



Department for
Business, Energy
& Industrial Strategy

Department for Business, Energy &
Industrial Strategy
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www.gov.uk

Chris Young
Reply by email:
realbread@sustainweb.org

Our ref: TOSL2022/22867

29 December 2022

Dear Chris Young,

Thank you for your email dated 21 September, addressed to the former Prime Minister, regarding energy cost support for businesses and other non-domestic consumers. Your correspondence has been passed to this Department as this matter falls within our portfolio and I have been asked to respond. I apologise for the delay in our response.

The Government recognises the impact rising energy prices is having on both domestic and non-domestic consumers. On 21 September, we announced more details of a new six-month scheme – the Energy Bill Relief Scheme (EBRS) – taking immediate action to protect all businesses and other non-domestic energy users, including public and voluntary sector organisations, from soaring energy costs. This support will be equivalent to the Energy Price Guarantee put in place for households.

The EBRS will provide a unit price reduction to ensure that all businesses and other non-domestic customers are protected from excessively high energy bills over the winter period. Non-domestic customers do not need to take action or apply to the scheme – support will automatically be applied to bills.

It will apply to energy usage from 1 October 2022 to 31 March 2023, running for an initial six-month period for all non-domestic energy users. The savings were first seen in October bills. The scheme will apply to those on fixed price contracts agreed on or after the 1 December 2021, customers signing new contracts or those on default/deemed or out of contract tariffs or flexible contracts for energy supplied through the electricity and gas grids.

For all non-domestic energy users in Great Britain the Government supported wholesale price is expected to be set at £211 per megawatt hour (MWh) for electricity and £75 per MWh for gas. This is half the wholesale prices anticipated for this winter.

The scheme is only applicable to energy consumption delivered via the gas or electricity grid. If you're not connected to either the gas or electricity grid, equivalent support will also be provided for non-domestic consumers who use heating oil or alternative fuels instead of gas. Further detail on this will be announced shortly.

The announcement provided a clear signal to businesses about how the scheme will work and the level of reduction they can expect on their bills during the period of the scheme. Due to the varied nature of businesses and their energy contracts, it is not possible to give an indicative saving cost per business. The exact value of the savings for each business or non-domestic

customer will vary depending on their contract type and circumstances but is intended to ensure parity and fairness.

The Government is currently carrying out a review to consider how to support businesses with energy bills after April 2023, with any support for businesses to be targeted to those most affected by high energy prices. Continuing support to those deemed eligible would begin at the end of the initial 6-month support scheme.

For further information on the ERBS please see:

www.gov.uk/government/news/government-outlines-plans-to-help-cut-energy-bills-for-businesses.

Thank you again for writing.

Yours sincerely,

J Morrison
BEIS CORRESPONDENCE UNIT