



Department for  
Energy Security  
& Net Zero

# Energy Bills Discount Scheme

Guidance for Licensed Energy Suppliers  
(Great Britain and Northern Ireland)

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This document is subject to further revision



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# 1. Introduction to EBDS: Guidance for Part 1 of the Energy Bills Discount Scheme Regulations 2023

## 1.1 Purpose of this Document

This Guidance is provided by the Department to support licensed Energy Suppliers with their delivery of

- The Energy Bills Discount Scheme for Non-Domestic Customers in Great Britain (the GB Scheme), and
- The Energy Bills Discount Scheme for Non-Domestic Customers in Northern Ireland (the NI Scheme).

The GB Scheme is established under the Energy Bills Discount Scheme Regulations 2023 S.I. 2023 / 453 (the EBDS GB Regulations), together with the supporting Energy Bills Discount Scheme Rules (the EBDS GB Rules).

The NI Scheme is established under the Energy Bills Discount Scheme Regulations 2023 S.I. 2023 / 454 (the EBDS NI Regulations), together with the supporting Energy Bills Discount Scheme Rules (the EBDS NI Rules).

The EBDS GB Regulations and the EBDS NI Regulations come into force on 26 April 2023 (the Scheme Introduction Date).

The EBDS Regulations require licensed Energy Suppliers to provide a Discount on their charges for energy supplied to Non-Domestic Customers in Great Britain and Northern Ireland. This document explains to Energy Suppliers how the Discount should be calculated for qualifying electricity and gas volumes consumed by Non-Domestic Customers from 1 April 2023 to 31 March 2024.

Under the EBDS Regulations, licensed Energy Suppliers are to provide a baseline level of support to eligible Non-Domestic Customers in GB and Northern Ireland. In addition to the baseline level of support, there are two further Discount rates – one for Energy and Trade Intensive Industries (ETIIs) and another for Qualifying Heat Suppliers (QHS). This document defines the eligibility for these two Non-Domestic Customer types, and outlines how they should be treated.

Energy Suppliers should ensure that they obtain legal or professional advice as necessary in relation to the Regulations and their supporting Rules.

For Non-Standard Cases, which includes Non-Domestic Customers that are provided energy through a licence-exempt supplier, there is a separate guidance document Scheme eligibility and Discounts (See Section 1.3 for link).

This guidance does not create any rights enforceable at law in any legal proceedings, neither is it a substitute for legal advice nor a set of binding instructions. Although it includes references to provisions in the Regulations and supporting Rules which are legal requirements, it does not limit the right of the Secretary of State or their delegates from exercising their own discretion in accordance with the Scheme Regulations and any supporting Rules.

In the event of conflict between this guidance and the Regulations or any Rules, the Regulations or Rules take precedence over this guidance.

## 1.2 Background and Policy Summary

On 9 January 2023, the Department announced the new Energy Bills Discount Scheme (also referred to as the Scheme) which provides a Discount on wholesale gas and electricity prices for eligible Non- Domestic Customers for their energy use in the period 1 April 2023 to 31 March 2024, subject to a Maximum Discount and Minimum Supply Price.

The EBDS replaces the Energy Bill Relief Scheme (EBRS) which ran until 31 March 2023. As with the EBRS, the EBDS requires licensed Energy Suppliers (also referred to as Energy Suppliers) to calculate and apply a Discount to eligible Non-Domestic Customer's bills, reducing the amount that would otherwise be charged for electricity and gas supply. Non-licenced energy suppliers are included in the Scheme as Non-Standard Cases. The Department will pay the amounts by which charges are Discounted directly to the Energy Suppliers as a reimbursement.

The EBDS Schemes will apply to Fixed Price Contracts agreed on or after 1 December 2021, as well as to Variable Price Contracts, Flexible Price Contracts and (in NI) Day Ahead Index price contracts (See Section 3.1).

There are three levels of Discount within the EBDS: a baseline level of support for all eligible Non- Domestic Customers (also referred to as Customers), a rate for Non-Domestic Customers who are certified by the Department as an Energy and Trade Intensive Industry, and a rate for Qualifying Heat Suppliers (QHS) that supply domestic heat consumers via a Heat Network.

