

18 September 2020  
Our ref: FOI280720

Dear

**Re: Freedom of Information Request on the Environmental Levies Forecast**

Thank you for your request for information under the Freedom of Information Act, which we received on 28 July 2020. Many apologies for the delayed response to your request.

You requested the following:

*Regarding the Economic and Fiscal Outlook March 2020, Fiscal Supplementary Tables - Table 2.7 itemises Environmental Levies:*

*Please provide the data behind the figures for Contracts for Difference, including electricity generation assumptions, market prices and CfD prices, for each year.*

We do not hold the information that you have requested. The models that generate the environmental levies forecast (and have the detailed calculations) are held by the Department for Business, Energy and Industrial Strategy (BEIS).

The models that underpin our fiscal forecast are typically owned and maintained by other parts of government that are responsible for administering the element of tax or spending. As outlined in paragraphs 4.30 and 4.31 of the OBR's 2017 Forecast Evaluation Report (FER), in many cases, it is not possible for departments to open up the full model for the OBR to scrutinise. For example, in the case of the Contracts for Difference (CfD) forecast, this is built up by BEIS on a project-by-project basis. This allows for more accuracy in terms of commissioning dates and ramping-up profiles for particular projects. Much of this information would be commercially sensitive. The CfD forecast would then use BEIS forecasts of wholesale electricity prices.

[https://obr.uk/docs/dlm\\_uploads/Forecast-Evaluation-Report-2017\\_Web-Accessible.pdf](https://obr.uk/docs/dlm_uploads/Forecast-Evaluation-Report-2017_Web-Accessible.pdf)

As we note in the FER, in cases that we do not have access to the full model, we would aim to get as close as possible understanding of the workings of the model. For example, for the CfD forecast, we would want to scrutinise and challenge how the forecast had changed since the last fiscal forecast. This would include:

- Looking at any changes to the wholesale electricity price projection e.g. are these consistent with recent movements in oil and gas prices.
- The inclusion of policy changes e.g. the likely cost from announced CfD auction rounds.
- Any changes to start dates and project capacities which could affect the profile of CfD spending.
- Consistency of the nominal CfD forecast with the OBR's forecast for inflation.

If you have any other queries about this letter, please send them to our enquiries inbox at [obr.enquiries@obr.uk](mailto:obr.enquiries@obr.uk).

Yours sincerely

Freedom of Information Unit  
**Office for Budget Responsibility**

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Any review request must be made within 2 months of the date of this letter.

It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

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