



## **Revaluation 2017**

### **Utilities Committee**

#### **Practice Note 3**

#### **Valuation of Photovoltaic Electricity Generators**

#### **1.0 Introduction**

1.1 This Practice Note applies to the valuation of photovoltaic electricity generators where that power is primarily exported to the grid or consumers. For photovoltaic electricity generators that are not connected to the grid or where the power is only supplied to a single consumer the subjects should be valued on the Contractors Basis by reference to the 2017 SAA/VOA Rating Cost Guide.

#### **2.0 Basis of Valuation**

2.1 The adopted rate per megawatt is based on an analysis of receipts and expenditure valuations.

2.2 New sites that have become operational since 1 April 2017 cannot be valued by the Revenue Principle and should be valued by application of the comparative principle to tone of the roll. The values adopted for existing subjects entering the Roll as at 1 April 2017 have been analysed in order to derive a unit of comparison expressed on a rate/MW basis. This allows comparison to be made with sites at the valuation date. The data has been produced in tabulated format outlined in Appendices 1 and 2.

2.3 The exception to this is photovoltaic electricity subjects with a generating capacity of 50kW or less. These are defined as micro generation per The Valuation for Rating (Plant and Machinery) (Scotland) Regulations 2000 (as amended). In terms of this legislation certain items of plant and machinery defined as having “micro generation capacity” are excluded from valuation for rating. Consideration should be given to making an entry in respect of any buildings or other relevant rateable plant and machinery if applicable. Rateable items of plant and machinery should be valued by application of the Contractor's Basis of valuation with reference to guidance and replacement costs contained in the 2017 SAA/VOA Rating Cost Guide.

#### **3.0 Entry in Valuation Roll**

3.1 It is recommended that these subjects be described as Electricity Generation Lands.

## **4.0 Site Categorisation**

4.1 Photovoltaic 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 valuation subject is accredited.

Each will be classified as either:

- Renewable Obligation Certificates (ROCs) or
- Feed In Tariffs (FITs).

The valuer will be able to check the type of accreditation by filtering Ofgem's database at the following link:

<https://renewablesandchp.ofgem.gov.uk/Public/ReportViewer.aspx?ReportPath=/Renewables/Accreditation/AccreditedStationsExternalPublic&ReportVisibility=1&ReportCategory=1>

4.2 For any site commissioned after 1 April 2015 the rates applicable for that date should apply.

## **5.0 Valuation**

5.1 The recommended rate/MW should be applied to the Declared Net Capacity (DNC) in accordance with the figures in appendices 1 and 2. The DNC figures can be ascertained at: <http://www.ref.org.uk>

5.2 Appendix 1 provides recommended Rates/MW for sites in receipt of Renewable Obligation Certificates (ROCs).

5.3 Appendix 2 provides recommended Rates/MW for sites in receipt of Feed In Tariffs (FITs).

The following schedule of values should be adopted for the purposes of 2017 Rating Revaluation, in relation to solar photovoltaic (PV) installations generating power where that power is primarily exported to the grid or **consumers**.

**ROCs**

Where the installation is in receipt of Renewable Obligation Certificates (ROCs), the value to be adopted per megawatt (mw) will be determined by reference to the date it was commissioned, and its installed Declared Net Capacity (DNC).

<b>Date of installation</b>	<b>Before 1 April 2013</b>	<b>1 April 2013 to 31 March 2014</b>	<b>1 April 2014 to 31 March 2015</b>	<b>1 April 2015 onwards</b>
	<b>2017 rate/mw</b>			
<b>Capacity greater than 50kw but not exceeding 5mw</b>	£7,130	£5,290	£3,870	£3,820
<b>Capacity greater than 5mw but not exceeding 10mw</b>	£8,010	£6,160	£4,750	£4,700
<b>Capacity greater than 10mw but not exceeding 15mw</b>	£8,800	£7,040	£5,620	£5,570
<b>Capacity greater than 15mw</b>	£9,580	£7,920	£6,500	£6,450

**FITs**

Where the installation is in receipt of Feed in Tariffs (FITs), the value to be adopted per megawatt (mw) will be determined by reference to the date it was commissioned, and its installed Declared Net Capacity (DNC).

<b>Date of installation</b>	<b>1 April 2010 to 31 March 2011</b>	<b>1 April 2011 to 31 July 2011</b>	<b>1 August 2011 to 2 March 2012</b>	<b>3 March 2012 to 31 March 2012</b>	<b>1 April 2012 to 31 July 2012</b>	<b>1 Aug 2012 to 31 October 2012</b>	<b>1 November 2012 to 31 March 2013</b>
	<b>2017 rate/mw</b>						
<b>Capacity greater than 50kw but not exceeding 100kw (Higher rate from April 2012)</b>	£15,540	£15,540	£18,060	£9,330	£9,330	£7,690	£7,250
<b>Capacity greater than 100kw but not exceeding 150kw (Higher rate from April 2012)</b>	£13,950	£13,950	£18,060	£9,330	£9,330	£7,690	£7,260
<b>Capacity greater than 150kw but not exceeding 250kw (Higher rate from April 2012)</b>	£13,950	£13,950	£12,740	£9,330	£9,330	£7,070	£7,070
<b>Capacity greater than 250kw but not exceeding 1mw (Higher rate from April 2012)</b>	£23,500	£23,500	£9,090	£9,090	£9,090	£5,870	£5,480
<b>Capacity greater than 1mw but not exceeding 5mw</b>	£23,500	£23,500	£9,090	£9,090	£9,090	£5,870	£5,480

Date of installation	1 April 2013 to 30 April 2013	1 May 2013 to 30 June 2013	1 Jul 2013 to 31 December 2013	1 January 2014 to 31 March 2014	1 April 2014 to 30 June 2014	1 July 2014 to 31 December 2014	1 Jan 2015 to 31 March 2015	1 April 2015 onwards
	<b>2017 rate/mw</b>							
<b>Capacity greater than 50kw but not exceeding 100kw (Higher rate from April 2012)</b>	£7,250	£6,760	£6,760	£5,940	£5,940	£5,500	£5,300	£4,880
<b>Capacity greater than 100kw but not exceeding 150kw (Higher rate from April 2012)</b>	£7,250	£6,760	£6,760	£5,940	£5,940	£5,500	£5,300	£4,880
<b>Capacity greater than 150kw but not exceeding 250kw (Higher rate from April 2012)</b>	£7,070	£6,900	£6,900	£6,100	£6,100	£5,680	£5,490	£5,560
<b>Capacity greater than 250kw but not exceeding 1mw (Higher rate from April 2012)</b>	£6,460	£6,000	£6,000	£5,270	£5,270	£4,860	£4,690	£4,970
<b>Capacity greater than 1mw but not exceeding 5mw</b>	£6,460	£6,000	£6,000	£5,270	£5,270	£4,860	£4,690	£4,970

### **Notes**

For more information on FIT's see [https://www.ofgem.gov.uk/sites/default/files/docs/2015/06/fit\\_scheme\\_factsheet\\_final\\_0.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2015/06/fit_scheme_factsheet_final_0.pdf)

For further details on specific sites see

<http://www.ref.org.uk/generators/index.php>

or <http://www.variablepitch.co.uk/>