

Issued 31 October 2022 v1.0

Energy Bill Relief Scheme (EBRS)

FAQs and signposting to further resources

FAQS

Where can I find out more information on the Energy Bill Relief Scheme?.....	2
What does the funding from Government cover?	2
How long will the scheme last?	3
What is being considered by the Review?	3
Does the scheme apply to all flexible contracts?	4
How will the Maximum Discount be applied?	4
The non-commodity element is unclear; reference is made to discounting / removing green levies but the levies that this applies to hasn't been clearly stated?	4
Reference is also made to discounting levies through the wholesale price, can the methodology be clarified for business users?	5
How will the EBRS be brought into law?	5
How can we find the latest information on the EBRS, and is it possible to ask questions?	5
Are any firms ineligible for support?	5
Energy Bills Support Factsheet	6

Where can I find out more information on the Energy Bill Relief Scheme?

A: The Energy Bill Relief Scheme (EBRS) will provide energy bill relief for non-domestic customers in Great Britain. It applies to all businesses, including those in the construction sector. The Scheme covers energy use for 6 months from 1 October 2022 to 31 March 2023. The EBRS applies to all contracts signed **after 1 December 2021**, for the supply of energy during the period covered by the Scheme. Contracts signed before 1 December 2021 will not have been affected by the recent rise in wholesale prices, so will not be eligible for support under the Scheme.

The latest guidance can be found on GOV.UK [here](#). This includes information on eligibility, how the Scheme works, how your bill will be reduced and the planned review.

There is a similar scheme for Northern Ireland, providing a comparable level of support. Find out more about how the Northern Ireland scheme [here](#).

The Government has published an [Energy Bills Support Factsheet](#). This provides further details of the support available for businesses and non-domestic consumers with energy bills, as well as details of other policy measures being taken to ensure energy security and affordability.

What does the funding from Government cover?

A: The funding covers the difference between the Government supported price and the wholesale price paid by suppliers.

The Government will compensate suppliers for the reduction in wholesale gas and electricity unit prices that they are passing onto non-domestic customers. The discount applied will be in pence per kilowatt hour (p/kWh). The p/kWh support for comparable contracts will be the same across suppliers, but the absolute level of individual bills will continue to vary across different contracts and tariffs.

Fixed contracts

For fixed contracts, the discount will reflect the difference between the Government supported price and the relevant wholesale price for the day the contract was agreed. The Government will publish the wholesale prices and we will use for calculating this from 1 December 2021.

Variable contracts

For variable, deemed and all other contracts, the discount will reflect the difference between the Government supported price and relevant wholesale price, but be subject to a maximum discount that will be determined at the beginning of the scheme.

Businesses on variable or flexible contracts will need to choose whether to move to fixed contracts. This is likely to suit firms that do not wish to be exposed to price variation. Firms will be contacted by their supplier. The p/kWh government support for comparable contracts will be the same across suppliers, but the absolute level of individual bills will continue to vary.

How long will the scheme last?

A: This provides coverage for the period from 1 October to 31 March. Next steps will be considered as part of the review.

What is being considered by the Review?

A: The Review will consider how best to offer further support to businesses which are most affected by energy price increases. These are likely to be those who are least able to adjust, for example by reducing energy usage or increasing energy efficiency.

The review will consider:

- How effective the Scheme has been in giving support to non-domestic customers;
- Which groups of non-domestic customers (by sector, size or geography) are likely to suffer the greatest negative impact from

energy price rises, consider the latest price position and forward curves, alongside other cost pressures.

- How to continue supporting these customers – either by extending the existing scheme for some users or replacing with a different scheme.

Businesses and trade body organisations have been asked to complete a questionnaire on the scheme. **The deadline is 30 October 2022.**

Does the scheme apply to all flexible contracts?

A: Yes, this includes flexible purchase or similar contracts.

How will the Maximum Discount be applied?

A: The maximum discount for electricity and gas has been calculated by comparing the Government supported price with the average of expected wholesale prices for delivery across the 6 months of the scheme. The maximum discount, set on 30 September 2022, is **£345/MWh for electricity and £91/MWh for gas.**

If wholesale prices rise above the combined Government supported price and maximum discount, then your prices will increase.

The non-commodity element is unclear; reference is made to discounting / removing green levies but the levies that this applies to hasn't been clearly stated?

A: The Government supported price has been calculated to take into account the impact of removing green levies from the customer's bill. This is then used to calculate the applicable discounts for eligible customers and this discount is applied to the customer's final bill (including non-commodity elements, their bill may still show green levies if they are itemised).

Reference is also made to discounting levies through the wholesale price, can the methodology be clarified for business users?

A: The Government supported price has been calculated to consider the impact of removing green levies from the customer's bill.

How will the EBRS be brought into law?

A: The [Government introduced the Energy Prices Bill](#) on 10 October 2022 to make provision for controlling energy prices; to encourage the efficient use and supply of energy; and for other purposes connected to the energy crisis. This includes powers to enable the Energy Bill Relief Scheme.

The Bill will be subject to the usual Parliamentary process for emergency legislation.

How can we find the latest information on the EBRS, and is it possible to ask questions?

A: The latest information about the EBRS will be published on the .GOV website. Information will also be circulated to the construction sector via the trade associations and other organisations linked to the Construction Leadership Council. We will also seek to obtain answers to specific questions from firms and will publish these as part of an updated Q&A document.

Are any firms ineligible for support?

A: The Scheme is intended to cover all businesses and other organisations, and all contracts for energy supply entered into, after 1 December 2021. However, there may be very limited exclusions, for example businesses that use gas or electricity for the purpose of generating power they are selling back into the grid, such as power stations, pumped hydro or grid-level battery storage.

Energy Bills Support Factsheet

Outlines support for businesses and non-domestic consumers (as well as for households) with energy bills.