
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Capital Allowances (Energy-saving Plant and Machinery) Order 2001 ([S.I. 2001/2541](#)) (the “Principal Order”). The Principal Order implemented legislation to introduce a scheme for 100% first-year capital allowances to encourage businesses to invest in energy-saving plant or machinery.

Section 45A of the Capital Allowances Act 2001 ([c. 2](#)) defines energy saving plant or machinery and provides for the plant or machinery to be specified in an Order made by the Treasury which can refer to any technology list, or product list, issued by the Secretary of State. Accordingly, the Secretary of State for Energy and Climate Change has issued the Energy Technology Criteria List and the Energy Technology Product List. These lists have been revised and replaced by new lists dated 1 July 2014 and issued on 3 July 2014.

Article 3 amends the definitions of the “Energy Technology Criteria List” and the “Energy Technology Product List” to refer to the new lists, which are available on the Department of Energy and Climate Change’s website at <https://www.gov.uk/government/publications/eligibility-criteria-for-technologies-that-qualify-for-the-energy-saving-enhanced-capital-allowance-scheme>.

Article 4 amends article 3 of the Principal Order such that in the case of automatic targeting and monitoring systems falling within the technology class “automatic monitoring and targeting equipment” and air source split and multi split (including variable refrigerant flow) heat pumps falling within the technology class “heat pumps”, there is no requirement for such plant and machinery to be specified, or accepted for inclusion, in the Energy Technology Product List in order to qualify for 100% first-year allowances.

A Tax Information and Impact Note covering this instrument was published on 19 March 2014 alongside Budget 2014 and is available at: <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>. It remains an accurate summary of the impacts that apply to this instrument.