STATUTORY INSTRUMENTS

2015 No. 947

CLIMATE CHANGE LEVY

The Climate Change Levy (General) (Amendment) Regulations 2015

Made - - - -	*26th March 2015*
Laid before the House of Commons - - - -	*27th March 2015*
Coming into force - -	*1st April 2015*

The Commissioners for Her Majesty's Revenue and Customs(**1**) make the following Regulations in exercise of the powers conferred by paragraphs 22, 24B(3), 24D, 62(1)(bb) and 146(7) of Schedule 6 to the Finance Act 2000(**2**) :

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Climate Change Levy (General) (Amendment) Regulations 2015 and come into force on 1st April 2015.

(2) They have effect in relation to carbon price support rate commodities brought onto, or arriving at, a CHPQA site of a combined heat and power station in Great Britain on or after that date.

Amendments to the Climate Change Levy (General) Regulations 2001

2. The Climate Change Levy (General) Regulations 2001(**3**) are amended as follows.

3. In regulation 11 (other tax credits: entitlement)—

(a) in sub-paragraph (1)(bb), after "electricity" (in both places it occurs) insert "to which paragraph 24B(2A)(**4**) of the Act does not apply";

(b) in sub-paragraph (2)(ab), after "electricity" insert "to which paragraph 24B(2A) of the Act does not apply".

4. In paragraph (1) of regulation 51A (interpretation of part 4(A))—

(**1**) The regulations made under the powers cited are to be made by the Commissioners; paragraph 147 of Schedule 6 to the Finance Act 2000 (c. 17) defines "the Commissioners" as meaning the Commissioners of Customs and Excise. Section 50(1) of the Commissioners for Revenue and Customs Act 2005 (c. 11) provides that a reference in any enactment to the Commissioners of Customs and Excise shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(**2**) 2000 c. 17; paragraphs 24B, 24D and 62(1) (bb) were inserted by the Finance Act 2013 (c. 29), Schedule 42, paragraphs 10 and 16. Paragraphs 24B and 62(1)(bb) have been amended by section 63 of the Finance Act 2015 (c. 11).

(**3**) S.I. 2001/838; relevant amending instruments are S.I. 2003/604, 2005/1716, 2012/3049, 2013/713, 2013/1716.

(**4**) Section 24B(2A) was inserted by section 63 of the Finance Act 2015 (c.11).

(a) for the definition of "CHPQA" substitute—

""CHPQA" refers to the Combined Heat and Power Quality Assurance Standard, Issue 5 (November 2013) prepared by the Department of Energy and Climate Change ("the CHPQA Standard");"

(b) omit the definition of "QPO";

(c) in the definition of "QPO electricity", after those words insert "means qualifying power output electricity and".

5. In Schedule 3 (fuels referable to the production of electricity in a combined heat and power station)—

(a) in paragraph 1 (interpretation)—

(i) after "CHP Qualifying Heat Output" insert "CHP Qualifying Power Output";

(ii) at the end insert—

""non-qualifying electricity" means electricity to which paragraph 24B(2A) of the Act does not apply;

"qualifying electricity" means electricity to which paragraph 24B(2A) of the Act applies.";

(b) in paragraph 2 (calculation of fuels referable to the production of electricity)—

(i) in sub-paragraph (1), for "to (4)" substitute "(3) and (4)";

(ii) in sub-paragraph (2), in the definition of "MO" for "power" substitute "energy";

(iii) after sub-paragraph (2) insert—

"(2A) Sub-paragraphs (2B) to (2E) apply, instead of sub-paragraphs (3) and (4), in relation to carbon price support rate commodities brought onto, or arriving at, a CHPQA site on or after 1st April 2015.

(2B) The extent to which a quantity of a carbon price support rate commodity is referable to the production of non-qualifying electricity in a combined heat and power station is to be determined in accordance with sub-paragraphs (2C) to (2E).

(2C) Calculate the total quantity of input fuels referable to the production of non-qualifying electricity in accordance with the following formula—

$$Q \times \left(1 - \frac{ES}{TPO - MO}\right)$$

Where—

Q is the quantity of input fuels referable to the production of electricity calculated in accordance with sub-paragraph (2);

ES (which must not exceed the QPO) is the amount of qualifying electricity in MWh generated by the station in the annual operation to which the current CHPQA certificate relating to the station applies at the time the quantity of carbon price support rate commodity is brought onto, or arrives at, the CHPQA site;

QPO is the CHP Qualifying Power Output for the station specified on the current CHPQA certificate relating to the station at the time the quantity of carbon price support rate commodity is brought onto, or arrives at, the CHPQA site;

TPO and MO have the meaning given in sub-paragraph (2).