

GUIDANCE NOTE 61

REPORTING OF FISCAL BENEFITS GAINED FROM CHPQA CERTIFICATION

INTRODUCTION

GN 61.1

This Guidance Note relates to the provision by Responsible Persons (RPs) of annual information on the monetary (or fiscal) benefits received as a result of being certified under CHPQA. As government policy develops in response to climate change and the UK's target of reaching net-zero by 2050, the information requested will assist government in developing its policies for CHP.

GN 61.2

The information is sought via an additional question in the submission journey for Existing Schemes.

GN 61.3

The annual benefits received by operators of CHPQA certified CHP Schemes can comprise one or more of the following:

- Climate Change Levy Main Rate (CCL) exemption on a proportion (up to 100%) of the fuel consumed and of the electricity generated by the CHP Scheme during the year in question.
- Reduction in liability for the Carbon Price Support (CPS) rates of CCL for CHP Schemes with an electrical capacity greater than 2 MWe.
- Under the Non-Domestic Renewable Heat Incentive (NDRHI) scheme, receipt of the higher solid biomass CHP tariff for defined quantities of renewable heat compared with the solid biomass boiler tariff that would be received in the absence of CHPQA certification.
- Receipt of the Renewables Obligation Certificate (ROC) uplift for certain types of renewable CHP Schemes.
- Contracts for Difference for specified 'with CHP' renewable generating stations.
- Exemption from Business Rating for CHP Plant and Machinery.

NDRHI and ROC uplifts are closed to new schemes. Existing schemes already benefiting from these will continue to do so until the end of their contracts.

Decisions on relief from the Main and CPS rates of CCL and Business Rates are for the Chancellor. The Government will continue to keep these taxes under review, as part of the standard policy making process.

ABBREVIATIONS

GN 61.4

This Guidance Note uses the following abbreviations, full definitions of which can be found in the CHPQA Standard¹.

TPC Total Power Capacity

¹ <https://www.gov.uk/government/publications/chpqa-standard>

TFI	Total Fuel Input
TPO	Total Power Output
η_{power}	Power Efficiency
η_{heat}	Heat Efficiency
QFI	Qualifying Fuel Input
QPO	Qualifying Power Output
QHO	Qualifying Heat Output
QI	Quality Index

The abbreviation 'ES' is also used in the context of the CPS to mean the QPO used on-site, where 'used on-site' means it is self-supplied or supplied to a consumer by an exempt unlicensed electricity supplier².

DETERMINING THE BENEFITS

GN 61.5

The following sections A to E provide guidance on how the values requested during the submission journey can be derived. Whilst accurate values for the benefits are preferred, best estimates will be acceptable.

SECTION A: CCL MAIN AND CPS RATES

GN 61.6

For any particular CHP Scheme, the operating organisation should already have the information requested during the submission journey regarding the CCL Main and CPS rates since the operator will have had to complete and submit a number of HMRC forms:

- *PP11 Climate Change Levy supplier certificate* and *PP10 Climate Change Levy: relief supporting analysis*³. The PP11 is submitted to the operator's energy supplier(s) to ensure that CCL exemptions or reduced rates are applied by the suppliers. The PP10 is submitted to HMRC and shows how the figures in the PP11 have been derived.
- Where the operator is liable to pay CCL on electricity generated by the CHP plant and/or is liable for CPS (i.e., is making taxable supplies – including taxable self-supplies), the organisation must register for the Climate Change Levy with HMRC⁴. The registered organisation must then submit to HMRC form *CCL100: Climate Change Levy return* typically every three months.

GN 61.7

To determine the benefits Responsible Persons (RPs) will probably find it easiest to contact the department or person in the organisation responsible for completing and submitting these forms. Since these are tax matters, this is most likely to be the finance department.