Please note that for the purposes of the EBDS, a Non-Domestic Customer may also be an Intermediary meaning that it does not consume any, or all the energy itself, but rather passes it on to another Non-Domestic Customer.

## 1.3 Links to Associated Documentation

The Energy Bills Discount Scheme Documents, including the GB and NI Scheme Rules are available at: <https://www.gov.uk/government/publications/energy-bills-discount-scheme-factsheet>

For Non-Standard Cases, which includes Non-Domestic Customers that are provided energy through a licence-exempt supplier, there is a separate guidance document which is available at: <https://www.gov.uk/government/publications/energy-bills-discount-scheme-non-standard-cases/the-energy-bills-discount-scheme-for-non-standard-cases-in-great-britain-and-northern-ireland-guidance>

The guidance for the Energy Bill Relief Scheme (EBRS) for Great Britain and Northern Ireland is available at : <https://www.gov.uk/government/publications/energy-bill-relief-Scheme-ebrs-Scheme- documents>

Guidance for Applicant ETIIs, detailing expectations and guidance on the certification process, including a list of the data and declarations requested in the application and guidance on applying for multi-use sites. This guidance is available at:

<https://www.gov.uk/government/publications/energy-bills-discount-scheme-ebds-scheme-documents/energy-bills-discount-scheme-energy-and-trade-intensive-industry-etii-guidance>.

Guidance for Applicant QHS's, detailing expectations and guidance on the certification process, including a list of the data and declarations requested in the application is available at: <https://www.gov.uk/guidance/energy-bills-discount-Scheme-heat-networks-support>

## 1.4 Scheme Eligibility Criteria

### General Eligibility

The baseline EBDS Discount will be available to all organisations on a Non-Domestic electricity and/or gas contract including:

- a) businesses
- b) voluntary sector organisations such as charities
- c) public sector organisations such as schools and hospitals.

They also need to be either:

- d) on a Fixed Price Contract(s) that was agreed on or after 01/12/21 or
- e) on a Variable Price Contract (including deemed and out of contract tariffs) or
- f) on a Flexible Price Contract or
- g) on DAI (Day Ahead Index) Price Contracts (Northern Ireland only).

The EBDS Schemes are intended to be of broad application but there are a number of circumstances that are not covered by the standard Scheme and are not entitled to standard EBDS support. These include:

- h) where gas and/or electricity is not supplied via a licenced Energy Supplier
- i) gas or electricity used to generate and export material quantities of energy back to the grid, including if it has been stored first – except for some combined heat and power schemes
- j) any gas or electricity to be used to provide heating, cooling, hot water or electricity for heat consumers in the Republic of Ireland (Northern Ireland Scheme only)

Where gas and/or electricity is supplied to a Non-Domestic Customer via a licence-exempt Supplier, they may be eligible for the Non-Standard Cases support (See link in Section 1.3).

## ETII Eligibility

In order to qualify for the enhanced level of EBDS support offered to ETIIs under the EBDS, applicant ETIIs must be certified by the Department.

An entity will be considered an eligible ETII if they meet condition 22 in the EBDS Scheme Rules.

Eligible sectors are determined by the published list of Standard Industry Classification (SIC) codes. This is available in the EBDS GB Scheme Rules.

All applicant ETIIs will be required to apply to the Department, via a digital portal, in order to gain certification for eligibility. They will need to fill out the online application form and provide the information requested. For successful applications, the Department will issue an ETII certificate with an effective date, which is the date from which the Customer is eligible to receive the enhanced ETII support. Energy Suppliers will be required to apply any enhanced support from this effective date, which may be retrospective.

ETII's must submit an application for the enhanced EBDS support within 90 days of the Scheme Introduction Date. If an ETII becomes eligible after the Scheme Start Date the ETII must within 90 days submit an application from the date at which the ETII becomes eligible.

Further details of how Energy Suppliers should handle ETIIs are outlined in Section 2.2 and 2.3.

Eligibility will be determined by the Department through the application process. Energy Suppliers will have no role in determining ETII eligibility.

