

Energy Bills Discount Scheme (EBDS) – FAQ

Following on from the Energy Bill Relief Scheme (EBRS), the government has outlined a new support initiative for non-domestic energy customers (where a discount is applicable) from 01 April 2023 – 31 March 2024.

The government has also recognised that some non-domestic energy users in Great Britain and Northern Ireland are particularly vulnerable to high energy prices due to their energy intensive and trade exposure, (referred to as Energy and Trade Intensive Industries or ETIIs), these sectors will receive a higher level of support, subject to a maximum discount. This discount will only apply to 70% of energy volumes, the other 30% will be eligible to receive the baseline level of support offered to all eligible non-domestic customers. However, these percentages will be used to create a blended level of discount across all usage to avoid complexity. If you believe you qualify for this discount, you will need to apply to the government.

Link to full list of sectors in scope for ETII discount can be found [here](#).

The government have also recognised that customers with domestic heat networks usually purchase their energy through commercial contracts, as such they will be eligible for a greater level of support. You can find out more about this additional support, and see if you qualify, [here](#). If you believe you qualify for this discount, you will need to apply to the government.

Who might be eligible for the discount:

- Customer on fixed contracts may qualify for a discount, based on the wholesale cost of energy on the date their contract was priced. This may include:
 - Customers on a pre-existing fixed price contract that was agreed on or after 01/12/2021.
 - Customers who enter a new fixed price contract from 01/04/2023 onwards.
- Customers on deemed/out of contract or variable tariffs qualify for the discount if the wholesale price across the energy industry falls before the government threshold for each quarter.
 - Currently there are no variable discounts, if discounts become applicable you will be notified

Further details regarding the EBDS scheme can be found here - [Energy Bills Discount Scheme - GOV.UK](#)

If you qualify for the base discount on the scheme, **you don't need to do anything**. We will write to you to explain what it means for your unit rates. This document aims to help answer any other questions about the EBDS you may have.

Q. How much discount will be applied?

A. Eligible customers will receive a unit discount based on their contract type, and the date their contract was priced. The maximum for these discounts is £6.97/MWh unit discount to their gas bill and a unit discount of up to £19.61/MWh to their electricity bill during the 12-month period from April 2023 to March 2024. The discount is provided by the government based on if the wholesale price for each fixed contract priced date is higher than a threshold level of £107/MWh for gas and £302/MWh of electricity, and for variable contracts a discount level is published each quarter.

Q. How will the discount be applied?

A. The discount applied will be in pence per kilowatt hour (p/kWh). The p/kWh government support for comparable contracts will be the same across suppliers, but the absolute level of individual bills will continue to vary across different contracts and tariffs.

Q. What happens if I'm on a fixed contract that was priced before 1 December 2021?

A. The government deems the energy wholesale market as a whole to have been at a reasonable level before 1 December 2021, so you don't qualify for the scheme. You'll continue to pay the unit rates agreed in your current contract until it comes to an end.

Q. What happens if I'm on a fixed contract that was priced on or after 1 December 2021?

A. You may qualify for the scheme, the government have published a table of discounts based on the price of wholesale energy on the date your contract was priced.

We will use this table to calculate if you will receive a discount and apply this directly to your account. There are a number of dates on or after 1 December 2021 that the government have deemed the wholesale price was below the acceptable threshold, this means we cannot guarantee that all fixed customers will receive a discount.

We will write to explain exactly what it means for your unit rates. The discount applies to consumption from 1 April 2023 to 31 March 2024. As April's consumption will be billed in May, April's discount will show on the bill you receive in May.

Please see the government website for further details – [Energy Bills Discount Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/energy-bills-discount-scheme)

Q. What happens if I'm on a variable contract, or the Out of Contract rates?

A. You qualify for the scheme, and each quarter the government will provide a discount to be applied to all variable unit prices. Unfortunately, currently there are no discounts.

If discounts become applicable, we will write to you to explain exactly what it means for your unit rates.

Q. When will I be told about any amended prices?

A. If you qualify for the scheme, we will write to you to explain what it means for your unit rates. If you haven't received an email or letter, please get in touch.

