

## **POLICY NOTE**

### **THE NON-DOMESTIC RATES (RENEWABLE ENERGY GENERATION RELIEF) (SCOTLAND) REGULATIONS 2017**

#### **SSI 2017/60**

The above instrument is made in exercise of the powers conferred on the Scottish Ministers by section 153 of the Local Government etc. (Scotland) Act 1994 and all other enabling powers. The instrument is subject to negative procedure.

#### **Purpose of the Instrument**

The purpose of this instrument is twofold.

Firstly, it extends potential eligibility for renewable energy generation relief by adjusting one of the criteria. That criterion is currently that a community organisation has entitlement to a sum equivalent to so much of the annual profit of the project as is attributable to 1 megawatt or more of its total installed capacity. From 1 April 2017 that criterion will instead relate to 0.5 of a megawatt.

Second, it adjusts the existing relief for new-build renewable generation by providing from 1 April 2017 a new level of relief (25%) for hydro schemes with total installed capacity of no more than 1 megawatt.

#### **Background**

These measures form part of a wider package of support for renewables in relation to non-domestic rates set out in a statement in Parliament on 21 February 2017 by the Cabinet Secretary for Finance and the Constitution, Derek Mackay. Other related measures are being addressed in separately proposed legislation.

#### **Policy objective**

Renewable energy is one of Scotland's most important industries, creating jobs and investment opportunities while delivering secure, low carbon and cost-effective energy. The Scottish Government is committed to reducing carbon emissions, and the development and promotion of renewable energy generation is one of a number of measures aimed at tackling this issue.

Decreasing the non-domestic rates payable as proposed should increase the attractiveness of renewables technologies as a means of energy generation. This should, in turn, promote greater energy generation in the sector and a reduction in carbon emissions.

#### **Consultation**

There is no statutory requirement to formally consult on these Regulations.

## **Business and Regulatory Impact Assessment**

No Business and Regulatory Impact Assessment has been carried out.

## **Financial Implications**

The decrease in the amount of non-domestic rates payable is in line with the policy objective as outlined above, and is subject to State aid *de minimis*.

**Local Government & Analytical Services Division**  
**March 2017**