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SAA
Scottish Assessors' Association

Revaluation 2026

Utilities Committee

Practice Note 2
Valuation of Onshore Wind Electricity Generation Subjects

1.0 Introduction

1.1 This Practice Note applies to the valuation of onshore wind powered electricity generation sites, where the power is primarily exported to the grid, or to consumers. For wind powered electricity generation sites that are not connected to the grid, where the power is supplied to a single consumer, the site should be valued on the Contractor's Basis by reference to the 2026 Rating Cost Guide Scotland (RCGS).

2.0 Basis of Valuation

2.1 The valuation of wind powered electricity generation subjects is a combination of site value (valued on the Comparative Principle of valuation) with supports, foundations, roads, cables, buildings etc. being valued using the Contractor's Basis of valuation.

2.2 The Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 (as amended) exclude certain items of plant and machinery defined as having "micro generation capacity" from valuation for rating. These Regulations also set out that, in certain situations, items of plant and machinery are to be treated as "excepted plant and machinery" which is defined as plant and machinery on the lands and heritages used or intended to be used for generation, storage, transformation or transmission of power. For the purposes of this practice note regard should be had to: -

Regulation 1(a)(i) - where the power is mainly or exclusively for distribution for sale to consumers; and

Regulation 1(e) which details "excepted renewables plant and machinery" which applies where the sources of energy or technologies relied upon are mainly or exclusively included in the list shown within this Regulation, in particular part (vi) wind (or for the PV PN) part (vii) photovoltaics

3.0 Entry in Valuation Roll

It is recommended that these subjects be described as Wind Farm, Electricity Plant (Aero), or similar.

4.0 Site Categorisation

4.1 Wind powered electricity generation sites in Scotland will be accredited by the Office of Gas and Electricity Markets (Ofgem). Prior to undertaking the valuation, it should be confirmed under which regime the subject to be valued has been accredited.

Each will be classified as either:

- Renewables Obligation Certificates (ROC's)
- Feed-in Tariffs (FIT)
- Contracts for Difference (CfD)
- Unaccredited Sites

The valuer will be able to check the type of accreditation by searching/ filtering Ofgem's databases of Renewable Generators at the following links:

Public reports and data: RO | Ofgem

Renewable Electricity Register | Ofgem

4.2 It should be noted that some wind powered electricity generation sites are subsidy free. These will sometimes be referred to as Unaccredited, with the term Unsubsidised also being used to describe these subsidy free sites.

5.0 Valuation

5.1 Site Value

5.1.1 Where the site has been in operation for a minimum of 3 years, the megawatt hours (MWhs) adopted should reflect the 3-year average to 31 March 2025 at the location. This information should be determined from the returned AIN, or information obtained from REF website. The 3-year period to be used should be checked for any lengthy outages that would impact the average MWhs. If such a period of outage is identified, an adjustment should be made to ensure that the figure adopted within the valuation reflects a typical generation year to 31 March 2025. These figures can be ascertained at: www.ref.org.uk/energy-data

5.1.2 Where the site has been in operation for between 12 and 36 months, the valuer should establish the general level of MWhs for a calendar year. To assist in arriving at an appropriate figure, reference should be made to the figures being achieved for each calendar year it has been in operation, the P90 figure for the site,

and if appropriate, the generation trends of any nearby wind turbines that have been in operation for a longer period.

5.1.3 Where the site has been in operation for less than 12 months, the valuer should utilise the estimate of MWhs detailed in the P90 Certificate, which is captured on the Assessor's Information Notice, or alternatively, this can be ascertained from the operator.

5.1.4 An appropriate rate/MWh will be applied to the adopted MWh, as determined from 5.1.1, 5.1.2 or 5.1.3 above, to establish the hypothetical gross income achievable at the subject to be valued. The appropriate rate/MWh should then be selected from Appendix 1a, or Appendix 1b. This rate will be dependent upon the accreditation of the site and in the case of FIT accredited sites, the generating capacity and the date of accreditation, which can be found in the "General Information" tab for the relevant subject, using the search facility in the Renewable Energy Foundation site www.ref.org.uk/energy-data

5.1.5 In instances where a FIT accredited site is being valued, it should be noted that to determine the correct gross income/MWh, the wholesale electricity price of £70/MWh should be added to the appropriate figure derived from Appendix 1b.