Q. What can I do to reduce my usage?

A. Our website has lots of great advice on reducing your energy usage. Go to [Help with Saving Energy | Ecotricity](#).

Q. Will standing charges be reduced?

A. No. The government scheme only applies to unit rates.

Q. Will VAT and CCL charges be reduced?

A. No, the discount doesn't affect VAT or Climate Change Levy – it only applies to the unit rates.

Q. How are energy suppliers informed of the applicable discounts?

A. Energy suppliers are notified on a weekly basis about discounts to be applied to customers' unit rates for contracts priced the week before. Discount rates are also publicly available and published on the government website.

Q. How will my Direct Debit change as a result of the scheme?

A. If you pay us via a Fixed Direct Debit, we'll adjust your Direct Debit to reflect the discounted unit rates. If you pay us via a Direct Debit Variable, you'll see the discounted unit rates on your bill. Your Direct Debit will be for the bill amount, as usual.

Q. When are the new prices valid until?

A. The current scheme will end on 31 March 2024, at which point your account will revert to the original contracted rates, unless the government announce an extension to the scheme.

Q. My contract runs out before the end of the scheme - what happens next?

A. We'll contact you regarding your renewal nearer the time. If you choose to renew with us, we'll let you know your new government-discounted rates as soon as we can after you've signed. We can't tell you beforehand because the government don't give us the precise discount to apply until after the contract is signed.

Q. What will my monthly bill costs look like as a result?

A. The scheme reduces the amount you're paying for each unit of energy, but your total bill amount still depends on how much energy you use.

Q. When will I receive my first bill on the scheme?

A. You'll receive your first bill with any applicable discounts applied in May 2023.

Q. Can I move to a new fixed rate contract?

A. If you're currently on a variable tariff or out of contract rates, just get in touch to discuss moving to a fixed rate contract, you can contact our Business Sales team by email Business.Sales@ecotricity.co.uk or call us on 0345 600 1994. If you have an existing fixed rate contract, you'll only be able to move to a new fixed rate contract when your current contract ends. We'll write to you nearer the time to tell you about your options.

Q. What if I already have a bill covering some of April and May that doesn't show the discount?

A. If you qualify for a discount, your invoice will be revised automatically to reflect the discount. This will come alongside a cancelled bill for the non-discounted invoice.

Q. Can I switch away with the debt I owe?

A. No. Outstanding balances must be paid before switching away.

Q. If I start a new contract, can you backdate my unit rate to when I started on out of contract rates?

A. Not normally, but in some circumstances, we may be able to do this on a case-by-case basis. Please contact our sales team to discuss it in more detail – email Business.Sales@ecotricity.co.uk or call us on 0345 600 1994.

Q. Do I still owe the money that accumulated on an out of contract rate?

A. Yes. You're liable for all the energy you used when you were on an out of contract rate.

Q. What do I do if I think my discount is incorrect?

A. We're reviewing the scheme regularly to ensure your discount is correct. However, if you think there's an error, please call us on 0345 230 6102.

Q. What if my first discounted bill is estimated?

A. Please send us a meter reading so that we can revise your estimated bill. Any rebilling will also take account of the discounted rate.

To make sure you're billed accurately, please send us monthly meter readings during the last week of every month. You can do this online at <https://www.ecotricity.co.uk/forms/business-meter-reading> or by calling us on **0345 230 6102**.

Q. How has my discount been calculated when I have different unit rates for different times of the day?

A. We apply discounts based on guidance from the government. Each unit rate is given a weighting based on the number of hours that each rate of your meter measures consumption for. An 'Overall Effective Price' is calculated by multiplying the unit rate for each register by the relevant weighting and adding each register together to get one price per MPAN/MPRN. This is then compared to the relevant discount and threshold price to determine your level of discount, which is then applied back to each unit rate using the same time-based weightings.

Q. I've checked the discount rates online, but I don't appear to have the full reduction applied to my bill?

A. The government scheme includes a 'Threshold Price' (sometimes called the 'Government Supported Price'), that limits the amount of discount any MPAN/MPRN can receive under the scheme. It's applied using this logic:

- If your contracted price (or 'Overall Effective Price') is below the 'Threshold Price', then the contracted price (or 'Overall Effective Price') is charged
- If the 'Discounted Price' is below the 'Threshold Price' then the 'Threshold Price' is charged
- Otherwise, the 'Discounted Price' is charged

Q. Do my payment terms change with the discount applied?

A. Your payment terms will remain the same for the duration of the scheme. If you fall into credit, you can ask for it to be refunded.