GN 61.8

Should the RP prefer, it is possible to make an estimation of the CCL/CPS benefits received based on CHPQA performance data. This is illustrated via the following worked

² HMRC Excise Notice CCL1/6: a guide to carbon price floor, <https://www.gov.uk/government/publications/excise-notice-ccl16-a-guide-to-carbon-price-floor/excise-notice-ccl16-a-guide-to-carbon-price-floor>

³ HMRC Excise Notice CCL1/6: a guide to carbon price floor, <https://www.gov.uk/government/publications/excise-notice-ccl13-climate-change-levy-reliefs-and-special-treatments-for-taxable-commodities>

⁴ <https://www.gov.uk/guidance/register-for-climate-change-levy>

examples.

EXAMPLE 1: CCL AND CPS BENEFITS – FULLY QUALIFYING CHP

GN 61.9

A large natural gas fired CHP installation fully qualifies as Good Quality CHP and has the following characteristics for the relevant year:

Parameter	Value
TPC	150 MWe
TFI	1,234 GWh
TPO	439 GWh
QHO	420 GWh
η_{power}	35.6%
QI	102.87
QI threshold	100
QFI	1,234 GWh
QPO	439 GWh
Electricity exported to licensed supplier, % export	10%

The relevant CCL main and CPS rates from 1 April 2025 are:

Natural gas CCL main rate	0.775 p/kWh
Natural gas CPS rate	0.331 p/kWh
Electricity CCL main rate	0.775 p/kWh

Updated rates can be obtained here: [Climate Change Levy rates - GOV.UK](https://www.gov.uk/government/collections/climate-change-levy-rates)

FUEL SUPPLY TO THE CHP SCHEME

GN 61.10

For supplies of CCL taxable commodities (fuels) to a CHPQA certified CHP Scheme, if the power efficiency of the Scheme is 20% or more then all of the TFI is exempt from the CCL; i.e., the Qualifying Fuel Input QFI = TFI. Where the power efficiency is less than 20% the QFI will be proportionally less than the TFI. In general:

$$CCL \text{ main rate benefit on fuel} = CCL \text{ Main Rate} \times QFI$$

In this case since the electrical efficiency is at least 20%, the QFI = TFI and the benefit to the operator regarding the main rate of CCL on the input natural gas is:

$$\begin{aligned}
 CCL \text{ main rate benefit on fuel} &= 7.75 \frac{\pounds}{MWh} \times 1,234 \times 10^3 MWh \\
 &= \pounds 9.564 \text{ million}
 \end{aligned}$$

GN 61.11

CPS is payable on what is referred to as the 'deemed supply' for use in the production of electricity where the generating capacity is at least 2 MWe. Since the example Scheme is certified under CHPQA, the deemed supply comprises only the fuel referable to

electricity generation that is not QPO used 'on-site'⁵, i.e.:

$$\begin{aligned}
 \text{CPS liability, CHPQA certified} &= \text{CPS Rate} \times \text{Deemed Supply} \\
 &= \text{CPS Rate} \times \left(\text{TFI} - \frac{\text{QHO}}{81\%} \right) \times \left(1 - \frac{\text{ES}}{\text{TPO}} \right) \\
 &= \left(3.31 \frac{\text{£}}{\text{MWh}} \right) \times \left(1,234 \times 10^3 \text{ MWh} - \frac{420 \times 10^3 \text{ MWh}}{81\%} \right) \times \left(1 - \frac{439 \times 10^3 \text{ MWh} \times 90\%}{439 \times 10^3 \text{ MWh}} \right) \\
 &= \text{£ } \mathbf{0.237 \text{ million}}
 \end{aligned}$$

(Where ES is the QPO used on site as defined at GN 61.4).

