

Will the government grant VAT relief on energy storage batteries?

In a much-needed move towards energy efficiency, the government has unveiled plans to grant VAT relief on the installation of energy storage batteries. This welcome move extends far beyond the previous VAT relief policy, which was limited to batteries installed concurrently with solar panels.

Why has the UK extended tax relief on battery storage systems?

Dave Roberts, UK MD at GivEnergy, comments: "It's fantastic that the government has extended tax relief on battery storage systems. The expanded VAT relief aligns with the UK's commitment to reducing carbon emissions and promoting green energy solutions.

Should VAT relief be expanded on energy-saving materials (ESMs)?

In its Spring Statement 2022, the government announced the expansion of VAT relief on energy-saving materials (ESMs). Despite being a welcome step, those expansions did not go far enough. So, after listening to calls from industry, the government launched a Call for Evidence (CfE) seeking views on potential areas of further reform.

What does the UK's new VAT relief mean for homeowners?

The expanded VAT relief aligns with the UK's commitment to reducing carbon emissions and promoting green energy solutions. By offering financial incentives for homeowners to invest in energy storage, the government is encouraging the adoption of cleaner technologies and facilitating a more sustainable approach to power consumption.

Are electrical storage batteries included?

Batteries that store energy in the form of heat (i.e. thermal or heat batteries) are not included. The circumstances in which the installation of electrical storage batteries in residential accommodation or buildings intended for use solely for a relevant charitable purpose are as follows:

When will a new battery policy be implemented in the UK?

The policy - set for implementation on February 1, 2024 - now also embraces standalone battery installations and retrofitted batteries alike. This long-awaited decision marks a pivotal moment for the energy storage sector, and in turn, the UK's clean transition. What is changing?

The additional VAT deduction policy was implemented for the first time on April 1, 2019, and applies to taxpayers in production and household services. The release of Announcement ...

This 5MW/10MWh LS Energy Solutions project for Strata Clean Energy in Vermont availed of the new ITC for standalone energy storage. Image: Strata Clean Energy. Just over a year ago, the ...



Energy storage vat deduction policy document

This policy aimed to address industry pain points such as inefficient resource allocation, surging cost pressure on new energy enterprises, and the phenomenon of "building ...



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