

Continued support for non-domestic energy customers

I have received the letter below from the Government regarding continued support for non-domestic energy customers.

The Energy Bills Discount Scheme provides a continuation of support to non-domestic customers, with support backdated to the start of April. It will provide all eligible businesses and other non-domestic energy customers with a discount on high gas and electricity bills until 31 March 2024. It will also provide businesses in energy and trade intensive industry sectors with a higher level of support as they are less able to pass these higher costs on to customers due to international competition.

Dear Colleagues,

RE: Continued Support for Non-domestic Energy Customers

I am writing to you about the Regulations that deliver the Energy Bills Discount Scheme. The Regulations were laid in Parliament on 25 April 2023 and come into force on 26 April.

I am delighted to announce that, following the Energy Bill Relief Scheme ending on 31 March, the Energy Bills Discount Scheme provides a continuation of support to non-domestic customers, with support backdated to the start of April. The Government provided an unprecedented package of support for non-domestic customers through the winter in the shape of the Energy Bill Relief Scheme, with total support of £7.3bn expected to be provided under this scheme, shielding businesses and saving some around half of their wholesale energy cost. The Government has taken difficult but right and considered decisions when necessary, following an unprecedented rise in energy prices, to support our essential UK businesses and public sector services.

Wholesale energy prices have fallen significantly since the introduction of the Energy Bill Relief Scheme. The Energy Bills Discount Scheme reflects this change and makes adjustments to the support provided under the Energy Bill Relief Scheme. The Energy Bills Discount Scheme strikes a balance between supporting businesses between 1 April 2023 and 31 March 2024 and limiting taxpayers' exposure to volatile energy markets.

The scheme provides long term certainty for businesses and reflects how the scale of the challenge has changed since September last year. This will help businesses locked into contracts signed before recent substantial falls in the wholesale price of energy manage their costs and provide others with reassurance against the risk of prices rising again. This is a serious intervention in order to protect the public and the economy from significant increases in energy bills.

The Energy Bills Discount Scheme will provide all eligible businesses and

other non-domestic energy customers with a discount on high gas and electricity bills until 31 March 2024. It will also provide businesses in energy and trade intensive industry) sectors with a higher level of support as they are less able to pass these higher costs on to customers due to international competition. The Energy Bills Discount Scheme price reduction will be linked to the wholesale element of a non-domestic customer's gas and electricity bill and Government will reimburse suppliers in accordance with the scheme.

Further support will be available to domestic end users on heat networks, who fall under the Energy Bills Discount Scheme due to heat network operators having commercial energy contracts, to ensure they do not face disproportionately higher energy bills than consumers in equivalent households who benefit from the Energy Price Guarantee. Heat suppliers will be required to apply for this support and then pass on any discounts to their customers in a 'just and reasonable' way.

Eligibility for support under the Energy Bill Relief Scheme and the Energy Bills Discount Scheme will also be extended to additional non-standard cases not previously eligible. This includes where: non-domestic customers have received gas or electricity from license-exempt suppliers via private wire (localised electricity grids connected to local distribution networks but linked to a privately-owned central plant which produces electricity) or pipe (where gas is conveyed to the customer's premises by pipe) and where prices paid are pegged to wholesale energy prices.

The Energy Bills Discount Scheme Regulations will ensure that essential energy bill support is provided to businesses in Great Britain and Northern Ireland, that are supplied both by licensed gas and electricity suppliers and license-exempt suppliers. They will also ensure that any non-domestic business or individual that receives energy through an intermediary will also benefit from the Energy Bills Discount Scheme in a 'just and reasonable' way.

Further information on the Energy Bills Discount Scheme including legislation, rules and guidance can be found on our Energy Bills Discount Scheme page.

Amanda Solloway MP
Minister for Energy Consumers & Affordability