

2EA CONSULTING LIMITED

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Climate Change Levy

Exemptions for use in Metallurgical Processes

Introduction

From 1 April 2014 metallurgical processes are exempt from the main rates of CCL for energy used in metallurgical processes.

This briefing note also provides an indicative list of energy uses accepted as falling within the scope of the exemptions where incurred in the course of a qualifying process.

Where energy costs incurred at a site relate to both exempt and non-exempt processes, the energy usage must be apportioned on a fair and reasonable basis.

Metallurgical processes

Manufacture of basic iron and steel and of Ferro-alloys

This includes the:

- production of iron ore sinter
- preheating and melting of scrap iron or steel
- operation of blast furnaces, steel converters, rolling and finishing mills
- production of pig iron and spiegeleisen in pigs, blocks or other primary forms of production of ferro-alloys
- production of ferrous products by direct reduction of iron and other spongy ferrous products
- production of iron of exceptional purity by electrolysis or other chemical processes
- re-melting of scrap ingots of iron or steel
- production of granular iron and iron powder
- production of steel in ingots or other primary forms production of semi-finished products of steel manufacture of hot-rolled and cold-rolled flat-rolled products of steel
- manufacture of hot-rolled bars and rods of steel manufacture of hot-rolled open sections of steel
- manufacture of sheet piling of steel and welded open sections of steel
- manufacture of railway track materials (unassembled rails) of steel

This excludes the mining, beneficiation and agglomeration of iron ores, breaking up of end of life goods

Manufacture of tubes, pipes, hollow profiles and related fittings, of steel

This includes the manufacture of:

- seamless tubes and pipes of circular or non-circular cross section and of blanks of circular cross section, for further processing, by hot rolling, hot extrusion or by other hot processes of an intermediate product which can be a bar or a billet obtained by hot rolling or continuous casting

- precision and non-precision seamless tubes and pipes from hot rolled or hot extruded blanks by further processing, by cold-drawing or cold-rolling of tubes and pipes of circular cross section and by cold drawing only for tubes and pipes of non-circular cross section and hollow profiles
- welded tubes and pipes of an external diameter exceeding 406.4mm, cold formed from hot rolled flat products and longitudinally or spirally welded
- welded tubes and pipes of an external diameter of 406.4mm or less of circular cross section by continuous cold or hot forming of hot or cold rolled flat products and longitudinally or spirally welded and of non-circular cross section by hot or cold forming into shape from hot or cold rolled strip longitudinally welded
- welded precision tubes and pipes of an external diameter of 406.4mm or less by hot or cold forming of hot or cold rolled strip and longitudinally welded delivered as welded or further processed, by cold drawing or cold rolling or cold formed into shape for tube and pipe of non-circular cross section
- flat flanges and flanges with forged collars by processing of hot rolled flat products of steel
- butt-welding fittings, such as elbows and reductions, by forging of hot rolled seamless tubes of steel
- threaded and other tube or pipe fittings of steel

Manufacture of other products of first processing of steel

This includes the manufacture of:

- steel bars and solid sections of steel by cold drawing, grinding or turning
- coated or uncoated flat rolled steel products in coils or in straight lengths of a width less than 600 mm by cold re-rolling of hot-rolled flat products or of steel rod
- open sections by progressive cold forming on a roll mill or folding on a press of flat-rolled products of steel
- cold-formed or cold-folded, ribbed sheets and sandwich panels
- drawn steel wire, by cold drawing of steel wire rod

This excludes the manufacture of derived wire products.

Precious metals production

This includes the production and refining of unwrought or wrought precious metals: gold, silver, platinum, and so on, from ore, scrap, residues and concentrates of:

- precious metal alloys
- precious metal semi-products
- silver rolled onto base metals
- gold rolled onto base metals or silver
- platinum and platinum group metals rolled onto gold, silver or base metals

This also includes the manufacture of:

- wire of these metals by drawing
- precious metal foil laminates

This excludes the mining of precious metals, breaking up of end of life goods and manufacture of precious metal jewellery

Aluminium production

This includes the:

- production of aluminium from alumina
- production of aluminium from electrolytic refining of aluminium waste and scrap
- production of aluminium alloys
- semi-manufacturing of aluminium
- manufacture of wire of these metals by drawing
- production of aluminium oxide (alumina)
- production of aluminium wrapping foil
- manufacture of aluminium foil laminates made from aluminium foil as primary component

This excludes the breaking up of end of life goods.

