



Renewable Energy

A number of BAs requested our advice on renewable energy projects.

We hope this update will help you identify renewable energy projects and provide tips on the best way to request a certificate.

We recognise that this is an area of growth and one that BAs will have interest in, as the Government allows BAs to keep all of the business rates for renewable energy projects that **started after 1 April 2013**.^[1]

Renewable energy projects are used for the purposes of **generating electricity** from renewable sources and situated in or on a hereditament.

“Renewable” sources are defined for certification purposes as those utilising the following primary sources of energy:

- **Wind**

Onshore or offshore wind turbines. For offshore installations, the turbines themselves will be outside the BA boundary and not subject to business rates. The onshore cabling and substation will however be rateable.

- **Water (including wave or tidal)**

Hydro schemes including pumped storage or run of river.

- **Solar**

Ground or roof mounted solar PV panels.

- **The burning of biomass**

Plants combusting renewable feedstock such as wood, poultry litter, straw, energy crops, vegetable offcuts, or slurry to fuel a steam turbine.

- **The burning of gas from biomass**

Anaerobic Digestion plants producing methane to fuel a combined heat & power (CHP) unit, or larger gasification or pyrolysis plants which produce syngas for use in combustion and electricity generation.

- **The burning of gas from a landfill site**

Landfill gas used directly to fire a gas turbine.

Areas for BAs to consider investigating

The rateable value of **Solar Panels** is affected by number of panels and the output. Therefore certified values are likely to be higher on larger assessment such as car showrooms, large headquarters and supermarkets, which can accommodate more panels, than on a smaller office block.

Farms have seen a growth in anaerobic digestion plants. These are difficult to identify as they resemble regular farm buildings. However, energy which is generated to sell to the national grid would be rateable.

Even though **Battery Storage Installations** are not covered by the renewable energy certificates, they are an area of growth. The batteries store electrical energy during periods when demand is lower than required and then returned to the grid when needed. Most battery storage installations are visible and sited externally.

What is the best way to identify renewable energy projects?

By looking at planning applications, carrying out internet searches and using satellite imaging websites, you may be able to identify new renewable energy in your area. Please double check that any renewable energy installations have been constructed before sending in any reports to bring them into the Rating List.

Also the [Renewable Energy Foundation](#) has a website which gives details of some current renewable energy sites in the UK.

Renewable Energy within Domestic Sites

There are no plant and machinery regulations for Council Tax. Therefore solar panels and other renewable energy installations connected to a domestic property cannot be included as a separate plant and machinery in Council Tax or be certified for business rates.

It is unlikely these renewable energy installations will create a separate non-domestic assessment unless there is a high capacity of energy produced.

Renewable Energy within Exempt Sites

Farms are completely exempt from NDR, if their activities are wholly for agricultural purposes. However, if a farm generates power from any source which is primarily for onward sale or export then this would be rateable. Producing electricity for off-site use is not an agricultural purpose.

Renewable Energy within Non-Domestic Sites

A renewable energy installation associated with a non-domestic site will normally be mentioned in the plant and machinery section of the summary valuation (See Appendix A). The valuation will depend upon the output of the installation.

Microgeneration

Renewable energy installations which have a capacity for electrical generation of 50KW or less or thermal energy of 45KW or less will be subject to Valuation for Rating (Plant and Machinery) (England) (Amendment) Regulations 2008. This legislation sets out that micro-generators where the power produced is primarily used on-site are exempt for the remaining life of the List in which they were first installed. Once a new list comes into force, these micro-generators will become rateable. For example, a micro-generator brought into the list today would not be rateable until 1 April 2021.

How to Make a Request for a Certificate

If an assessment solely produces renewable energy (Classes A, B, C, F and in some cases Class E) we do not need to issue certificates. However, we do supply certificates for projects falling in Class D^[2] and Class E^[3] as long as the renewable energy element can be identified within the valuation.

For example, Class E certification would be correct if a university campus has its own wind turbine (owned by the university) and the power which is produced is consumed on site. In the valuation of RV £1,750,000, the wind turbine is listed at RV £100,000 and this would be value entered on the certificate.

If the assessment is 100% renewable energy, you do not need a certificate.

The effective date used on the certificates is the date from which the project began generating renewable energy. We aim to provide the certificates as soon as reasonably practicable after receiving the request.

Do not send in a request for a certificate on a BAR.

The request must come from the relevant billing authority. Requests from anyone else will be rejected.

The BA needs to identify the hereditament and the separately identifiable P&M. This is normally shown in the summary valuation (See Appendix A).

You will need to include the following details with your request for a certificate:

- The date the renewable energy element was fully commissioned
- Details of where the renewable energy appears in the valuation

Missing Renewable Energy in the Valuation

If the renewable energy is not in the valuation as a separate entry, you will need to first send in a report to ask for it to be included separately within the valuation.

You will need to include the following details on a BAR:

- Name and address of the person who operates the system
- The date the site was fully commissioned
- A link to the planning application, which provides many of the technical details we require.

Revised Certificates

We will provide revised certificates, as long as the effective date of the assessment is the same as the original date on the certificate. If the renewable energy project has been removed, the revised certificate should show a value of 'nil' and be effective from the date it has been removed. If an agreed MCC has resulted, a revised certificate needs to be issued, but with the effective date of the MCC. In all circumstances, a copy of the revised certificate must be sent to the BA.

For further information, you may also find it useful to look at [Section 5: Renewable Energy Certificate in the VOA Rating Manual](#)

Footnotes

^[1] The Non-Domestic Rating (Renewable Energy Projects) Regulations 2013 SI No. 108.

^[2] Class D is defined as a hereditament where the primary function is generation of electricity and the source is the burning of waste.

^[3] Class E certification is required when there is some P&M used for generation of electricity from renewable sources but is not primarily a power station or energy from waste plants. The P&M needs to be separately identifiable and rateable.

Appendix A

Within a valuation online at GOV.UK, rateable renewable energy will be included in the Additions or the Plant and Machinery section. It is sometimes named as solar panels or wind turbine. Sometimes it is described simply as 'plant and machinery'.

Here is an example of an online valuation with solar panels. Please note these solar panels are described as plant and machinery (highlighted in red).

Parts of the property

Floor	Description	Area m ² /unit	Price per m ² /unit	Value
Ground	Retail Area	5577	£90.00	£501,930
		5,577		£501,930

Additional details

Description	Area m ² /unit	Price per m ² /unit	Value
Hard Surfaced, Fenced Land	916	£7.00	£6,418
Hard Surfaced, Fenced Land	775	£7.00	£5,430
Mezzanine Floor	240	£25.00	£6,017
	1,933		£17,865

Plant and machinery

Description	Value
Plant and machinery	£11,924
	£11,924
Total value:	£531,719