

Government to consider further relief for energy intensive industries

- Consultation launched into support scheme for energy intensive industries including steel, paper, glass, ceramics, and cement
- targeted proposals could mean energy intensive industries receive even more relief on their electricity bills
- follows April's announcement that the Energy Intensive Industries Compensation Scheme has been extended for a further 3 years, with its budget more than doubled

High electricity using businesses like steel and paper mills could see further relief under [new proposals to help subsidise their electricity costs](#).

The UK government is consulting on the option to increase the level of exemption for certain environmental and policy costs from 85% of costs up to 100%.

This reflects higher UK industrial electricity prices than those of other countries including in Europe, which could hamper investment, competition and commercial viability for hundreds of businesses in industries including steel, paper, glass, ceramics, and cement, and risk them relocating from the UK.

The proposal would help around 300 businesses supporting 60,000 jobs in the UK's industrial heartlands. Looking at ways to reduce the cost of doing business for key industries would help secure the future of domestic manufacturing and maintain a competitive business environment in the UK, ensuring economic growth and protecting thousands of jobs across the country.

The Energy Intensive Industries Exemption Scheme provides businesses with relief for the costs of renewable levies, including Contracts for Difference, the Renewable Obligation and Feed in Tariffs, in their energy bills.

Business Secretary Kwasi Kwarteng said:

British manufacturers are the lifeblood of our economy and central to our plans to overcome this period of economic uncertainty.

With global energy prices at record highs, it is essential we explore what more we can do to deliver a competitive future for those strategic industries so we can cut production costs and protect jobs across the UK.

Director General of UK Steel Gareth Stace said:

The publication of this consultation is a significant step forward

in delivering competitive electricity prices for the UK steel sector and should provide some much-needed relief in the face of extremely challenging circumstances at the current time. While there remain difficulties, this announcement demonstrates that UK government understands the challenges of British industry and continues to support steelmakers and steel communities across the country.

This is a consultation on a targeted support scheme for energy intensive industries, as announced in the British Energy Security Strategy. Launching this consultation now provides the future government with the option to introduce this scheme given current high electricity prices.

The government has provided more than £2 billion to support businesses in energy intensive sectors with the price of electricity bills since 2013.

The launch of the consultation follows the extension of the separate but similar Energy Intensive Industries Compensation Scheme for a further 3 years and a more than doubling of its budget.

The compensation scheme provides businesses with relief for the costs of the UK Emissions Trading Scheme (ETS) and Carbon Price Support mechanism in their electricity bills.