
EXPLANATORY NOTE

(This note is not part of the Regulations)

Climate change levy is charged on supplies of electricity, gas and solid fuels that are not for domestic or charity use. Supplies for *non-fuel* use are exempt, as are supplies for *fuel* use in a prescribed recycling process.(1)

Exemption for non-fuel uses

Regulation 3 and Schedule 1 specify non-fuel uses, and regulation 3(b) specifies everything else as fuel use(2).

Exemption for fuel use in prescribed recycling processes

Regulation 4 and Schedule 2 prescribe the relevant recycling processes.

Regulatory impact assessment

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business, charities or voluntary bodies.

(1) Finance Act 2000 (c. 17) Schedule 6 paragraphs 2, 3, 8, 9, 18 and 18A, the latter inserted by the Finance Act 2003 (c. 14) section 188. The recycling process must compete with a process benefiting from the non-fuel exemption, see paragraph 18A(2).

(2) Additionally, regulation 5 revokes the existing provisions in S.I. 2001/1138 and S.I. 2003/665. Schedule 1 Item 32 adds to the specified non-fuel uses.