

**2013 No. 508**

**CLIMATE CHANGE LEVY**

**The Climate Change Agreements (Administration)  
(Miscellaneous Amendments) Regulations 2013**

<i>Made</i> - - - -	<i>5th March 2013</i>
<i>Laid before the House of Commons</i>	<i>8th March 2013</i>
<i>Coming into force</i> - -	<i>31st March 2013</i>

The Secretary of State makes the following Regulations in exercise of the powers conferred by paragraphs 52D to 52F and 146 of Schedule 6 to the Finance Act 2000(a).

**Citation, commencement and interpretation**

1. These Regulations may be cited as the Climate Change Agreements (Administration) (Miscellaneous Amendments) Regulations 2013 and come into force on 31st March 2013.
2. A reference to a numbered regulation is to that regulation in the Climate Change Agreements (Administration) Regulations 2012(b).

**Regulation 2**

- 3.—(1) Regulation 2 is amended as follows.
  - (2) For the definition of “base year” substitute—

““base year” in respect of a target unit which does not include a greenfield facility means a 12 month period agreed between an operator and the administrator, ending prior to the date of an underlying agreement, for which data is supplied by an operator to the administrator prior to the operator entering into the underlying agreement;

“base year” in respect of a target unit which does include a greenfield facility means the 12 month period starting on the date of an underlying agreement;”.
  - (3) In the definition of “emissions”, after “tCO<sub>2</sub>” insert “equivalent”.
  - (4) After the definition of “facility”, insert—

““greenfield facility” means a facility which started to carry out the process by virtue of which it is a facility within the meaning of paragraph 50 of Schedule 6 during the 12 month period ending on the date the operator applies for the facility to be covered by an agreement;”.
  - (5) For the definition of “tCO<sub>2</sub>”, substitute—

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(a) 2000 c.17; paragraphs 52A to 52F were inserted by paragraph 9 of Schedule 31 to the Finance Act 2012 (c.14), which also amended paragraphs 44, 45, 45B, 47, 48 and 49 of that Schedule.  
(b) S.I. 2012/1976.

““tCO<sub>2</sub> equivalent” means tonnes of carbon dioxide or an amount of methane or nitrous oxide with an equivalent global-warming potential;”.

#### **Regulation 12**

4. In regulation 12, for “tCO<sub>2</sub>”, substitute “tCO<sub>2</sub> equivalent”.

#### **Regulation 15**

5.—(1) Regulation 15 is amended as follows.

(2) After paragraph (1), insert—

“(1A) This paragraph applies in respect of a penalty that may be imposed under paragraph (1)(a), (c) or (d) on—

- (a) the operator of a target unit which does not include a greenfield facility; or
- (b) the operator of a target unit which includes a greenfield facility, if the penalty notice is served at any time after the expiry of the 12 month period starting on the date of an underlying agreement.”.

(3) At the beginning of paragraph (2), insert “If paragraph (1A) applies,”.

(4) After paragraph (2), insert—

“(2A) This paragraph applies in respect of a penalty which may be imposed under paragraph (1)(a), (c) or (d) on the operator of a target unit which includes a greenfield facility, if the penalty notice is served at any time during the 12 month period starting on the date of an underlying agreement.

(2B) If paragraph (2A) applies, the amount of the financial penalty that may be imposed under paragraph (1)(a), (c) or (d) is the greater of—

- (a) £250; or
- (b)  $0.1 \times (A - B)$ .

(2C) In paragraph (2B)—

- (a) A represents the administrator’s reasonable estimation of the amount of levy that would be payable on supplies of taxable commodities to the target unit during a 12 month period starting on the date of the underlying agreement if the supplies were not reduced rate supplies; and
- (b) B represents the administrator’s reasonable estimation of the amount of levy that would be payable on supplies of taxable commodities to the target unit during a 12 month period starting on the date of the underlying agreement if the supplies were reduced rate supplies.”.

(5) In paragraph (3)(b), for “tCO<sub>2</sub>”, substitute “tCO<sub>2</sub> equivalent”.

5th March 2013

*Gregory Barker*  
Minister of State  
Department of Energy and Climate Change

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Climate Change Agreements (Administration) Regulations 2012.

Regulation 3 provides that the base year for a greenfield facility is the 12 month period starting on the date of an underlying agreement. It also provides that emissions shall be measured in tonnes of carbon dioxide equivalent.

Regulation 4 amends the terms to be included in an agreement in relation to the buy-out fee to provide that the buy-out fee is calculated by reference to emissions of tonnes of carbon dioxide equivalent.

Regulation 5 amends the provisions on the calculation of financial penalties which are calculated on the basis of the difference between the amount of levy payable on supplies of taxable commodities if the supplies were not reduced rate supplies and if the supplies were reduced rate supplies, in respect of target units which include greenfield sites, if the penalty notice is served during the first year that the target unit is covered by an agreement. It provides that the financial penalty is based on the difference between the estimated amount of levy that would be payable on supplies of taxable commodities to the target unit during the first year that the target unit is covered by an agreement if the supplies were not reduced rate supplies and the estimated amount of levy that would be payable on supplies of taxable commodities to the target unit during the first year that the target unit is covered by an agreement if the supplies were reduced rate supplies. It also provides that penalties which are calculated on the basis of the difference between actual emission and reported emissions for a target period are based on emissions of tonnes of carbon dioxide equivalent.

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STATUTORY INSTRUMENTS

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