



Climate Change Levy

Costs To Your Business

Many company's and organizations are blissfully unaware of the climate change levy, its implications and costs as it often appears unnoticed on your gas and electricity bills. Over time this levy can amount to a significant figure which with careful consideration and planning can be reduced or negated completely.

What Is the Climate Change Levy (CCL)?

The levy is part of a range of measures designed to help the UK meet its legally binding commitment to reduce greenhouse gas emissions. It is chargeable on the industrial and commercial supply of taxable commodities for lighting, heating and power by consumers in the following sectors of business:

- industry
- commerce
- agriculture
- public administration
- other services



The levy does not apply to taxable commodities used by domestic consumers, or by charities for non-business use.

All revenue raised through the levy is recycled back to business through a 0.3% cut in employers' national insurance contributions, introduced at the same time as the levy, and support for energy efficiency and low carbon technologies.

What does the CCL Cost?

Rates of the levy are:

0.159/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 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.

The levy does not apply to fuels used by the domestic or transport sector, or fuels used for the production of other forms of energy (e.g. electricity generation) - there are also other specific energy sources that are exempt, including electricity generated from new renewables

How is it Collected?

The Levy is added to your energy bills before VAT and, although there is no legal requirement for it to be shown, is likely to appear as a separate item on energy bills under title CCL or Climate Change Levy and collected by your energy supplier as part of your bill.

How Do I reduce my CCL Liability?

The simplest and most efficient way to reduce your CCL liability is to reduce your energy usage and requirement. Challis Water Controls are ideally suited to assist you in this by the installation of water & energy efficient products to replace your high energy using equipment. We can also advise you on the various loans, grants and tax allowance schemes currently available on our equipment making installation of these energy efficient products much more cost effective than you would imagine. Some of our units have payback periods as short as 2 months providing real quantifiable saving now and most importantly into the future