



British Industrial Competitiveness Scheme (BICS)

A guide for customers and TPIs



Shell
ENERGY

Introduction

As part of the UK Government's Modern Industrial Strategy, the British Industrial Competitiveness Scheme (BICS) has been introduced to help provide targeted relief from certain electricity policy costs for eligible manufacturing businesses.

From 2027, eligible businesses may receive full or partial exemptions from certain electricity policy costs associated with:

RO

Renewables
Obligation

FiT

Feed-in-Tariffs

CM

Capacity
Market

Up to approximately £40/MWh on eligible consumption.

Eligibility is determined by government, not electricity suppliers. The first application window opens on October 1, 2026.

The government has also announced a one-off additional payment for businesses that qualify in the first year of the scheme. This is intended to reflect support relating to the period before the exemptions take effect and is expected to be paid after the scheme launches.

Scheme eligibility

BICS is aimed at certain manufacturing businesses operating in sectors identified by government. These include businesses operating within five of the government's eight growth sectors, sometimes referred to as the "Industrial Strategy 8" or "IS-8", together with manufacturing industries that provide important inputs into those sectors.

Government growth sectors (IS-8)

Businesses operating in the following sectors may be eligible:



Advanced
manufacturing



Digital and
technologies



Clean energy
industries



Life science



Defence

Foundational industries

BICS also covers manufacturing industries that provide important inputs into these sectors:



Chemicals



Materials



Composites



Steel



Critical minerals



Electricity networks
(manufacturing of components)

Being active in one of these sectors does not automatically make a business eligible for support.

Eligibility depends on a number of factors, including:

- The business operating under an eligible standard industrial classification (SIC) code.
- The manufacture of eligible products at a site in Great Britain – as determined by eligible harmonised system (HS) codes.
- The manufacturing site using more than 33 MWh of grid-supplied electricity each year.
- The proportion of electricity used for eligible manufacturing activities.

Eligibility is assessed at site level, meaning businesses with multiple sites may receive different outcomes for different locations.



Preparing for the application window

Businesses that think they could qualify for relief under BICS should begin preparing before the application window opens on October 1, 2026.



We recommend that businesses:

- 1 Review the [government eligibility criteria](#) and use the [online eligibility checker](#). The checker provides an initial indication only and is not an application or confirmation of eligibility.
- 2 Confirm the Companies House entity that will apply.
- 3 Identify the sites and MPANs that may be eligible.
- 4 Gather electricity consumption and manufacturing information.
- 5 Review any landlord, private network or shared-meter arrangements that may require additional evidence.
- 6 Ensure the person submitting the application has the appropriate authority.

The level of relief will depend on the proportion of each site's electricity used for eligible manufacturing, with qualifying sites receiving either a **50% or 100% exemption**.

Applications cannot be amended after submission, so businesses should ensure their information and supporting evidence are complete and accurate before applying.



Application window Between October 1 to November 30, 2026

RO & FiT exemptions expected to begin April 2027

Eligibility decisions expected January 2027

Capacity Market exemptions expected to begin October 2027

Implementation and next steps

The government will assess applications and determine eligibility. Where an application is successful, the relevant information will be shared with electricity suppliers, who will apply the appropriate relief to eligible MPANs for the period during which they supply them.

Shell Energy will provide further information on how approved relief will be reflected in customer contracts and billing ahead of implementation.

Successful applicants will be responsible for maintaining accurate records, completing periodic declarations and notifying the government of any material changes that could affect their eligibility.

Helpful links

[Government BICS eligibility checker](#)

[Government guidance for BICS applicants](#)

[Eligible SIC and HS code lists](#)

Disclaimer - This information is provided as a general guide only and does not constitute eligibility or regulatory advice. Eligibility, exemption levels and application decisions are determined solely by the UK Government under the British Industrial Competitiveness Scheme. Applicants should refer to the official Government guidance before applying.

