
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide that a facility is to be eligible for inclusion in a climate change agreement only where it is likely that at least 90% of the energy supplied to the facility will be used within an energy intensive installation.

The 90% requirement is set out in regulations 3 and 4. Determinations are to be made in respect of the likely supply and use of energy over the twelve months which follow the supply of taxable commodities to the facility. Any past supply and usage is to be taken into account in determining likely use. The quantity of electricity used within premises is to be multiplied by 2.6. However, there are exceptions to this rule in the case of dedicated electricity generation plants (regulation 5) and combined heat and power stations (regulation 6).

Regulation 7 sets out how steam is to be dealt with when determining whether the 90% condition is satisfied.