## Eligibility for Heat Networks Support

Heat Suppliers, organisations that supply heating and hot water through Heat Networks, usually purchase energy to supply heat through commercial contracts. All eligible Heat Suppliers will receive at least the baseline level of support under the EBDS.



An enhanced level of support will be available to Heat Suppliers with domestic heat consumers. The enhanced rate applies to Heat Networks with at least one domestic heat consumers and therefore Heat Networks that serve solely non-domestic heat consumers will receive the baseline level of support.

Heat Networks that serve a combination of domestic and non-domestic heat consumers will also be eligible for the enhanced EBDS support. In such a case, all heat consumers will receive the enhanced EBDS Discount, regardless of if they are a domestic or Non-Domestic heat consumer. Qualifying Heat Suppliers must be certified in order to qualify for the enhanced EBDS QHS support.

Heat Suppliers will be eligible for the enhanced level of support if their Heat Network:

- Meets the definition of a Heat Network as defined in the EBDS Regulations
- Is supplied gas or electricity (directly or indirectly) by a licensed Energy Supplier for the purposes of generating heat
- Serves one or more domestic heat consumers

All QHS will be required by law to apply for this support. All QHS will need to fill out an online application form providing the information requested to prove they are eligible for QHS support. Heat Suppliers with multiple networks will need to submit a separate application for each network.

Heat Suppliers must submit an application for the enhanced EBDS support within 90 days of the Scheme Introduction Date. If a Heat Network becomes eligible after the Scheme Start Date (note this is referred to as Scheme opening date in the Heat Networks Guidance) the Heat Supplier must within 90 days submit an application from the date at which the Heat Network becomes eligible.

Once an application has been approved, the Heat Supplier will receive a QHS certificate, proving that they are eligible for the QHS support. The issued certificate will have an effective date which is the date from which the QHS is eligible to receive enhanced QHS support. This date will be the latest of either the 26 April, or when the Heat Supplier's activities became eligible. Energy Suppliers will be required to apply any enhanced support from this effective date, which may be retrospective.

## Opt-Out

Customers can 'opt-out' of the Discounts being applied in respect of a Supply Contract. A Customer may subsequently withdraw an opt-out notice, but this cannot take effect before the date when the notice of the withdrawal is given. However, a Customer that is an 'Intermediary' (and so may be required to pass the benefit of the Discount onto a consumer or End User) is not permitted to opt- out of the EBDS.

A customer that has given an opt-out notice or withdrawn an opt-out notice during the EBRS, will retain their opt-out status for the EBDS, as the action is carried over into the Scheme. For more details see Regulation 77 in Schedule 2 of the EBDS Regulations and/or Section 1.7.

## 1.5 Key Roles and Responsibilities of EBDS Parties

The lists below outline the key roles and responsibilities of the main parties under the EBDS. The list of responsibilities is non-exhaustive, but aims to highlight the most significant activities that each party will undertake to enable effective delivery of the Scheme.

### Key Responsibilities of the Department

The Department will:

- Have ownership for EBDS design and delivery
- Manage the Discount Recovery Claims process and accompanying EBDS Scheme Portal
- Notify Energy Suppliers of bank account details for making and receiving Scheme payments, and confirm nominated contact information for communications related to payment activity.
- Make payments (via Elexon or Xoserve as delegate) to Energy Suppliers for confirmed, eligible Discount Recovery Claims
- Manage investigation of any data discrepancies raised by Energy Suppliers or changes of circumstances raised by Certified ETIIs and QHS
- Be responsible for monitoring Scheme compliance, including post payment assurance and transition
- Liaise with the energy regulators, Ofgem and Uregni to enable them to fulfil enforcement obligations where appropriate
- Be responsible for protecting His Majesty's Government from losses that may arise due to material error, gaming and fraud

Specifically, for ETII and QHS parties:

- Administer the application process for ETII and QHS certification and manage the EBDS Certification Portal used for this purpose
- Determine ETII and Heat Supplier eligibility and issue certificates to successful applicants
- Make relevant information provided in the application process (such as meter numbers) available to Energy Suppliers to enable them to apply Discounts appropriately

