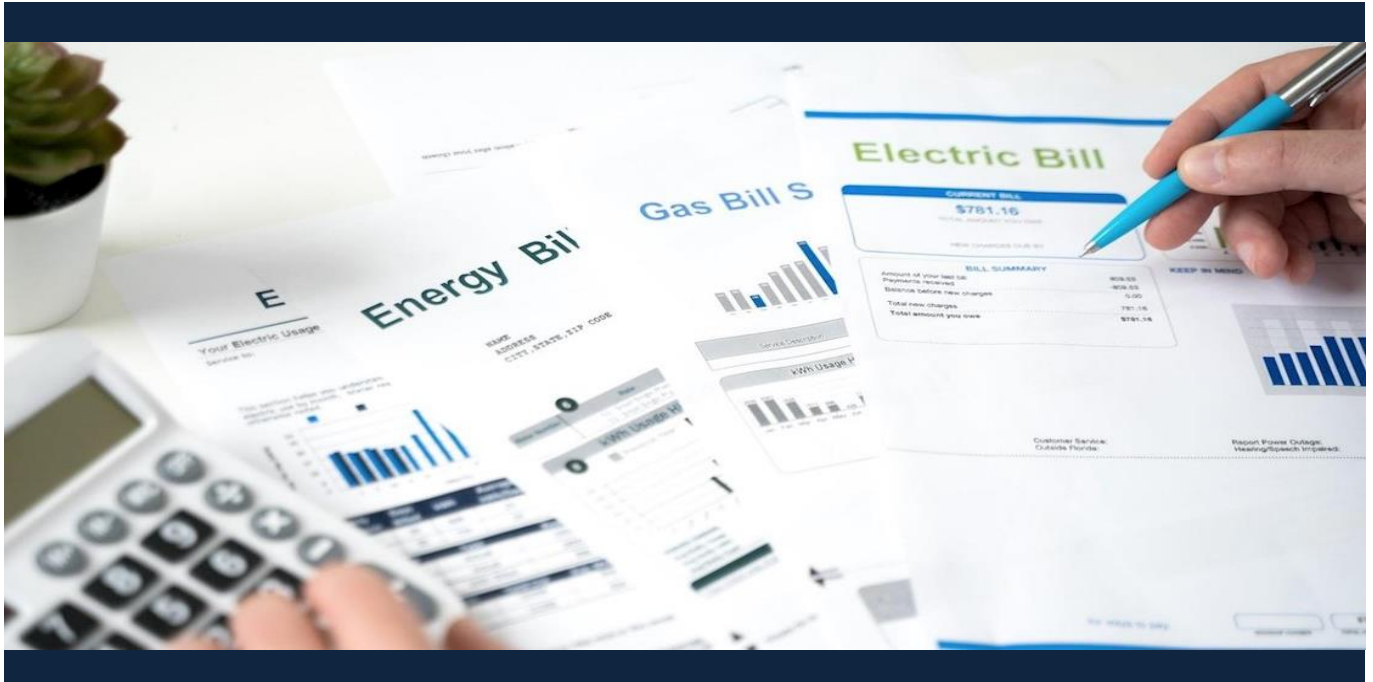


Broadcast

FACTSHEET: ENERGY BILLS DISCOUNT SCHEME

SPECIAL ISSUE

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The Energy Bill Relief Scheme (EBRS) provides non-domestic energy customers with a discount on their gas and electricity unit prices. The discount is calculated by comparing estimated wholesale element of the unit price with a baseline Government supported price. It is given automatically. The EBRS comes to an end on 31 March 2023. It is to be replaced with a new scheme, the Energy Bills Discount Scheme (EBDS), from 1 April 2023.

Key dates

The EBDS will apply from 1 April 2023 until 31 March 2024. It replaces the EBRS, which comes to an end on 31 March 2023.

Nature of EBDS

Like its predecessor, the EBDS provides non-domestic energy customers, such as businesses, public sector organisations and charities, with help in meeting their energy bills. The help is given in the form of a discount on gas and electricity unit prices. Eligible energy customers will receive a per-unit discount on their energy bills, subject to a cap. The relative discount will be applied if wholesale prices exceed a certain level.

For most non-domestic energy users in Great Britain and Northern Ireland, the maximum discounts are:

- £19.61 per megawatt hour (MWh) for electricity, with a price threshold of £302 per MWh; and
- £6.97 per MWh for gas, with a price threshold of £107 per MWh.

The discount is calculated on the difference between the wholesale price associated with the energy contract and the price threshold. The discount is phased in when the contract wholesale price exceeds the floor price, until the total discount per MWh reaches the maximum discount for the fuel in question.

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A higher level of support is available for certain energy and trade intensive industries (ETIIS). Details of the business qualifying for the higher level of support can be found on the Gov.uk website.

Eligibility

As with the EBRS, the EBDS is open to energy customers on a non-domestic contract who are:

- on existing fixed-price contracts that were agreed on or after 1 December 2021;
- signing new fixed price contracts;
- on deemed/out of contract or standard variable tariffs;
- on flexible purchase or similar contracts; or
- under the Northern Ireland Scheme only, on Day Ahead Index (DAI) tariffs.

Automatic discount

As with the current scheme, the discount under the EBDS will be given automatically by suppliers. However, ETII business that qualify for the higher level of support will need to apply for it. The Government will publish details of how to do this in due course.

The Government will compensate the energy supplier for the price reduction that they pass on to their non-domestic customers. The discount will be applied in pence per kilowatt hour (p/kWh).

While the level of Government support for comparable contracts will be the same across energy suppliers, individual bills will continue to vary depending on the contract and the tariff. The level of support given to each organisation will depend on the type and date of the contract.

For further information on any of the above, call us on **01753 888211** or email **info@nhllp.com**
We would be happy to help.