

What is Climate Change Levy? (CCL)

The Climate Change Levy (CCL) was introduced April 1, 2001 as part of the government's efforts to help cut annual carbon emissions up to 2.5 million tonnes by 2010.

The levy forms part of the UK's Climate Change Programme, a Government Scheme launched in 2000 as a mark of commitment to the agreements made as part of 1992's Earth Summit; a major United Nations gathering.

The levy only targets organisations that profit from their energy use. It is not collected on charities or for non-business purposes, the public transport sector and very small firms who use a minimal domestic amount.

What are the costs for CCL?

****D-ENERGi would like to advise customers that the climate change levy (CCL) charge will increase to 0.164 pence per kwh for business gas users as, effective from April 1st 2009.****

All CCL rates are set by the HMRC and is for gas, electricity as well as LPG and coal.

- 0.164 p/kWh for gas
- 1.242p/kg for coal
- 1.018/kg for liquefied petroleum gas (LPG)
- 0.456p/kWh for electricity.

The levy rates for different fuels have remained flat since their introduction in 2001, however, it was announced in the 2006 Budget that they will be increased in line with inflation from 1 April 2007.

Where Does The Money Go?

The levy reportedly brings in just less than £1 billion every year. It is a tax-neutral initiative so any money raised is given back through energy efficiency schemes, as well as national insurance reductions. Such schemes include the Carbon Trust, an organisation that helps businesses and public bodies reduce their carbon footprints by improving their energy efficiency and adopting low carbon technology.

Climate Change Levy Exemptions

Levy exemptions include electricity generated by new renewable energy sources, such as wind and solar – although not large scale hydroelectric – or by an approved cogeneration scheme. Tellingly, electricity generated by nuclear power is still applicable for taxation despite the fact that it doesn't cause any direct carbon emissions.

Visit the following websites to learn more on climate change levy and how it impacts your particular organisation.

- [HM Revenue & Customs](#)
- [Carbon Trust](#)