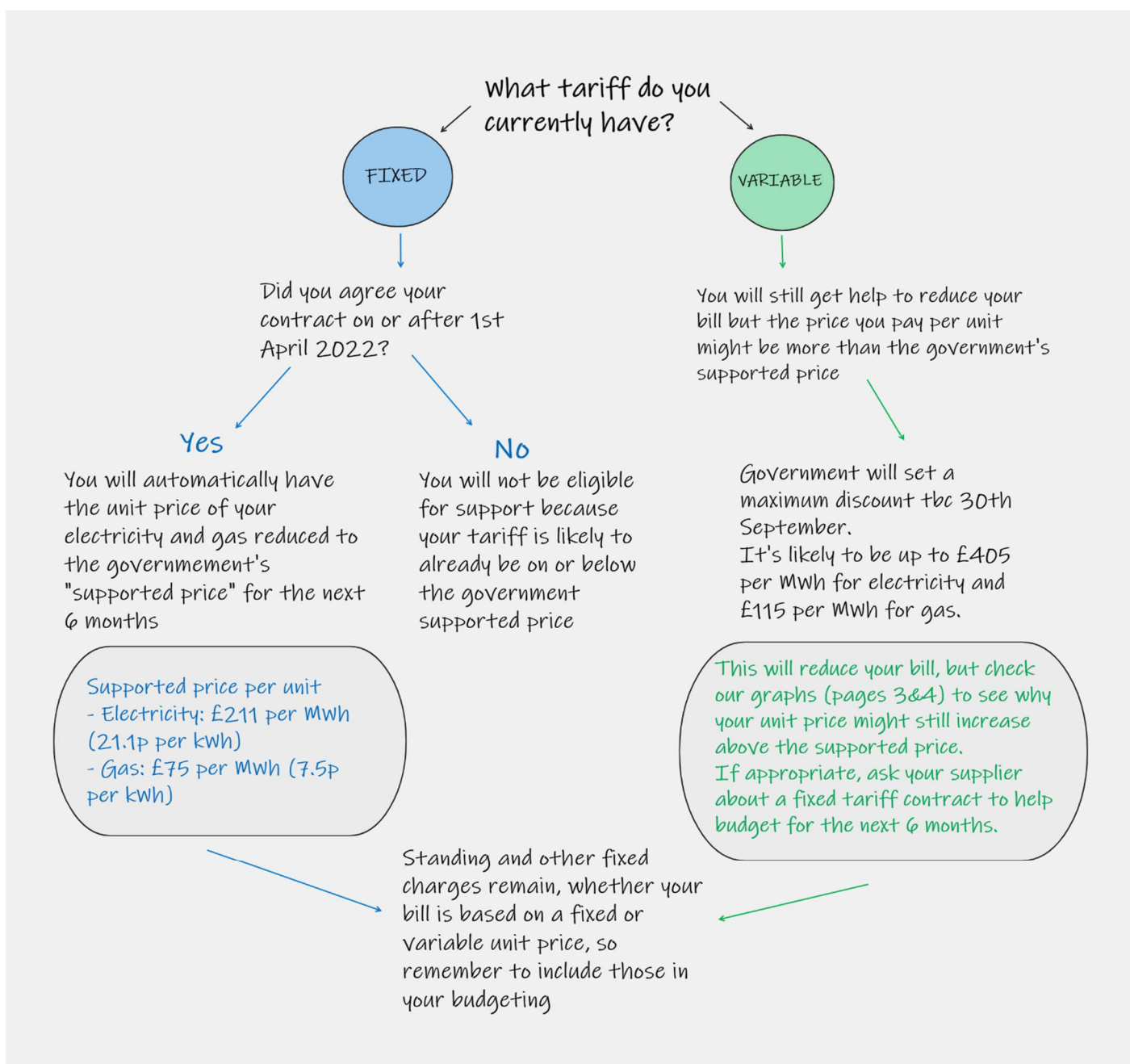


## Energy Bill Relief Scheme – briefing note

The UK Government has announced a 6-month support scheme for non-domestic energy customers starting from 1<sup>st</sup> October 2022 – the Energy Bill Relief Scheme (EBRS). Non-domestic customers include businesses, community groups, charities, and public sector organisations.