### Key Responsibilities of Ofgem/Uregni

Ofgem/Uregni will:

- Consider and conduct enforcement action (as appropriate) where an Energy Supplier is in breach of EBDS obligations

- Work collaboratively with the Department to ensure that compliance cases are transitioned to Ofgem/Uregni to the required standard that enables Ofgem/Uregni to execute its enforcement obligations effectively

## Role of Office for Product Safety and Standards (OPSS)

- The Office for Product Safety and Standards (OPSS) will conduct enforcement activity in relation to the EBDS and Heat Suppliers

## Key Responsibilities of Energy Suppliers

Energy Suppliers will:

- Provide confirmation to the Department via the Chief Financial Officer of the bank account details for making and receiving Scheme payments and confirm nominated contact information for communications related to payment activity.
- Receive and be able to process relevant data from the Department such as energy supply contract(s) references and meter point references
- Establish and maintain effective reporting systems to retain evidence of compliance with the EBDS and store the data for any audits that may be required

And for each eligible supply contract, Energy Suppliers will:

- Raise errors with the Department if discrepancies are noticed between details provided by the Department and those that the Energy Supplier holds (this includes 'matching' meter number and 'Customer name on bill' for Certified ETIIs and QHS) – Energy Suppliers should act in accordance with Scheme Regulations 23
- Determine the category which closest fits each Customer supply contract (fixed price, flexible price, variable price, Day Ahead Index), determine the methodology for the categorization process, and notify the Customer of the outcome
- Determine the level of baseline support, and/or enhanced EBDS Discount for any billing period within the Scheme duration, (including retrospectively, if applicable) and reduce the supply price by the calculated Discount
- And in doing so, apportion the energy they supply to a Customer to energy receiving the baseline Discount, ETII Discount and QHS Discount (as required)
- For each billing period, inform the Customer of the amount of the Discount and the Discounted Supply Price either (a) in its bill or equivalent statement or (b) in a separate communication, within 15 days of the aforementioned bill or equivalent statement
- Submit accurate Discount Recovery Claims throughout the Scheme through the Scheme Portal.

## Key Responsibilities of Intermediaries

Note, the term used in the Scheme Regulations is 'provider' and Intermediaries includes direct Customers of Energy Suppliers and other 'lower level' Intermediaries.

Intermediaries will:

- Participate in the processes by which their end-users' eligibility for ETII / QHS Discount is communicated to the licensed supplier, and the energy subject to that Discount is calculated, including:
- Pass up (so as to reach the Energy Supplier) ETII / QHS certificates that are passed to them
- Calculate and pass up (so as to reach the Energy Supplier) information about the proportions in which energy should attract the ETII or QHS Discount.
- Notify the Department if they receive an ETII or QHS certificate from another entity or organisation in error via [supplier@ebds.gov.uk](mailto:supplier@ebds.gov.uk)

## Key Responsibilities of ETIIs and Heat Suppliers

ETIIs and Heat Suppliers will:

- Heat Suppliers are required by the Energy Bills Discount Scheme Regulations 2023 Section 17(4) to apply for a QHS certificate, via the Certification Portal in order to obtain certification for the QHS Discount under the Scheme. All applications must be made within the application window.
- ETIIs are responsible for applying for a ETII certificate, via the EBDS Certification Portal in order to become eligible for the ETII Discount under the Scheme. All applications must be made within the application window. Unlike Heat Suppliers, ETIIs are not required by regulation to apply for the ETII Discount under the Scheme.
- ETIIs and Heat Suppliers are responsible for uploading requested documentation needed for evidence, which may include relevant energy supply contract(s) references and applicable meter point references which will be passed via the Department to the relevant Energy Supplier.
- ETIIs and Heat Networks are required to complete all sections on the EBDS Certification Portal without errors (grammatical or factual).
- Notify the Department, as per the EBDS GB Rules (33.3), if there is any change in the certification information provided by the applicant in the certification process, by using the Certification Portal or any other such means.

Guidance for ETIIs and Heat Networks is linked in Section 1.3.