GN 61.12

If the CHP plant was not certified under CHPQA then the deemed supply would comprise all of the CPS commodities supplied to the generating plant, i.e., the input fuel. Thus:

$$\begin{aligned}
 \text{CPS liability, uncertified} &= \text{CPS Rate} \times \text{TFI} \\
 &= 3.31 \frac{\text{£}}{\text{MWh}} \times 1,234 \times 10^3 \text{ MWh} \\
 &= \text{£ } \mathbf{4.085 \text{ million}} \\
 \therefore \text{CPS benefit of CHPQA certification} &= \text{£ } 4.085 - 0.237 \text{ million} \\
 &= \text{£ } \mathbf{3.848 \text{ million}}
 \end{aligned}$$

ELECTRICITY GENERATED

GN 61.13

With respect to electricity generated, since the QI achieved is equal to or greater than the QI threshold of 100, the QPO = TPO. Thus, there is no liability for CCL on the power used on-site. Furthermore, for any power exported to licensed electricity suppliers the CCL will ultimately be charged to the consumer. Therefore, there is no liability for the CCL on any of the electricity generated in this example.

OVERALL BENEFIT OF CHPQA CERTIFICATION

GN 61.14

$$\begin{aligned}
 \therefore \text{The overall benefit of CHPQA certification} &= \text{£ } 9.564 + \text{£ } 3.848 \text{ million} \\
 &= \text{£ } \mathbf{13.412 \text{ million}}
 \end{aligned}$$

EXAMPLE 1A: IMPACT OF CLIMATE CHANGE AGREEMENTS

GN 61.15

Facilities covered by a Climate Change Agreement (CCA) benefit through being liable for reduced rates of the main rates of CCL on taxable commodities. The table below shows the reduced CCL main rates for natural gas and electricity from 1 April 2025⁶.

⁵ See: HMRC Excise Notice CCL1/6: a guide to carbon price floor, <https://www.gov.uk/government/publications/excise-notice-ccl16-a-guide-to-carbon-price-floor/excise-notice-ccl16-a-guide-to-carbon-price-floor>

⁶ Source: <https://www.gov.uk/guidance/climate-change-levy-rates>

Taxable commodity	Full rate p/kWh	CCA % discount	Reduced rate p/kWh
Natural Gas	0.775	89%	0.08525
Electricity	0.775	92%	0.06200

Liability for CPS is not affected by CCAs.

GN 61.16

Where a certified CHP Scheme falls within a CCA Facility, determining the benefit of CHPQA certification must take into account the reduced CCL main rates arising from CCA. In such cases, the relief derived from CHPQA certification is 100% relief on the reduced rate of CCL

GN 61.17

Assuming that the CHP Scheme described in Example 1 is within a CCA Facility, the benefit of CHPQA certification is calculated in the same way, using the reduced rather than full main rates of CCL. Thus:

$$\begin{aligned} \text{CCL main rate benefit on fuel} &= \left(0.8525 \frac{\text{£}}{\text{MWh}}\right) \times (1,234 \times 10^3 \text{ MWh}) \\ &= \text{£}1.052 \text{ million} \end{aligned}$$

The CPS benefit is unchanged, so with the CCA:

$$\begin{aligned} \text{The overall benefit of CHPQA certification} &= \text{£} 1.052 + 3.848 \text{ million} \\ &= \text{£} 4.9 \text{ million} \end{aligned}$$

EXAMPLE 2: CCL AND CPS BENEFITS – PARTIALLY QUALIFYING CHP

GN 61.18

A natural gas fired CHP installation achieves only partial qualification as Good Quality CHP and has the following characteristics for the relevant year:

Parameter	Value
TPC	7.2 MWe
TFI	57 GWh
TPO	9.5 GWh
QHO	21 GWh
η_{power}	16.6%
QI	73.97
QI threshold	100
QFI	47.3 GWh
QPO	5.8 GWh
Electricity exported	None

The relevant CCL main and CPS rates from 1 April 2025 are:

Natural gas CCL main rate	0.775 p/kWh
Natural gas CPS rate	0.331 p/kWh
Electricity CCL main rate	0.775 p/kWh

