

# Climate Change Levy (CCL)

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## Climate Change Levy (CCL) exemption removed

The Chancellor announced in the Budget statement yesterday (8 July) the government's intention to remove the Climate Change Levy (CCL) exemption for renewable electricity.

Levy Exemption Certificates (LECs) relating to renewable source electricity generated on or after 1 August 2015 will no longer be eligible for the purposes of the CCL exemption.

HM Revenue and Customs (HMRC) have published information including a [Tax Information and Impact Note \(TIIN\)](#).

Any queries regarding current legislation should be directed to HMRC. Contact details can be found in the TIIN.

Queries concerning the proposed policy changes should be directed to HM Treasury (HMT) at [pressoffice@hmtreasury.gsi.gov.uk](mailto:pressoffice@hmtreasury.gsi.gov.uk).

Ofgem E-Serve is responsible for administering aspects of the CCL Exemption for Renewables scheme on behalf of HMRC. The following FAQs provide more detail about what the change means for administration of all the schemes that use LECs.

### Frequently asked questions

1. I saw something about the CCL exemption being scrapped in the Budget, will I still be able to claim and receive LECs?

LECs relating to renewable electricity generated before 1 August 2015 will remain eligible for the CCL exemption and will be issued as usual, according to our [certificate issue schedule](#).

We intend to issue LECs, relating to renewable electricity generation on or after 1 August 2015. However, we will review our statutory duties and processes in relation to LECs in due course. These LECs would not be eligible for the CCL exemption but would be useable for other purposes (see below).

For the time being, generators should continue to submit monthly output data to us as per usual.

There will be a transition period to redeem any eligible LECs (relating to generation before 1 August 2015) which will run from 1 August. The government will discuss with stakeholders the appropriate length of this transition period.

The ability to transfer, redeem or retire eligible LECs on our Register will continue to be available as usual throughout the transition period.

## 2. Why is this happening?

Questions concerning the policy underpinning this change should be directed to HM Treasury press office at [pressoffice@hmtreasury.gsi.gov.uk](mailto:pressoffice@hmtreasury.gsi.gov.uk)

## 3. Do I still need LECs to have my EU Guarantees of Origin (GoOs) recognised for Fuel Mix Disclosure (FMD)?

Yes. The requirements for GoO recognition for FMD do not change.

However, we intend to review our GoO recognition process for FMD (and other schemes) during the transition period.

## 4. Will I still be able to claim exempt electricity supply for FIT levelisation?

Yes. For the time being we will continue to issue LECs for overseas renewable electricity generation and suppliers can still submit these under the FIT scheme, see our [Feed-in Tariff Guidance for Licensed Suppliers v7.0](#) for more details.

We intend to review our process for determining exempt electricity for FIT levelisation during the transition period.

### 5. How will this impact on Standard Licence Condition (SLC) 21D, which relates to the supply of 'green tariffs' to domestic customers?

The requirements of [SLC 21D](#) remain unchanged. Section 21D.2 of the licence condition requires that suppliers a) hold the requisite number of Guarantees of Origin (GoOs) to support the volume of claimed renewable supply, and, b) retire any associated LECs.

### 6. How will this impact on the Low Carbon Contracts Company's (LCCC) determinations for Green Excluded Electricity (GEE) under Contract for Difference (CFD)?

The process and criteria used to determine GEE under CFD are a matter for LCCC. LCCC's current process and criteria for this are based on those used by Ofgem for Fuel Mix Disclosure (FMD), as described in LCCC [guidance](#). As above, the FMD process will not change immediately.

As we review our GoO recognition process for FMD (and other schemes), we will work closely with LCCC to ensure that this remains compatible with determining GEE under CFD.

### 7. Will this announcement affect your consultation on LECs and market coupling?

No. We issued our consultation to seek views on how requirements for evidence of UK consumption of overseas renewable electricity could be met under market coupling. The topic of our consultation remains relevant and we will publish a decision document in relation to Part A of the consultation in due course.