

Domestic v non-domestic energy contract

Eligibility for financial support schemes is dependent on whether a business, voluntary sector or public sector organisation (“businesses”) is on a domestic or non-domestic energy contract. Businesses that have domestic contracts (i.e., household contracts) are covered by the £400 Energy Bills Support Scheme in addition to the Energy Price Guarantee. Businesses that have non-domestic contracts (i.e., commercial contracts) are covered by the Energy Bill Relief Scheme.

If their energy supplier has not reached out to them yet or they have any questions about their contract, businesses are encouraged to contact their energy supplier. Owners of businesses can also contact the government’s Business Support Helpline for free and impartial advice. In addition, Citizens Advice offers free independent advice about business energy contracts and rights.

Domestic contracts

Energy Bills Support Scheme

The Energy Bills Support Scheme provides a £400 non-repayable discount to eligible households to help with their energy bills over winter 2022 to 2023. All households with a domestic electricity connection in England, Scotland and Wales are eligible for the discount.

In Great Britain, domestic consumers will automatically receive the Energy Bills Support Scheme as a discount on your monthly or quarterly bill, totalling £400 from October to March.

Energy Price Guarantee

In addition, the Energy Price Guarantee will reduce the unit cost of electricity and gas so that a typical household in Great Britain pays, on average, around £2,500 a year on their energy bill, for the next 2 years, from 1 October 2022.

The consumer saving will be based on usage, but average usage indicates that a household will save £1,000 a year (based on current prices from October). Energy suppliers will be fully compensated by the government for the savings delivered to households.

The most vulnerable UK households will also continue to receive £1,200 of support provided in instalments over the year, through discounts to Council Tax and Cost of Living payments for those in receipt of certain benefits.

Households who are unable to benefit from the full extent of the Energy Bills Support Scheme and/or Energy Price Guarantee scheme (for example, households not on standard gas / electricity contracts) will receive equivalent support. Further details will be announced shortly.

Non-domestic contracts

Energy Bill Relief Scheme (EBRS)

The EBRS will provide a price reduction to ensure that all businesses and other non-domestic customers are protected from excessively high energy bills over the winter period. Non-domestic customers do not need to take action or apply to the scheme – support will automatically be applied to bills.

The EBRS will be available to all business, voluntary sector and public sector organisations who are:

- on existing fixed price contracts (agreed on or after 1 April 2022 irrespective if the contract has commenced before 1st October 2022)

- o signing new fixed price contracts
- o on deemed/out of contract or variable tariffs, or
- o on flexible purchase (or similar) contracts.

The price reduction will run initially for 6 months, covering energy use from 1st October 2022 until 31st March 2023.

The scheme is only applicable to energy consumption delivered via the gas or electricity grid. If you're not connected to either the gas or electricity grid, equivalent support will also be provided for non-domestic consumers who use heating oil or alternative fuels instead of gas. Further detail on this will be announced shortly.

BEIS will undertake a review of the scheme in 3 months' time with a view to consider how best to offer further support, in particular to customers who are the most vulnerable to energy price increases. These are likely to be those who are least able to adjust, for example by reducing energy usage or increasing energy efficiency. At the end of the initial 6-month support scheme, those who are deemed eligible will continue to receive support without a gap.