FUEL SUPPLY TO THE CHP SCHEME

GN 61.19

In this case the power efficiency is less than 20% and the QFI is proportionally less than the TFI:

$$\begin{aligned}
 \text{CCL main rate benefit on fuel} &= \text{CCL Main Rate} \times \text{QFI} \\
 &= \text{CCL Main Rate} \times \left(\frac{\eta_{\text{power}}}{20\%} \times \text{TFI} \right) \\
 &= \left(7.75 \frac{\text{£}}{\text{MWh}} \right) \times \left(\frac{16.6\%}{20\%} \times 57 \times 10^3 \text{ MWh} \right) \\
 &= \text{£ } 366,653
 \end{aligned}$$

GN 61.20

Since the example Scheme is certified under CHPQA, the deemed supply comprises only the fuel referable to electricity generation that is not QPO used 'on-site'⁷, i.e.:

$$\begin{aligned}
 \text{CPS liability, CHPQA certified} &= \text{CPS Rate} \times \text{Deemed Supply} \\
 \text{CPS liability} &= \text{CPS Rate} \times \left[\left(\text{TFI} - \frac{\text{QHO}}{81\%} \right) \times \left(1 - \frac{\text{ES}}{\text{TPO}} \right) \right] \\
 \text{CPS liability} &= \left[3.31 \frac{\text{£}}{\text{MWh}} \right] \times \left[\left(57 \times 10^3 \text{ MWh} - \frac{21 \times 10^3}{81\%} \text{ MWh} \right) \times \left(1 - \frac{5.8 \times 10^3 \text{ MWh}}{9.5 \times 10^3 \text{ MWh}} \right) \right] \\
 &= \text{£ } 40,059
 \end{aligned}$$

(Where ES is the QPO used on site as defined at GN 61.4).

GN 61.21

If the CHP plant was not certified under CHPQA then the deemed supply would comprise all of the CPS commodities supplied to the generating plant, i.e., all of the input fuel. Thus:

$$\begin{aligned}
 \text{CPS liability, uncertified} &= \text{CPS Rate} \times \text{TFI} \\
 &= 3.31 \frac{\text{£}}{\text{MWh}} \times 57 \times 10^3 \text{ MWh} \\
 &= \text{£ } 188,670 \\
 \therefore \text{CPS benefit of CHPQA certification} &= \text{£ } 188,670 - \text{£ } 40,059 \\
 &= \text{£ } 148,611
 \end{aligned}$$

ELECTRICITY GENERATED

GN 61.22

With regard to electricity generated, the QI achieved (73.97) is less than the QI threshold of 100 and thus the QPO is less than the TPO. The balance of the TPO (which is all used on site) attracts the main rate of CCL, thus:

$$\text{Liability, CCL main rate on electricity} = \text{CCL Main Rate} \times (\text{TPO} - \text{QPO})$$

⁷ See: HMRC Excise Notice CCL1/6: a guide to carbon price floor, <https://www.gov.uk/government/publications/excise-notice-ccl16-a-guide-to-carbon-price-floor/excise-notice-ccl16-a-guide-to-carbon-price-floor>

$$= £7.75 \frac{£}{MWh} \times (9.5 \times 10^3 MWh - 5.8 \times 10^3 MWh)$$

$$= £ 28,675$$

OVERALL BENEFIT OF CHPQA CERTIFICATION

GN 61.23

$$\therefore \text{The overall benefit of CHPQA certification}$$

$$= \text{CCL main rate fuel benefit} + \text{CPS benefit} - \text{CCL main rate electricity liability.}$$

$$= £ 366,653 + 148,611 - 28,675$$

$$= £ 486,589$$

SECTION B: NDRHI BENEFITS – SOLID BIOMASS CHP TARIFF.

GN 61.24

Certain CHP Schemes certified under CHPQA and accredited under the NDRHI receive the RHI solid biomass CHP tariff for a proportion of the Eligible Heat Output (EHO). Without CHPQA certification this heat would receive the applicable lower solid biomass boiler tariff. Hence the financial benefit of CHPQA certification is the annual sum of the differences between the solid biomass CHP tariff and the solid biomass boiler tariff for each kWh of EHO in receipt of the solid biomass CHP tariff.