Q. Will I receive bills at the same frequency as normal?

A. Yes, we'll continue to bill you each month for the energy you use.

Q. If I'm in the ETII bracket how do I apply for the higher level of support?

A. You must apply for this using the portal on the gov.uk website – [Energy Bills Discount Scheme: Energy and Trade Intensive Industries support - GOV.UK \(www.gov.uk\)](#). The deadline to apply for this additional support will be 25 July 2023.

Q. What extra support will ETII customers get?

A. A discount will only apply to 70% of energy volumes and will be subject to a 'maximum discount' of £40.0/MWh for gas and £89.1/MWh for electricity. And the threshold price will be £99/MWh for gas and £185/MWh for electricity.

Q. What qualifies me as an ETII?

A. An entity will be considered an eligible ETII if 50% or more of their revenue is being generated from UK-Based activity during financial year 2021-22 and are in an eligible sector, as determined by the published list of Standard Industry Classification (SIC) codes. There will be a number of ways in which businesses can prove eligibility, including by having an eligible SIC code registered with Companies House. Eligible SIC codes found [here](#).

There will be an alternative verification process for organisations who are not required to register with Companies House or who believe they have incorrect SIC codes listed. All eligible ETII's will be required to apply via the digital portal. Suppliers will have no role in determining ETII eligibility.

If a non-domestic customer believes they are an ETII they should apply to DESNZ (Department of Energy Security and Net Zero) with the required information to prove they are eligible for ETII support. For successful applications, DESNZ will issue an ETII certificate with an effective date which is the date from which the customer is eligible to receive any enhanced ETII support. This date will be the latter of the beginning of the scheme or when the customer's activities became eligible. Suppliers will be required to apply any enhanced support from this effective date which may be retrospective.

Please also see link to ETII methodology - [Energy Bills Discount Scheme energy and trade intense industries assessment methodology - GOV.UK \(www.gov.uk\)](#)

Q. If I'm in the Heat Networks (QHS) bracket how do I apply for the higher level of support?

A. You must apply for this using the portal on the gov.uk website – [Energy Bills Discount Scheme: heat networks support - GOV.UK \(www.gov.uk\)](#). The deadline to apply for this additional support will be 25 July 2023.

Q. What extra support will QHS customers get?

A. A discount will only apply to energy volumes which relate to a domestic end user, and will be subject to a 'maximum discount' of £40.0/MWh for gas and £89.1/MWh for electricity. And the threshold price will be £78.3/MWh for gas and £340/MWh for electricity.

Q. What qualifies me as an QHS?

A. An entity will be considered QHS if they have a heat network supply that provides heating for domestic end users.

If a non-domestic customer believes they are an QHS they should apply to DESNZ (Department of Energy Security and Net Zero) with the required information to prove they are eligible support. For successful applications, DESNZ will issue an QHS certificate with an effective date which is the date from which the customer is eligible to receive any enhanced QHS support. This document will also advise suppliers if the entire supply is eligible, or if not what percentage of usage will receive the higher discount. Suppliers will be required to apply this enhanced support from the effective date, if this is retrospective, we will re-bill your account to take this into account.

For more detail you can visit - [Energy Bills Discount Scheme: heat networks support - GOV.UK \(www.gov.uk\)](#)

Q. Can I still apply for ETII support after 25 July 2023?

A. ETII's who have become eligible after the scheme opening date can still apply. They will have 90 days to apply and submit their application from the date at which they become eligible, subject to scheme duration.

Q. Can I still apply for QHS support after 25 July 2023?

A. Heat suppliers with networks that become eligible after the scheme introduction date of 26th April, will have 90 days to apply from the date that the heat network became eligible (or, if later, from the date on which they became aware of its eligibility). Therefore, for example, if a new heat network becomes eligible on the 15th August, they have 90 days to apply to the portal from that date.