

## EXPLANATORY NOTE

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

Electricity up to a specified, quantitative limit produced in a partly exempt combined heat and power station may be supplied exempt from climate change levy. These Regulations, which come into force on 1 April 2003, omit regulations 5(3) and 5(4) of the Climate Change Levy (Combined Heat and Power Stations) Prescribed Conditions and Efficiency Percentages Regulations 2001 (S.I.2001/1140). These omissions mean that for the purposes of that limit –

- (a) supplies made by the station to a utility or for domestic or non-business charity use are no longer to be disregarded, and
- (b) the electrical equivalent of any mechanical output of the station produced otherwise than for the purpose of electricity generation is no longer to be included.