],

(i) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2009 [F13],

(j) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2010 [F14],

(k) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2011 [F15],

(l) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2012 [F16],

(m) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2013 [F17],

(n) the Capital Allowances (Energy-saving Plant and Machinery) (Amendment) Order 2014 [F18],