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Star Christopher

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The Electricity Supplier Obligations (Excluded Electricity) (Amendment) Regulations 2019

I write following the debate held on Wednesday 23 October in the House of Lords on the Electricity Supplier Obligations (Excluded Electricity) (Amendment) Regulations 2019.


You asked if the exemption scheme applies to all flour millers and all flour milled, or whether it is restricted to flour milled for the human food chain only. The manufacture of prepared feeds for farm animals is already on the eligible sector list for the energy intensive industry exemption schemes; there is at least one company that is a miller and produces animal feed which already benefits from the exemption schemes.

The Electricity Supplier Obligations (Excluded Electricity) (Amendment) Regulations 2019 add the manufacture of grain mill products (NACE code 10.61) to the eligible sector list. This means that flour milling businesses which manufacture products within this NACE Code, whether milling for human food chain or for animal feed, can qualify for the exemption provided they meet all the other eligibility criteria, including the 20% electricity intensity test. The electricity intensity test is applied at the level of the applicant business rather than at the level of each individual site or mill (if an applicant business comprises more than one site or mill).

On the issue of the Feed-in Tariffs (FIT) scheme, you sought clarification on why the Explanatory Memorandum (accompanying the Regulations) referred to the scheme using an active word, if the scheme has closed. The FIT scheme closed to new applicants on 31 March 2019, subject to some time-limited extensions. However, there are more than 860,000 existing renewable electricity installations in the scheme that qualify for FIT support and will remain eligible for support for up to another 20 years.

A copy of this letter will be placed in the Libraries of the House.

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Lord Duncan of Springbank