Support received will depend on the tariff type for your bill. The “tariff” is the unit price per MWh (or kWh) you are being charged for electricity and gas. Some customers have been able to fix this price (a fixed tariff), whilst others are subject to variations in the unit price (a variable tariff). This flow chart is designed to help you consider how the scheme might apply to your organisation and there is further detail on page two. But for full details of the scheme please visit [the government website](#) or speak to your energy supplier.



## **Fixed tariff contracts signed on or after 1<sup>st</sup> April 2022**

The scheme sets a cap on the amount non-domestic customers can be charged per unit used of electricity and gas when they are on a fixed tariff contract signed on or after 1<sup>st</sup> April this year\*. This is called the “supported price” and is £211 per MWh for electricity and £75 per MWh for gas. If you are a smaller organisation, used to seeing your unit price in kWh, this equates to 21.1 pence per kWh for electricity and 7.5 pence per kWh for gas. This cap will be in place for 6 months to end March 2023 with a review expected in 3 months. Suppliers will automatically apply the unit price reduction. The discount will only be on the unit price paid for electricity and gas, so other fixed charges on your bill will not be discounted.

*\*If you were able to fix your tariff after the 1<sup>st</sup> of April this year at a lower per unit price than the supported price, there will be no further discount available. Similarly, if you signed your fixed rate contract before 1 April 2022, you would not have been exposed to the recent rises in wholesale prices, so you will not be eligible for support under the EBRS.*

## **Variable, deemed or other contract types**

If you are on a variable tariff contract, you can still receive help with your energy costs. The EBRS will try to lower your costs down towards the supported price, but a maximum discount will apply. Government will confirm what the maximum discount is on 30<sup>th</sup> September but say it’s likely to be around £405/MWh for electricity and £115/MWh for gas. This means that if wholesale prices rise above the supported price plus the agreed maximum discount, then you will be charged more than the supported price. There are some graphs below that help explain this.

Energy suppliers are being encouraged by government to give non-domestic customers the option to switch to fixed tariff contracts if appropriate, to avoid these variations. Speak to your energy supplier if you want to switch to a fixed tariff or to understand more about how the discount is applied to variable tariff contracts.

As with fixed tariff contracts, certain standard charges remain on variable tariff contracts too - it is just the unit price for energy that will be discounted.

## **Other fuels**

For those that use LPG or other fuel sources, the government is still looking at measures to reduce those costs, so check back on the gov.uk website for further information, hopefully coming soon.

## **Reducing your energy use**

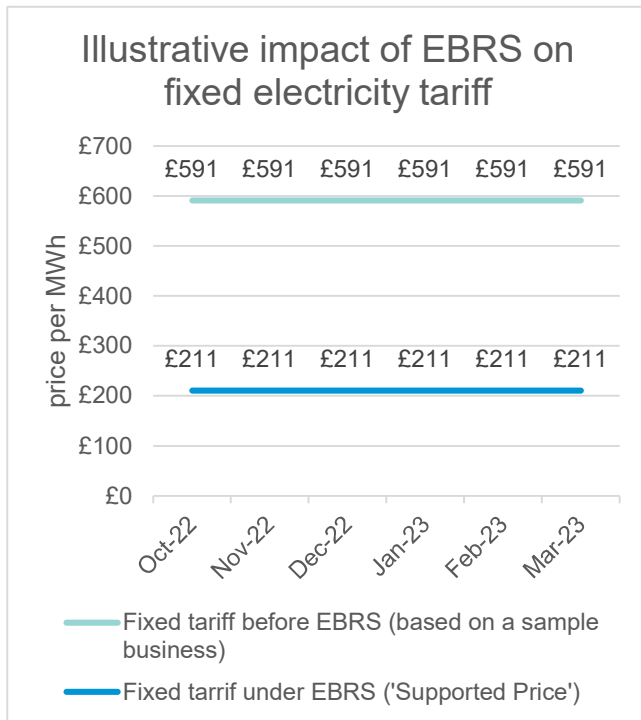
Reducing the amount of energy used will help to reduce your bill further. For tips on finding the right energy efficiency measures for your organisation, check out our [Guide to Reducing Emissions](#), including many low or no cost suggestions.