Note: The NDRHI is now closed to new schemes (see- [Non-Domestic Renewable Heat Incentive \(RHI\) - NDRHI Closure | Ofgem](#)) .

GN 61.25

The solid biomass CHP tariff for a particular installation depends on:

1. Whether the date of RHI accreditation is before 1 April 2016 or is on or after 1 April 2016; and
2. The financial year in question since RHI tariffs are index linked. The tariffs currently are⁸:

NDRHI accreditation date	Solid biomass CHP tariff rate 2025/26 (p/kWh of heat)
before 01/04/2016	6.35
on or after 01/04/2016	5.71

GN 61.26

The corresponding solid biomass boiler tariffs are more complicated since they depend on a greater number of accreditation date ranges, the heat capacity (whether small, medium, or large) and the financial year in question. Most of the solid biomass boiler tariffs are also divided into Tier 1 and Tier 2 rates where Tier 1 applies for the first 1,314 or 3,066 hours of full load equivalent operation and a lower Tier 2 rate for any subsequent operating hours during each 12-month period from the accreditation date.

GN 61.27

Solid biomass CHP installations with a date of accreditation before 1 August 2016 receive

⁸ [Non-Domestic RHI tariff table 2025 to 2026.xlsx](#)

the relevant solid biomass CHP tariff on all of the EHO provided via the CHP plant. For those with a later accreditation date, payments are adjusted where the power efficiency on their CHPQA certificate is below either 10% or 20% depending on the date of accreditation as described in Chapter 14 of the *NDRHI Guidance Volume 2: Ongoing obligations and payments*⁹.

GN 61.28

One way of estimating the NDRHI benefit of the installation being certified under CHPQA is for the operator to refer to the records for the installation held in the Ofgem online NDRHI Register to determine for the RHI 12-month period closest to the CHPQA year in question:

1. The number of kWh of heat that have attracted the solid biomass CHP tariff (Heat_{CHP})
2. The associated total value of the payments received (Pay_{CHP}).
3. The number of kWh of heat that have attracted the solid biomass boiler tier 1 tariff (Heat_{T1}).
4. The associated total value of the payments received (Pay_{T1}).
5. The number of kWh of heat that have attracted the solid biomass boiler tier 2 tariff (Heat_{T2}).
6. The associated total value of the payments received (Pay_{T2}).

The following is also needed:

7. The Tier 1 to Tier 2 threshold number of hours, as applicable ($\text{Heat}_{\text{Thres}}$). You may need to refer to Chapter 6 of the *NDRHI Guidance Volume 2: Ongoing obligations and payments* as necessary.
8. The RHI installation capacity (in kW of heat).

GN 61.29

To determine the benefit of the CHP certification, Heat_{CHP} should first be split and assigned to Heat_{T1} and Heat_{T2} such that the revised Heat_{T1} is equal to $\text{Heat}_{\text{Thres}}$ unless the total EHO (i.e., $\text{Heat}_{\text{T1}} + \text{Heat}_{\text{T2}} + \text{Heat}_{\text{CHP}}$) is less than $\text{Heat}_{\text{Thres}}$. The remainder of Heat_{CHP} is assigned to Heat_{T2} . The sum of the revised Heat_{T1} and revised Heat_{T2} should then equal the EHO.

The RHI payment that would have been received without CHP certification can then be calculated as:

$$\left(\text{Revised Heat}_{\text{T1}} \times \frac{\text{Pay}_{\text{T1}}}{\text{Heat}_{\text{T1}}} \right) + \left(\text{Revised Heat}_{\text{T2}} \times \frac{\text{Pay}_{\text{T2}}}{\text{Heat}_{\text{T2}}} \right)$$

Subtracting this from the total of $\text{Pay}_{\text{CHP}} + \text{Pay}_{\text{T1}} + \text{Pay}_{\text{T2}}$ will give the benefit attributable to CHP certification.

GN 61.30

An alternative method to estimate the benefit is set out as Example 3 below.

