

Revaluation 2023

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 2023 Rating Cost Guide Scotland.

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 2023 should be valued by application of the comparative principle to tone of the roll. Analysis of the data of existing sites entering the Roll at 1st April 2023 has derived a unit of comparison expressed on a rate/MW basis. The analysis has been provided by the VOA but appropriately adjusted for this PN. This allows comparison to be made with sites at the valuation date. The data has been produced in tabulated format outlined in Appendices 1,2,3 and 4.
- 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 2023 Rating Cost Guide Scotland.

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) or
- Contract for Difference (CfD) or
- Unaccredited

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/and.ofggovublortVie.aspx?ReportPath=/Renewlesn/Accred>

- 4.2 Renewable Obligation Certificates (ROCs) and Feed In Tariffs (FITs) are now closed to new applicants.
- 4.3 It should be noted that some photovoltaic sites are subsidy free. These will sometimes be referred to as Full Merchant or Unaccredited.
- 4.4 Photovoltaic sites which have been installed after the cessation of ROCs or FITs will now be accredited under Contract for Difference (CfD) or will be unaccredited.

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).
- 5.4 Appendix 3 provides recommended Rates/MW for sites that are Contract for Difference (CfD).
- 5.5 Appendix 4 provides recommended Rates/MW for sites that do not receive subsidy.

The following schedule of values should be adopted for the purposes of 2023 Rating Revaluation, in relation to solar photovoltaic (PV) installations generating power where that power is primarily exported to the grid or **consumers**.

Appendix 1

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 accredited, and its installed Declared Net Capacity (DNC). The scheme closed to solar PV greater than 5MW on the 31/03/2015 and lesser or equal to 5MW on 31/03/2016. Grace periods after these dates meant operators could apply for accreditation up to 12 months after the closure dates.

Date of Accreditation	Before 01-April 2013	01-Apr-2013 to 31-Mar-2014	01-Apr-2014 to 31-Mar-2015	01-Apr-2015 to 31-Mar-2016	1-Apr-2016 to 31-Mar-2017
	2023 rate/MW				
Capacity 50kW to 1MW	£10,250	£8,300	£6,800	£6,700	£6,200
Capacity >1MW to 5MW	£14,300	£12,100	£10,500	£10,300	£9,750
Capacity >5MW to 10 MW	£14,200	£11,900	£10,400	£10,200	
Capacity >10MW to 20MW	£14,500	£12,250	£10,700	£10,500	
Capacity >20MW	£15,000	£12,700	£11,100	£10,900	

Appendix 2

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 accredited, and its installed Declared Net Capacity (DNC).

Date of Accreditation	01-Apr-2010 to 31-Mar-2011	01-Apr-2011 to 31-Jul-2011	01-Aug-2011 to 02-Mar-2012	03-Mar-2012 to 31-Mar-2012	01-Apr-2012 to 31-Jul-2012	01-Aug-2012 to 31-Oct-2012	01-Nov-2012 to 31-Mar-2013	01-Apr-2013 to 30-Apr-2013	01-May-2013 to 30-Jun-2013
	2023 rate/MW								
Capacity >50kW to 100kW	£22,000	£22,000	£16,250	£12,000	£12,000	£11,500	£11,000	£11,000	£10,500
Capacity >100kW to 150kW	£20,667	£20,667	£16,500	£12,167	£12,167	£11,500	£11,000	£11,000	£10,500
Capacity >150kW to 250kW	£20,400	£20,400	£11,400	£12,000	£12,000	£10,800	£10,400	£10,400	£9,900
Capacity >250kW to 1MW	£26,500	£26,500	£12,000	£12,000	£12,000	£9,700	£9,300	£9,200	£8,800
Capacity >1MW to 5MW	£31,000	£31,000	£16,300	£16,300	£16,300	£13,700	£13,200	£13,100	£12,600