5.1.6 There may be some instances when a site that receives ROCs, is reaching the end of the 20-year period during which it is able to benefit from the additional income attributable to these certificates. The website links shown within Section 4.1 above should be utilised to identify if a site will cease to receive ROCs between 1 April 2026 and 31 March 2029. If this is the case, it should be factored into the valuation.

For example, if a site is receiving 1 ROC at present, but this subsidy is due to end 18 months into this 3-year period, half the site value should be taken at £130/MWh and the other half at £70/MWh. The appropriate adjustment for any site losing ROC payments will be determined based on the exact date the ROC ends, per Ofgem.

5.1.7 Once the hypothetical gross income achievable for the site has been established, the appropriate percentage should be applied to this figure to arrive at the Net Annual Value (NAV) for the land element of the subjects. The appropriate percentages are stated in Appendix 2.

5.2 Value of Contractor's Basis Elements

5.2.1 An addition under this heading should be made to cover the value attributable to all of the rateable items on site. This will include supports, foundations, cables, buildings, roads & paths, etc.

5.2.2 The appropriate capital cost to be applied is shown in Appendix 3. It should be noted that the stated costs in Appendix 3 have been adjusted to reflect only the elements which are rateable.

5.2.3 Decapitalisation Rate: the appropriate statutory decapitalisation rate should be applied to the element of value calculated at 5.2.2 above.

5.2.4 **Age & Obsolescence**

An allowance for functional obsolescence should be applied to the Contractor's Basis element of the valuation, in accordance with the table at Appendix 4 below.

Appendix 1a

Accreditation Type	Total Installed Generating Capacity (TIGC)	Rate/MWh to be Applied
ROC (eligible for 1 ROC/MWh)	All	£130
ROC (eligible for 0.9 ROC/MWh)	All	£124
Contracts for Difference	All	£70
Unaccredited/Unsubsidised/Subsidy Free	All	£70

Appendix 1b

Accreditation From/To		Minimum Capacity (MW)	Maximum Capacity (MW)	Tariff (£/MWh)
01/04/2010	31/03/2012	1.51	5	£74
01/04/2010	31/03/2012	0.51	1.5	£158
01/04/2010	31/03/2012	0.11	0.5	£313
01/04/2010	31/03/2012	0.015	0.1	£403
01/04/2012	30/11/2012	1.51	5	£74
01/04/2012	30/11/2012	0.51	1.5	£158
01/04/2012	30/11/2012	0.11	0.5	£313
01/04/2012	30/11/2012	0.015	0.1	£386
01/12/2012	31/03/2013	1.51	5	£67
01/12/2012	31/03/2013	0.51	1.5	£144
01/12/2012	31/03/2013	0.11	0.5	£266
01/12/2012	31/03/2013	0.015	0.1	£319
01/04/2013	31/03/2014	1.51	5	£60
01/04/2013	31/03/2014	0.51	1.5	£144
01/04/2013	31/03/2014	0.11	0.5	£266
01/04/2013	31/03/2014	0.015	0.1	£319
01/04/2014	30/09/2014	1.51	5	£48
01/04/2014	30/09/2014	0.51	1.5	£114
01/04/2014	30/09/2014	0.11	0.5	£212
01/04/2014	30/09/2014	0.015	0.1	£255
01/10/2014	31/03/2015	1.51	5	£43
01/10/2014	31/03/2015	0.51	1.5	£103
01/10/2014	31/03/2015	0.11	0.5	£191
01/10/2014	31/03/2015	0.015	0.1	£229
01/04/2015	30/09/2015	1.51	5	£38
01/04/2015	30/09/2015	0.51	1.5	£92
01/04/2015	30/09/2015	0.11	0.5	£170
01/04/2015	30/09/2015	0.015	0.1	£203
01/10/2015	14/01/2016	1.51	5	£34
01/10/2015	14/01/2016	0.51	1.5	£82
01/10/2015	14/01/2016	0.11	0.5	£153
01/10/2015	14/01/2016	0.015	0.1	£193
15/01/2016	31/03/2016	1.51	5	£11
15/01/2016	31/03/2016	0.11	1.5	£76
15/01/2016	31/03/2016	0.051	0.1	£118
01/04/2016	30/06/2016	1.51	5	£11
01/04/2016	30/06/2016	0.11	1.5	£67
01/04/2016	30/06/2016	0.051	0.1	£106