## How might the EBRS impact the price of 1 unit (MWh) of electricity?

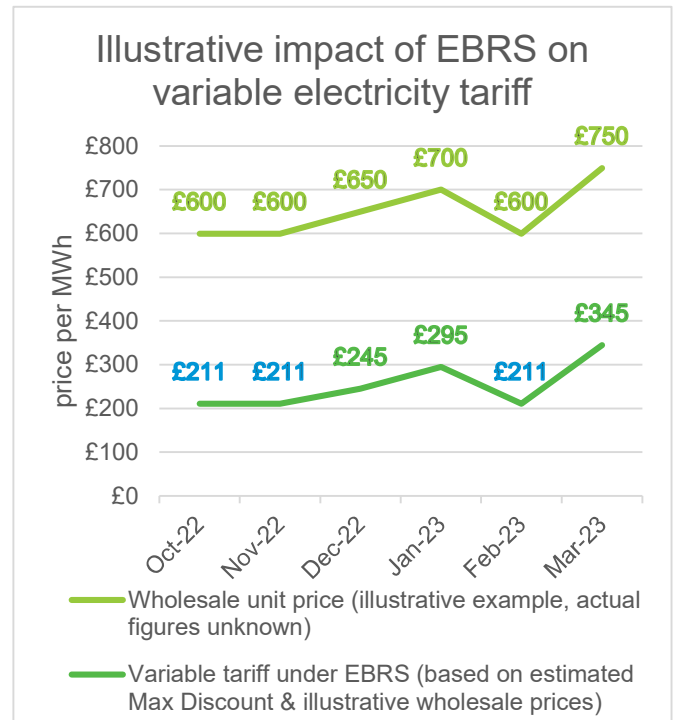
The charts below illustrate how the unit price for 1MWh of electricity might be reduced by the scheme.

*Please note this is an illustrative example only.* The Maximum Discount set by government is still to be finalised and any variation in wholesale prices has been added for illustration purposes only. These illustrations focus on unit price only, they do not include any other fixed/standing charges that will also be on your bill.

### Fixed tariff contract



### Variable tariff contract



On the left, the chart shows an example unit price that a non-domestic customer might have previously secured with their supplier (light blue - £591), and the lower 'supported price' (dark blue - £211) that fixed tariff customers can now expect to be charged under the EBRS.

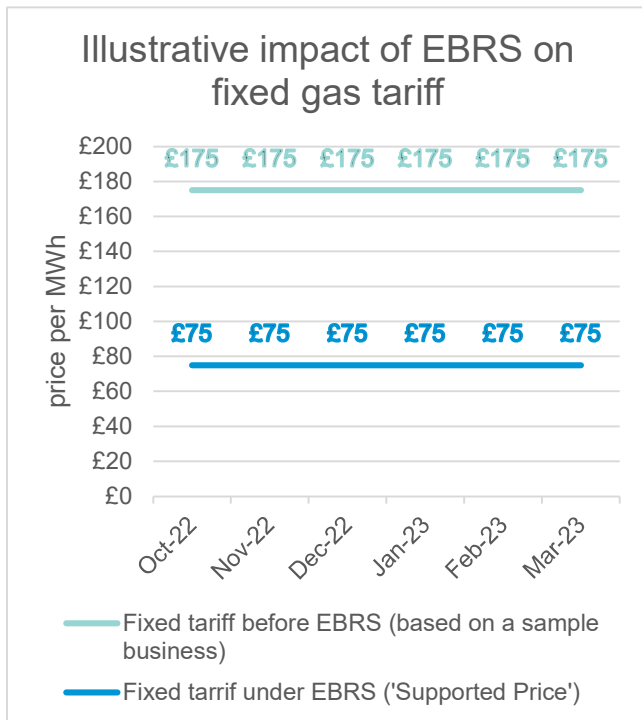
On the right, the chart shows how customers on a variable tariff might still be charged more than the 'supported price' (dark green) under the EBRS. In this example, wholesale prices (light green) have fluctuated during the 6 months of the scheme. In our example, prices rose above £616 per MWh (the supported price £211 + likely maximum discount £405) in December, January, and March. So in March, with a wholesale price of £750 and a maximum discount of £405, this customer would be charged £345.

