



Finance (No. 2) Act 2023

2023 CHAPTER 30

PART 5

ELECTRICITY GENERATOR LEVY

Calculation of exceptional generation receipts

283 Generation receipts

- (1) Where generation is attributed to a generating undertaking under [section 282\(1\)](#) for a qualifying period, generation receipts in respect of that generation are to be attributed to that undertaking for that period.
- (2) In [this Part](#) “generation receipts” means amounts that it is fair and reasonable to attribute to generation attributed under [section 282\(1\)](#) (whether or not they are received by, or otherwise arise to the operator of the station) on the basis that the amounts reflect, directly or indirectly, the amount realised (or to be realised) for the wholesale purchase of electricity arising from that generation (whether or not the electricity is actually generated).
- (3) In determining the amounts realised (or to be realised) for the wholesale purchase of electricity the following are, amongst other things, to be taken into account—
 - (a) amounts received in accordance with a settlement code in connection with accepted offers to increase generation (but not amounts in connection with accepted bids to decrease generation);
 - (b) imbalance charges under such a code;
 - (c) payments and receipts under arrangements whose principal purpose is to act as a hedge of the exposure to changes in the price of electricity where those arrangements relate to generation attributed under [section 282\(1\)](#).
- (4) The arrangements referred to in [subsection \(3\)\(c\)](#) may include arrangements comprising, or that include the use of, options, futures and contracts for difference (within the meaning of Part 7 of CTA 2009).

Status: Point in time view as at 11/07/2023.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Section 283. (See end of Document for details)

- (5) The Treasury may by regulations make provision about when amounts can (and cannot) be fairly and reasonably attributed to generation under [subsection \(2\)](#).
- (6) Regulations may also provide that—
- (a) amounts of a specified description are always to be treated as generation receipts;
 - (b) amounts of a specified description are never to be treated as generation receipts.

“Specified” means specified in the regulations.

- (7) [Subsection \(8\)](#) applies to generation attributed to a generating undertaking under [section 282\(1\)](#) if—
- (a) provision, within the meaning of Part 4 of TIOPA 2010, has been made or imposed as between two persons by means of a transaction or series of transactions,
 - (b) that provision relates to that generation,
 - (c) if instead of that provision the arm's length provision had been made or imposed, one of those persons would have an amount that it is fair and reasonable to attribute the generating undertaking in accordance with [subsection \(2\)](#), and
 - (d) were that person within the charge to corporation tax, their profits and losses would be calculated (as a result of Part 4 of TIOPA 2010) as if the arm's length provision had been made or imposed instead of the provision actually made or imposed.
- (8) Where [this subsection](#) applies to generation attributed to a generating undertaking, generation receipts in respect of it are to be determined as if the arm's length provision had been made or imposed instead of the provision actually made or imposed.
- (9) In [this Part](#) “the arm's length provision” has the meaning it has in Part 4 of TIOPA 2010.

Status:

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