

The Energy Bill Relief Scheme

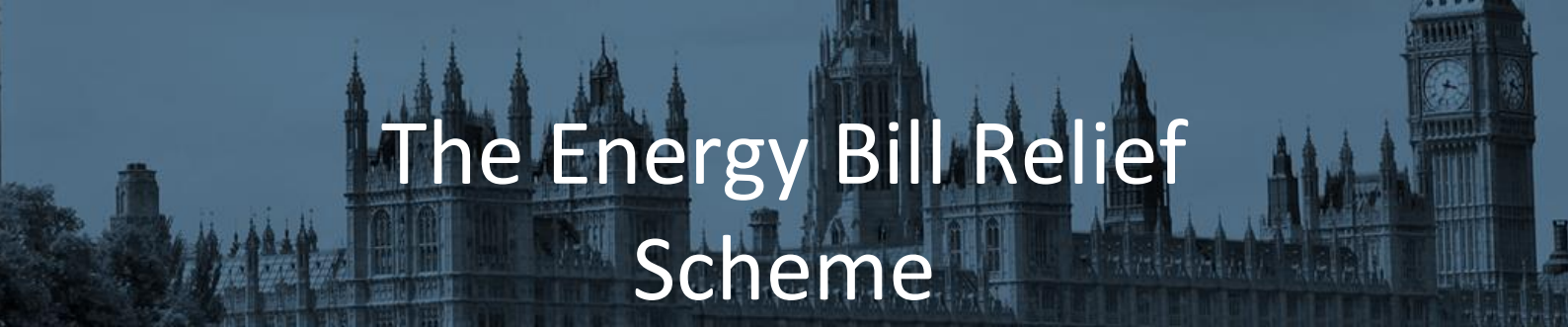
The Energy Bill Relief Scheme

- **This particular Scheme will apply to England, Scotland and Wales.**
- A parallel scheme, based on the same criteria and offering comparable support, but recognising the different market fundamentals, will be established in Northern Ireland.
- **The Scheme will see wholesale energy prices for all businesses capped for six months from 1 October.**
- Hospitals, schools and other settings such as community halls and churches will also receive the support.
- **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.**
- **It will apply to fixed contracts agreed on or after 1 April 2022, as well as to deemed, variable and flexible tariffs and contracts.**
- Those businesses on default, deemed or variable tariffs will receive a per-unit discount on energy costs, up to a maximum of the difference between the Supported Price and the average expected wholesale price over the period of the Scheme. The amount of this Maximum Discount is likely to be around £405/MWh for electricity and £115/MWh for gas, subject to wholesale market developments.
- For businesses on flexible purchase contracts, typically some of the largest energy-using businesses, the level of reduction offered will be calculated by suppliers according to the specifics of that company's contract and will also be subject to the Maximum Discount.
- **Firms do not need to contact suppliers as this will be automatically applied to them.**
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Example of the potential savings

- The Red Lion public house uses 4 MWh of electricity and 16 MWh of gas a month.
- They signed a fixed contract in August 2022, giving them a current monthly energy bill of about £7,000.
- At the time they signed their contract, wholesale prices for the next 6 months were expected to be higher than the Government Supported Price of £211/MWh for electricity, and £75/MWh for gas, meaning they can receive support under this scheme.
- The difference between expected wholesale prices when they signed their contract and the Government Supported Price is worth £380/MWh for electricity and £100/MWh for gas, meaning they receive a discount of £3,100 per month, reducing their bill by over 40%.

If you wish to discuss the Energy Bill Relief Scheme or other issues
please do contact us.



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