



Business rates and electrical energy storage

### **An information note by the Electricity Storage Network**

Business rates are charged on most non-domestic properties. Each property is assessed on its value and the business rates due are calculated by multiplying the rateable value by a multiplier determined by central government. The Government's Valuation Office Agency has a statutory duty to maintain accurate valuations. There are several ways by which the VOA calculates the rateable value, and information is available from the VOA website. Energy storage systems have been included in the rateable value of properties for many years, and owners of non-domestic properties with energy storage should be aware of the method of calculation for energy storage.

Business rates can be a significant expense in the operation of a business. Those considering the use of storage should seek professional guidance if clarification is required.

The Electricity Storage Network has examined the treatment of electricity storage under the current regulations and has pointed out in its discussions with OFGEM, BEIS and the Valuation Office Agency the implications of business rates on the present and intended deployment of storage and the current discrepancies in the rating manual between technologies and applications.

There are differences in the way that storage is assessed by the VOA, depending on the application and the technology chosen. The ESN's view is that this is an area where clarification would be useful and a review should be made to identify and remove discrepancies where this is counter to the benefits that storage can provide. If storage is treated as generation this will impact on a business's rateable value, and the ESN currently believe that storage should be treated as a separate licensable activity. Our discussions with BEIS, OFGEM and the VOA is ongoing and takes into account the best interests of our members, and the needs for the country to have a sustainable, secure and economic energy infrastructure.

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This note is provided in good faith to provide background information.