

Relief scheme takes the heat off energy bills for businesses

Businesses have been given a helping hand by the Government to cope with the dramatic rise in energy prices as a new winter of discontent looms.

Through a new Energy Bill Relief Scheme, the Government will provide a discount on wholesale gas and electricity prices for all non-domestic customers (including all UK businesses, the voluntary sector, charities, and the public sector such as schools and hospitals) whose current gas and electricity prices have been significantly inflated in light of global energy prices. This support will be equivalent to the Energy Price Guarantee put in place for households.

The Scheme will apply to fixed contracts agreed on or after 1 April 2022, as well as to deemed, variable and flexible tariffs and contracts. 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 will be first seen in October bills, which are typically received in November. As with the Energy Price Guarantee for households, customers do not need to take action or apply to the scheme to access the support, it will automatically be applied to bills.

To administer support, the Government has set a Supported Wholesale Price – expected to be £211 per MWh for electricity and £75 per MWh for gas, less than half the wholesale prices anticipated

this winter – which is a discounted price per unit of gas and electricity. This is equivalent to the wholesale element of the Energy Price Guarantee for households. It includes the removal of green levies paid by non-domestic customers who receive support under the scheme. The level of price reduction for each business will vary depending on contract type and circumstances.



Equivalent support will also be provided for non-domestic consumers who are not connected to either the gas or electricity grid and use heating oil or alternative fuels.

Prime Minister Liz Truss said: “I understand the huge pressure businesses, charities and public sector organisations are facing with their energy bills, which is why we are taking immediate action to support them over the winter and protect jobs and livelihoods.”

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