## How might the EBRS impact the price of 1 unit (MWh) of gas?

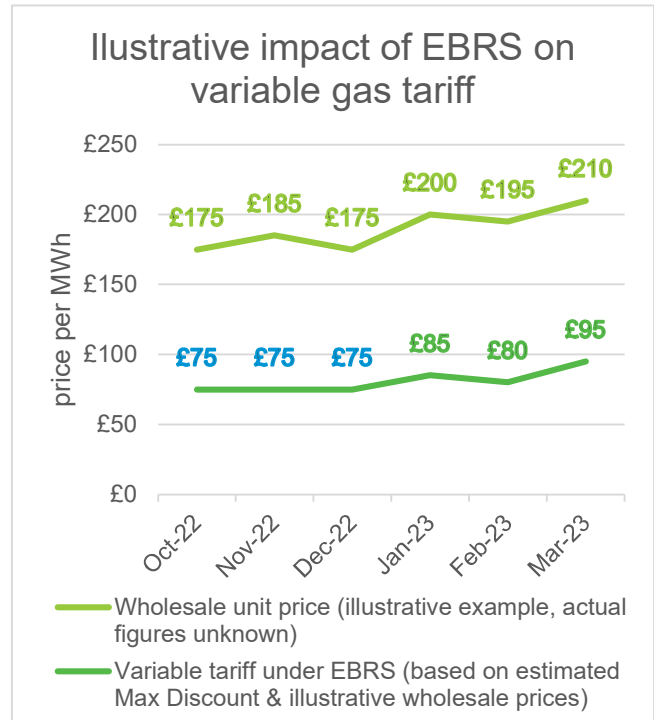
The charts below illustrate how the unit price for 1MWh of gas might be reduced by the scheme.

*Please note this is an illustrative example only.* The Maximum Discount set by government is still to be finalised and any variation in wholesale prices has been added for illustration purposes only. These illustrations focus on unit price only, they do not include any other fixed/standing charges that will also be on your bill.

### Fixed tariff contract



### Variable tariff contract



On the left, the chart shows an example unit price that a non-domestic customer might have previously secured with their supplier (light blue - £175), and the lower 'supported price' (dark blue - £75) that fixed tariff customers can now expect to be charged under the EBRS.

On the right, the chart shows how customers on a variable tariff might still be charged more than the 'supported price' (dark green) under the EBRS. In this example, wholesale prices (light green) have fluctuated during the 6 months of the scheme. In our example, prices rose above £190 per MWh (the supported price £75 + likely maximum discount £115) in January, February and March. So in March, with a wholesale price of £210 and a maximum discount of £115, this customer would be charged £95.

**Please note:** All figures are provided for illustrative purposes only, wholesale prices are subject to change and the government are yet to confirm their Maximum Discount. Your total bill and the discount applied by your supplier will depend on the type of contract/tariff you have, and the amount of energy consumed. For full details of the scheme please visit [the government website](#). We suggest you seek formal advice if you are unsure how your bills will be affected.