



Department for
Business, Energy
& Industrial Strategy

ENERGY INTENSIVE INDUSTRIES (EIIS)

Technical note on electricity supply estimates
for the exemption from the indirect costs of
funding Contracts for Difference and the
Renewables Obligation



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This publication is available for download at:
<https://www.gov.uk/government/publications/estimates-of-electricity-supplied-to-industries-eligible-for-exemptions-from-cfd-and-ro-indirect-costs>

1. This note sets out the latest estimates of electricity supplied to Energy Intensive Industries (EIIs) who are eligible for the exemption from the indirect costs of Contracts for Difference (CFD) and Renewables Obligation (RO).
2. Forecasts of potential electricity eligible for the exemption are uncertain. The amount of electricity used by EIIs fluctuates each year and is influenced by how much output the business produces and their energy efficiency. Businesses may also make decisions between using grid (eligible for the exemption) and non-grid sources (not eligible). Furthermore, it will not be clear how many businesses will enter or leave the scheme in the future.
3. The table below shows the estimates of electricity eligible for the exemption. It does not include any additional eligible electricity that may arise if the government decides to widen eligibility for the exemption as a result of its consultation¹. It also does not include electricity from installations located in Northern Ireland as they currently do not receive the exemption.

Year	Estimated Eligible Electricity Consumption (TWh)
2018/19	10.1
2019/20	10.4
2020/21	10.5
2021/22	10.7
2022/23	10.9
2023/24	11.2
2024/25	11.5
2025/26	11.8
2026/27	12.0
2027/28	12.3

4. The estimate uses the following assumptions:
 - All businesses currently receiving the exemption will remain in the scheme indefinitely.
 - Additional electricity from newly eligible businesses or installations is based on the average monthly increase experienced since January 2017 through the current exemption scheme and the preceding RO compensation scheme.
 - Changes in annual eligible electricity mirror the Department's published projections on electricity consumption for industry. These are taken from Annex

¹ More details on the consultation found here: <https://www.gov.uk/government/consultations/widening-eligibility-for-renewable-electricity-cost-relief-schemes>

F in the Updated energy and emissions projections: 2017² and separate trends
are applied for 'Iron & Steel' and 'Other industry sectors'.

² <https://www.gov.uk/government/publications/updated-energy-and-emissions-projections-2017>



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