Accreditation From/To		Minimum Capacity (MW)	Maximum Capacity (MW)	Tariff (£/MWh)
01/07/2016	30/09/2016	1.51	5	£11
01/07/2016	30/09/2016	0.11	1.5	£60
01/07/2016	30/09/2016	0.051	0.1	£95
01/10/2016	31/12/2016	1.51	5	£11
01/10/2016	31/12/2016	0.11	1.5	£54
01/10/2016	31/12/2016	0.051	0.1	£83
01/01/2017	31/03/2017	1.51	5	£11
01/01/2017	31/03/2017	0.11	1.5	£46
01/01/2017	31/03/2017	0.051	0.1	£72
01/04/2017	30/06/2017	1.51	5	£11
01/04/2017	30/06/2017	0.11	1.5	£43
01/04/2017	30/06/2017	0.051	0.1	£66
01/07/2017	30/09/2017	1.51	5	£11
01/07/2017	30/09/2017	0.11	1.5	£38
01/07/2017	30/09/2017	0.051	0.1	£66
01/10/2017	31/12/2017	1.51	5	£9
01/10/2017	31/12/2017	0.11	1.5	£34
01/10/2017	31/12/2017	0.051	0.1	£66
01/01/2018	31/03/2018	1.51	5	£8
01/01/2018	31/03/2018	0.11	1.5	£29
01/01/2018	31/03/2018	0.051	0.1	£62
01/04/2018	30/06/2018	1.51	5	£8
01/04/2018	30/06/2018	0.11	1.5	£27
01/04/2018	30/06/2018	0.051	0.1	£65
01/07/2018	30/09/2018	1.51	5	£7
01/07/2018	30/09/2018	0.11	1.5	£24
01/07/2018	30/09/2018	0.051	0.1	£64
01/10/2018	31/12/2018	1.51	5	£6
01/10/2018	31/12/2018	0.11	1.5	£22
01/10/2018	31/12/2018	0.051	0.1	£64
01/01/2019	31/03/2020	1.51	5	£4
01/01/2019	31/03/2020	0.11	1.5	£19
01/01/2019	31/03/2020	0.051	0.1	£61

Appendix 2

Accreditation Type	Total Installed Generating Capacity (TIGC)	Appropriate Percentage to be Applied
ROC	All	5%
Contracts for Difference	All	5%
Unaccredited/Unsubsidised/Subsidy Free	All	4%
FIT	>50kW – 500kW	7.5%
FIT	Greater than 501kW	6%

Appendix 3

Installed Capacity	Cost/MW
50 kW	£1,200,000
75 kW	£950,000
100 kW	£850,000
200 kW	£650,000
500 kW	£650,000
800 kw	£450,000
1.5 MW	£400,000
2 MW	£375,000
3 MW	£350,000
4 MW	£325,000
6 MW	£312,500
10 MW	£300,000
70 MW & over	£250,000

*Interpolate between points

Appendix 4

Year	Allw
2026	0%
2025	2%
2024	4%
2023	6%
2022	8%
2021	10%
2020	12%
2019	14%
2018	16%
2017	18%
2016	20%
2015	22%
2014	24%
2013	26%
2012	28%
2011	30%
2010	32%
2009	34%
2008	36%

Year	Allw	
2007	38%	
2006	40%	
2005	42%	
2004	44%	
2003	46%	
2002	48%	
2001	50%	
2000	52%	
1999	54%	
1998	56%	
1997	58%	
1996	60%	max