

Changes to non-commodity charges

Climate Change
Levy (CCL)



Business
Solutions



Climate Change Levy (CCL)

A tax on energy aimed at increasing energy efficiency and reducing carbon emissions

How is it charged?

- ▶ CCL is a tax on the use of certain fuels, including gas and electricity, by non-domestic users in the UK
- ▶ As your energy supplier, we collect this levy via your invoice on behalf of HM Revenue & Customs (HMRC)
- ▶ CCL will be charged on the metered kWh shown on an invoice
- ▶ Rates are reviewed by the government annually in the Budget and are normally effective from 1st April each year
- ▶ Please note that sometimes when the CCL rate changes the Energy Intensive User CCL exemption % also changes. If you are impacted you will need to submit a new certificate to your supplier so it can be applied
- ▶ Some supplies qualify for a reduced rate by exempting a certain percentage of the supply. Where this is the case a customer must submit a PP11 Supplier Certificate for relief to be applied
- ▶ Further information on CCL, including the details of the exclusions and the relief, is available on the **HMRC website**

How will it appear on my invoice?

- ▶ CCL appears on invoices under a heading of 'Climate Change Levy (CCL)'
- ▶ The actual charge will be calculated against the Energy at Meter (E@M) for each individual MPAN and the charge will be shown for each invoice period
- ▶ Where CCL relief has been applied to your invoice, it will be shown as a percentage

What are the key differences?

- ▶ Charges will be calculated, applied and displayed at Meter Point Administration Number (MPAN) level, not account level
- ▶ For metered supplies, the De Minimis calculation will be at premises level using the total consumption of all MPANs on the account to determine whether CCL is charged or not
- ▶ For Unmetered Supplies (UMS), the De Minimis calculation will be applied at portfolio level i.e. all UMS to the same customer irrespective of the number of contracts, using the collective Estimated Annual Consumption (EAC) from the UMS Certificate to determine whether CCL is charged or not
- ▶ CCL exemption certificates will be applied at premises level, and therefore must include all MPANs within the premises
- ▶ The effective period of your CCL declaration will appear on your invoice

Did you know?

A PP11 Supplier Certificate cannot be back-dated over an existing one, so any late changes will need to be reclaimed from, or paid direct to, HMRC (see HMRC public notice)

PP11 Supplier Certificates expire after five years, so a new one will be needed if relief from CCL is to continue beyond then