(Draft Regulations laid before Parliament under paragraph 146(3) of Schedule 6 to the Finance Act 2000, for approval by resolution of the House of Commons.)

DRAFT STATUTORY INSTRUMENTS

2001 No.

CLIMATE CHANGE LEVY

The Climate Change Levy (Use as Fuel) Regulations 2001

Made - - - -

Coming into force - - 1st April 2001

The Treasury, in exercise of the powers conferred on them by section 30 of and paragraphs 18(2), 18(3), 146(1) and 146(7) of Schedule 6 to the Finance Act 2000(**1**), and of all other powers enabling them in that behalf, hereby make the following Regulations, a draft of which has, in accordance with paragraph 146(3) of that Schedule, been laid before Parliament and approved by a resolution of the House of Commons:

1. These Regulations may be cited as the Climate Change Levy (Use as Fuel) Regulations 2001 and shall come into force on 1st April 2001.

2. For the purposes of paragraph 18(1) of Schedule 6 to the Finance Act 2000 (climate change levy exemption if commodity supplied for non-fuel use)—

(a) the uses of a taxable commodity that are specified in the Schedule to these Regulations are not to be taken as being uses of that commodity as fuel; and

(b) any uses of a taxable commodity that are not specified in that Schedule are specified by this paragraph as uses that are to be taken as being uses of that commodity as fuel.

Two of the Lords Commissioners of Her Majesty's Treasury

March 2001

(**1**) 2000 c. 17.

SCHEDULE Regulation 2(a)

CLIMATE CHANGE LEVY EXEMPTION: SUPPLY
OF TAXABLE COMMODITY NOT USED AS FUEL

The uses specified below are, in relation to a taxable commodity, the only ones that are not to be taken as being uses of that commodity as fuel for the purposes of paragraph 18(1) of Schedule 6 to the Finance Act 2000.

A. ELECTROLYTIC PROCESSES

1. Electrolysis (electrowinning) used for the production of basic materials directly from an ore or other compound.

2. Use for the purification of materials (as distinct from electrowinning).

3. Use of electrolysis for the manufacture of advanced chemicals from other more basic chemicals.

4. Production of aluminium and copper by electrolysis.

5. The refining of tin or copper from impure metals or ingots.

6. Gold and silver electrolysis and the electrolytic dissolution of platinum group metal alloys.

7. Alkali earth metals, for example, sodium, potassium, lithium and calcium.

8. Chloralkali manufacture (chlorine, caustic soda and caustic potash).

9. Fluorine manufacture.

10. Electro-organic synthesis of fine organics and intermediates such as adiponitrile.

11. Electro-oxidation to produce hydrogen peroxide, persulphates, chlorates and peroxyorganic acids.

12. Sodium chlorate.

13. Potassium permanganate.

14. Potassium dichromate.

15. Manganese dioxide.

16. Cuprous oxide.

17. Sorbitol.

18. Fatty alcohols.

B. STEAM REFORMATION

19. The use of natural gas and propane used in steam reformers to produce a mixture of hydrogen and carbon monoxide in the following production processes:

(a) fertilisers;

(b) OXO (Oxonation) chemicals—detergent and plasticiser alcohols;

(c) phosgene;

(d) ammonia;

(e) higher alcohols, synthetic fuels, plastics precursors;