EXAMPLE 3: NDRHI SOLID BIOMASS CHP TARIFF

GN 61.31

A CHP installation running on wood fuel comprises a steam boiler with steam turbine. The installation is CHPQA certified and accredited under the NDRHI. Relevant

⁹ https://www.ofgem.gov.uk/sites/default/files/docs/2021/04/ndrhi_guidance_vol2_final_2021_0.pdf

characteristics are as follows:

Parameter	Value
TPC	200 kW _e
RHI thermal capacity	1 MW _{th}
Power efficiency, η_{power}	12.0%
Power efficiency threshold, η_{powerTH}	20.0%
RHI Eligible Heat Output (EHO)*	6,000 MWh
RHI solid biomass CHP tariff	5.71 p/kWh
RHI solid biomass boiler Tier 1 tariff	3.94 p/kWh
RHI solid biomass boiler Tier 2 tariff	2.76 p/kWh
Tier 1 to Tier 2 tariff threshold	3,066 FLE hours (3,066 MWh)

* N.B. The RHI EHO may or may not be the same as the CHPQA QHO

GN 61.32

To calculate the RHI benefit from CHPQA certification, the RHI annual payment must be calculated with and without CHPQA certification.

WITHOUT CHPQA CERTIFICATION

GN 61.33

Without CHPQA certification the CHP operator can only claim the relevant biomass boiler tariff, which is tiered with a threshold between Tier 1 and Tier 2 of 3,066 MWh (3,066 hours operation at the full thermal capacity). In this case, the EHO is greater than the tier threshold so:

$$\begin{aligned} \text{Heat output at the boiler Tier 1 tariff} &= \text{Tier Threshold} \\ &= 3,066 \text{ MWh} \end{aligned}$$

and:

$$\begin{aligned} \text{Heat output at the boiler Tier 2 tariff} &= \text{EHO} - \text{Tier Threshold} \\ &= 6,000 \text{ MWh} - 3,066 \text{ MWh} \\ &= 2,934 \text{ MWh} \end{aligned}$$

$$\begin{aligned} \therefore \text{RHI Payment} &= (\text{Tier1 heat} \times \text{Tier1 tariff}) + (\text{Tier2 heat} \times \text{Tier2 tariff}) \\ &= \left(3,066 \text{ MWh} \times 39.4 \frac{\text{£}}{\text{MWh}} \right) + \left(2,934 \text{ MWh} \times 27.6 \frac{\text{£}}{\text{MWh}} \right) \\ &= \text{£ } 201,779 \end{aligned}$$

WITH CHPQA CERTIFICATION

GN 61.34

Since the actual power efficiency is below the threshold, only a proportional amount of the EHO can attract the solid biomass CHP tariff:

$$\text{Heat Output at CHP tariff} = \text{EHO} \times \frac{\text{Actual Power Efficiency}}{\text{Threshold Power Efficiency}}$$

$$= 6,000 \text{ MWh} \times \frac{12\%}{20\%}$$

$$= 3,600 \text{ MWh}$$

The remaining 2,400 MWh of heat will attract the biomass boiler tariff at either the Tier 1 or Tier 2 rate. Assuming the ratio of heat at the two tiers is the same as in the case of no CHPQA certification, gives:

$$\text{Heat output at the boiler Tier 1 tariff} = 2,400 \text{ MWh} \times \frac{3,066 \text{ MWh}}{6,000 \text{ MWh}} = 1,266 \text{ MWh}$$

$$\text{Heat output at the boiler Tier 2 tariff} = 2,400 \text{ MWh} \times \frac{2,934 \text{ MWh}}{6,000 \text{ MWh}} = 1,174 \text{ MWh}$$