Date of Accreditation	01-Jul-2013 to 31-Dec-2013	01-Jan-2014 to 31-Mar-2014	01-Apr-2014 to 30-Jun-2014	01-Jul-2014 to 31-Dec-2014	01-Jan-2015 to 31-Mar-2015	01-Apr-2015 to 30-Jun-2015	01-Jul-2015 to 30-Sep-2015	01-Oct-2015 to 31-Dec-2015	01-Jan-2016 to 14-Jan-2016
	2023 rate/MW								
Capacity >50kW to 100kW	£10,500	£9,700	£9,700	£9,500	£9,300	£9,300	£8,900	£8,900	£8,300
Capacity >100kW to 150kW	£10,500	£9,667	£9,667	£9,500	£9,333	£9,333	£9,000	£9,000	£8,333
Capacity >150kW to 250kW	£9,900	£9,100	£9,100	£8,900	£8,700	£8,800	£8,300	£8,300	£7,800
Capacity >250kW to 1MW	£8,800	£8,100	£8,100	£8,000	£7,800	£7,700	£7,300	£7,300	£6,800
Capacity >1MW to 5MW	£12,600	£11,800	£11,800	£11,700	£11,600	£11,400	£11,000	£11,000	£10,400

Date of Accreditation	15-Jan-2016 to 31-Mar-2016	01-Apr-2016 to 30-Jun-2016	01-Jul-2016 to 30-Sep-2016	01-Oct-2016 to 31-Dec-2016	01-Jan-2017 to 31-Mar-2017	01-Apr-2017 to 30-Jun-2017	01-Jul-2017 to 30-Sep-2017	01-Oct-2017 to 31-Dec-2017	01-Jan-2018 to 31-Mar-2018
	2023 rate/MW								
Capacity >50kW to 100kW	£4,050	£3,850	£3,700	£3,700	£3,650	£3,650	£3,600	£3,600	£3,500
Capacity >100kW to 150kW	£4,067	£3,867	£3,733	£3,667	£3,667	£3,667	£3,600	£3,600	£3,533
Capacity >150kW to 250kW	£4,000	£3,880	£3,720	£3,680	£3,640	£3,640	£3,640	£3,600	£3,520
Capacity >250kW to 1MW	£3,800	£3,650	£3,550	£3,500	£3,450	£3,450	£3,450	£3,400	£3,350
Capacity >1MW to 5MW	£4,250	£4,100	£3,950	£3,900	£3,850	£3,850	£3,850	£3,800	£3,750

Date of Accreditation	01-Apr-2018 to 30-Jun-2018	01-Jul-2018 to 30-Sep-2018	01-Oct-2018 to 31-Dec-2018	01-Jan-2019 to 31-Mar-2019
	2023 rate/MW			
Capacity >50kW to 100kW	£3,550	£3,500	£3,500	£3,450
Capacity >100kW to 150kW	£3,533	£3,533	£3,467	£3,467
Capacity >150kW to 250kW	£3,560	£3,520	£3,480	£3,440
Capacity >250kW to 1MW	£3,350	£3,350	£3,300	£3,250
Capacity >1MW to 5MW	£3,750	£3,700	£3,700	£3,650

CfD rate/MW

Capacity >50kW to 100kW	£4,500
Capacity >100kW to 150kW	£4,467
Capacity >150kW to 250kW	£4,500
Capacity >250kW to 1MW	£4,500
Capacity >1MW to 5MW	£5,400
Capacity >5MW to 10MW	£5,350
Capacity >10MW to 20MW	£5,700
Capacity >20MW	£6,120

Unaccredited rate/MW

Capacity >50kW to 100kW	£2,650
Capacity >100kW to 150kW	£2,667
Capacity >150kW to 250kW	£2,640
Capacity >250kW to 1MW	£2,650
Capacity >1MW to 5MW	£2,950
Capacity >5MW to 10MW	£2,975
Capacity >10MW to 20MW	£2,950
Capacity >20MW	£2,960

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

For further details on specific sites see

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