

**2014 No. 713**

**EXCISE**

**The Hydrocarbon Oil Duties (Reliefs for Electricity Generation)  
(Amendments for Carbon Price Support) Regulations 2014**

<i>Made</i> - - - -	<i>18th March 2014</i>
<i>Laid before Parliament</i>	<i>19th March 2014</i>
<i>Coming into force</i> - -	<i>1st May 2014</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 20AA(1)(a) and (2) of the Hydrocarbon Oil Duties Act 1979(a):

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Hydrocarbon Oil Duties (Reliefs for Electricity Generation) (Amendments for Carbon Price Support) Regulations 2014 and come into force on 1st May 2014.

(2) They have effect in relation to qualifying oil or qualifying bioblend used in a generating station or combined heat and power station on or after that date(b).

**Amendments to the Hydrocarbon Oil Duties (Reliefs for Electricity Generation) Regulations 2005**

2. Amend the Hydrocarbon Oil Duties (Reliefs for Electricity Generation) Regulations 2005(c) as follows.

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- (a) 1979 c. 5; section 20AA was inserted by the Finance Act 1989 (c. 26), section 2(1) and has been amended by the Finance Act 1993 (c. 34), Schedule 23, Part 1(4); the Finance Act 1994 (c. 9), Schedule 4, Part 3, paragraphs 49 and 54; the Finance Act 2000 (c. 17), section 10(3) and the Finance Act 2008 (c. 9), Schedule 5, paragraph 17 and Schedule 6, paragraphs 24 and 30. Section 20AA provides that the Commissioners may make regulations allowing reliefs as regards any duty of excise which has been charged in respect of "hydrocarbon oil"; section 6AC (inserted by the Finance Act 2002 (c. 23), section 5(4)) provides that the Commissioners may by regulations provide for references in the Hydrocarbon Oil Duties Act 1979 to hydrocarbon oil to be construed as including references to biodiesel and bioblend and for references to duty on hydrocarbon oil to be construed as including references to duty under sections 6AA and 6AB(inserted by the Finance Act 2002 (c. 23). Regulation 3(1), (2) and (4) of the Biofuels and Other Fuel Substitutes (Payment of Excise Duties etc) Regulations 2004 (S.I. 2004/2065) (as amended by S.I. 2008/753) provides that references to hydrocarbon oil and to the duty on hydrocarbon oil in section 20AA(1)(a) are to be construed as including references to biodiesel and bioblend and to the duty on biodiesel and bioblend. The power to make regulations under section 20AA is conferred on "the Commissioners" and, by virtue of section 27(3) "the Commissioners" has the same meaning as given in the Customs and Excise Management Act 1979 (c. 2). Section 1(1) of that Act (as amended by the Commissioners for Revenue and Customs Act 2005 (c. 11), Schedule 4, paragraphs 20 and 22(b)) defines "the Commissioners" as "the Commissioners for Her Majesty's Revenue and Customs".
- (b) The amendments made to the Hydrocarbon Oil Duties (Reliefs for Electricity Generation) Regulations 2005 ("the principal Regulations") by regulations 5 and 7 of S.I. 2013/657 (to the extent that they amend regulations 6 and 10 of the principal Regulations) to apply the carbon price support rates in Schedule 2 to those Regulations) do not have effect in relation to qualifying oil or qualifying bioblend used in a generating station or combined heat and power station situated in Northern Ireland.
- (c) S.I. 2005/3320, amended by 2007/2191, 2008/753 and 2013/657.

3. In regulation 2 (interpretation), in the definitions of “qualifying oil” and “relevant duty” after “13ZA” insert “, 13AA”.

4. For Schedule 2 (carbon price support rates) substitute the following Schedule—

**“SCHEDULE 2**                      Regulations 6 and 10(4)  
**CARBON PRICE SUPPORT RATES**

Fuel	1st April 2014 to 31st March 2015 (but for kerosene 1st May 2014 to 31st March 2015)	1st April 2015 to 31st March 2016	On and after 1st April 2016
Qualifying oil on which a rebate has been allowed under section 11(1)(a), 13ZA(a) or 14(1) of the Hydrocarbon Oil Duties Act 1979 (HODA) (fuel oil, certain heavy oil used for heating etc. and light oil for use as furnace fuel)	£0.03011 per litre	£0.05730 per litre	£0.05711 per litre
Qualifying oil on which a rebate has been allowed under section 11(1)(b) (gas oil) or 13AA(b) (kerosene) of HODA and qualifying bioblend	£0.02642 per litre	£0.04990 per litre	£0.04916 per litre”

18th March 2014

*Jennie Granger*  
*Edward Troup*  
Two of the Commissioners for Her Majesty’s Revenue and Customs

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(a) Section 13ZA was inserted by the Finance Act 2008 (c. 9), Schedule 6, paragraph 28.  
(b) Section 13AA was inserted by the Finance Act 1996 (c. 8), section 5(4).

## **EXPLANATORY NOTE**

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

These Regulations amend the Hydrocarbon Oil Duties (Reliefs for Electricity Generation) Regulations 2005 (S.I. 2005/3320) which introduced a relief from excise duty for rebated oils used to produce electricity.

From 1st April 2013 such relief has to be reduced by the carbon price support (CPS) rates of fuel duty. These Regulations re-affirm the CPS rates for the period 1st April 2014 to 31st March 2016 and set the rates on and after 1st April 2016. They also apply the rates to kerosene used to produce electricity on or after 1st May 2014.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

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