∴ RHI Payment

$$= (\text{CHP heat} \times \text{CHP tariff}) + (\text{Tier1 heat} \times \text{Tier1 tariff})$$

$$+ (\text{Tier2 heat} \times \text{Tier2 tariff})$$

$$= \left(3,600 \text{ MWh} \times 57.1 \frac{\text{£}}{\text{MWh}}\right) + \left(1,226 \text{ MWh} \times 39.4 \frac{\text{£}}{\text{MWh}}\right) + \left(1,174 \text{ MWh} \times 27.6 \frac{\text{£}}{\text{MWh}}\right)$$

$$= \text{£ } 286,267$$

BENEFIT OF CHPQA CERTIFICATION

GN 61.35

The benefit of CHP certification is the difference between the RHI payments with and without certification, i.e.,

$$= \text{£}286,267 - \text{£}201,779 = \text{£}84,488$$

SECTION C: ROC BENEFITS – CHP UPLIFT

GN 61.36

Certification under CHPQA of certain types of ROC accredited generating station allows an uplift to the number of ROCs issued for each MWh of net electricity generated. The number of ROCs, for relevant technologies with and without CHP for post-2016 capacity, are shown below. The ROCs/MWh for earlier capacity differ slightly.

Generation type	ROCs/MWh net power output	
	Non-CHP	With qualifying CHP
Co-firing of regular bioliquid	0.5	1.0
Low-range co-firing of relevant energy crops	1.0	1.5
Dedicated biomass	1.4	1.8
High-range co-firing	0.9	1.4
Mid-range co-firing	0.6	1.1
Low-range co-firing	0.5	1.0
Station/unit conversion	1.0	1.5
Energy from Waste	0.0	1.0

EXAMPLE 4: ROCS - CHP UPLIFT

A dedicated biomass with CHP plant certified under CHPQA, with the following

characteristics.

Parameter	Value
Net annual power output	300 GWh
TPO	320 GWh
QPO	290 GWh
Biomass content	95%
ROC buyout price 2021/22	£67.06/ROC

Note: Buy-out prices for future period can be found here: [Renewables Obligation: buy-out price and mutualisation threshold and ceilings 2025 to 2026 | Ofgem](#)

Power eligible for CHP ROC uplift

$$= \text{Net Power Output} \times \% \text{ Biomass Content} \times \text{QPO/TPO}$$

$$= 300 \times 10^3 \text{ MWh} \times 95\% \times \frac{290 \times 10^3 \text{ MWh}}{320 \times 10^3 \text{ MWh}}$$

$$= 258,281 \text{ MWh}$$

The ROC uplift is 0.4 ROCs/MWh (1.8 - 1.4 ROCs/MWh), so:

$$\text{Value of ROC uplift} = 67.06 \frac{\text{£}}{\text{ROC}} \times 258,281 \text{ MWh} \times 0.4 \frac{\text{ROC}}{\text{MWh}}$$

$$= \text{£}6.928 \text{ million}$$

SECTION D: CONTRACTS FOR DIFFERENCE – 'WITH CHP' GENERATING STATIONS

GN 61.37

There are two CHP generating station types eligible for Contracts for Difference:

1. dedicated biomass with CHP stations;
2. energy from waste with CHP stations.

Since there are no equivalent 'without CHP' station types the entire annual value to the operator can be attributed to CHPQA since ongoing CHPQA certification is a requirement of these Contracts for Difference. Only the station operator can put a value on the CfD annually relative to the counterfactual of not being party to a CfD. Mathematically, this would be:

$$\text{Annual Value of CfD Attributable to CHPQA} = \text{GN44} \left(\frac{\text{QPO}}{\text{TPO}} \right) \times \text{Exported Electricity}$$

SECTION E: EXEMPTION FROM BUSINESS RATING FOR CHP PLANT AND MACHINERY (P&M)

GN 61.38

The business rating exemption applies to specified plant and machinery contained within a CHP Scheme, which qualifies for, and is in possession of, either a full or partial Secretary of State (CHP) Exemption Certificate. If such an exemption has been applied for and granted, then the annual value of this to the CHP scheme operator should be known by the organisation's department responsible for dealing with business rates. More on business rate exemption can be found in GN45.