Lead, zinc, tin and copper production

This includes the:

- production of lead, zinc, tin and copper from ores
- production of lead, zinc and tin from electrolytic refining of lead, zinc, tin and copper waste and scrap
- production of lead, zinc, tin and copper alloys
- semi-manufacturing of lead, zinc, tin and copper
- manufacture of wire of these metals by drawing
- production of tin foil
- manufacture of copper fuse wire or strip

This excludes the mining and preparation of ores of lead, zinc, tin and copper and breaking up of end of life goods

Other non-ferrous metal production

This includes the:

- production of chrome, manganese, nickel, and so on, from ores or oxides
- production of chrome, manganese, nickel, and so on, from electrolytic and aluminothermic refining of chrome, manganese, nickel, and so on, waste and scrap
- production of alloys of chrome, manganese, nickel, and so on
- semi-manufacturing of chrome, manganese, nickel, and so on
- production of mattes of nickel
- manufacture of wire of these metals by drawing
- production of metallised carbon products

This excludes the mining and preparation of ores of chrome, manganese, nickel, and the breaking up of end of life goods

Casting of iron and steel

This includes the:

- casting of semi-finished iron and steel products
- casting of grey iron castings
- casting of spheroidal graphite iron castings
- casting of malleable cast-iron products
- manufacture of seamless tubes and pipes of steel by centrifugal casting
- manufacture of tubes, pipes and hollow profiles and of tube or pipe fittings of cast-iron or cast-steel

This excludes the fabrication of finished goods, including any post-production assembly or machining processes.

Casting of light metals

This includes the casting of:

- semi-finished products of aluminium, magnesium, titanium, zinc, and so on
- light metal castings

This excludes the fabrication of finished goods, including any post-production assembly or machining processes.

Casting of other non-ferrous metals

This includes the:

- casting of heavy metal castings
- casting of precious metal castings
- die-casting of non-ferrous metal castings

This excludes the fabrication of finished goods, including any post-production assembly or machining processes.

Forging, pressing, stamping and roll-forming of metal

This includes the forging, pressing, stamping and roll-forming of metal.

This excludes the fabrication of finished goods, including any post-production assembly or machining processes.

Powder metallurgy

This includes the production of metal powders and the production of metal objects directly from metal powders by heat treatment (sintering) or under pressure.

Treatment and coating of metals

This includes the:

- hot dipping (galvanising), electroplating and anodising of metals
- heat treatment of metals
- deburring, sandblasting, tumbling and cleaning of metals, when conducted in relation to a metallurgical process

This excludes:

- colouring, engraving of metals
- non-metallic coating of metals – plasticising, enamelling, lacquering, and so on
- hardening, buffing of metals
- activities of farriers
- printing onto metals
- metal coating of plastics
- 'while-you-wait' engraving services
- boring, turning, milling, eroding, planing, lapping, broaching, levelling, sawing, grinding, sharpening, polishing, welding, splicing, and so on, of metalwork pieces
- cutting of and writing on metals by means of laser beams

Qualifying Energy Uses

Handling

This includes the:

- receipt, quality control and storage of raw materials and other inputs
- handling of intermediary products
- packaging, warehousing and dispatch of finished products
- on site conveyance of delivered materials, intermediary products and finished products

Factory services

This includes:

- laboratory services
- quality control at all stages of manufacture
- control rooms
- engineering services
- heating and cooling systems
- compression systems
- air and water distribution systems
- waste treatment and abatement

On site facilities

This includes:

- administration
- staff facilities
- medical rooms
- security
- staff training
- design and development
- heating
- inside and outside lighting