## 1.6 Scheme Timeline

Key dates	
Energy Bills Discount Scheme Duration	01 April 2023 – 31 March 2024
Scheme Start Date	01 April 2023
Energy Supplier support centre opens	19 April 2023
Scheme Introduction Date	26 April 2023

Certification Portal opens	26 April 2023
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## 1.7 Actions under the EBRS which are treated as done under EBDS

The Energy Bills Discount Scheme follows from the Energy Bills Relief Scheme. There are a number of actions undertaken as part of the EBRS, that are treated as done under EBDS. For a full list of the actions, refer to Regulation 77, Schedule 2 of the EBDS Regulations.

## 2. Scheme Delivery and Process Overview

The process for delivering the EBDS Discount to Non-Domestic Customers includes readiness activity (Energy Suppliers), managing any ETII and QHS certifications (where applicable), making Discount Recovery Claims (Energy Suppliers), and post payment activity (the Department).

### 2.1 Process for readiness activity and Energy Supplier onboarding delivering the baseline EBDS Discount to Non-Domestic Customers

Process for delivering the baseline support under EBDS

- a. Energy Supplier engages in readiness activity with the Department. This is to reduce future errors in Discount Recovery Claims and check capability to apply new Discount levels.
- b. Energy Suppliers will reconfirm any changes to company information such as bank details
- c. Energy Supplier completes onboarding to the EBDS Scheme Portal which manages claims), and the EBDS Certification Portal which manages certification applications.

### 2.2 Process for ETII and QHS application and receiving certification data

ETII and QHS Application and Certification process steps

Energy Supplier action is not required in steps a – e.

- a. Eligible ETIIs and all QHS apply for the Scheme using the EBDS Certification Portal and receive an application reference number
- b. During the ETII certification process the Customer will be requested to provide the Department with details of their Energy Supplier, relevant energy supply contract(s) references and applicable meter point references which will be passed via the Department to the relevant Energy Supplier using the EBDS Certification Portal.
- c. If more information is needed to verify eligibility, the Department will seek additional information from the applying ETII or QHS.
- d. If the applying ETII or QHS is eligible, they will receive a verification certificate from the Department.
- e. If applying ETII or QHS is deemed ineligible, the Department will notify the applying ETII or QHS and they can appeal this decision to the Department.

## How the Energy Supplier will receive and manage the certification data

If the ETIIs and Heat Suppliers have a direct relationship with their Energy Supplier:

- f. Energy Suppliers will download a report from the EBDS Certification Portal which includes the list of eligible ETIIs and QHS for an individual Energy Supplier. It is estimated that new certificates will be issued and uploaded to the Certification Portal, in batches once per day at a set time.
- g. Energy Supplier will check if the meter number, company name (as seen on the bill) and Customer Reference Number (if given) provided by the EBDS Certification Portal database match the details that the Energy Supplier holds.
- h. If there is no match, the Energy Supplier must contact the Department via email on [support@ebds.beis.gov.uk](mailto:support@ebds.beis.gov.uk) to resolve the issue. Instructions of actions to be taken by the Energy Supplier pending resolution of discrepancy are outlined in Section 34 of the EBDS GB Rules.

In cases where there is one or more Intermediary provider(s) between the Energy Supplier and the ETII or QHS:

- i. The Certified ETII or QHS will provide details of their eligibility certificate to their Intermediary and/or provider(s). This step should be repeated until details of the eligibility certificate are given to the Customer that is directly supplied by the Energy Supplier.
- j. The Customer that is directly supplied by the Energy Supplier is required to notify the Energy Supplier of the specific meter points and proportion of consumption that are eligible for ETII support (More details provided on apportionment in Section 3.5).
- k. The Customer is also required to contact the Department by contacting the EBDS call centre (phone number can be found on gov.uk) to notify of the certificate number, any Intermediary details (including any Intermediary name(s) as shown on bill from their Energy Supplier where possible), meter number(s) and Energy Supplier name associated with the application.
- l. The data will be uploaded into the EBDS Certification Portal. The Energy Supplier will be able to download the report as per in f. (Section 2.2), and the Supplier will subsequently carry out activities in g and h until the data is matched.

## 2.3 Process for delivering and claiming EBDS Discounts (baseline and enhanced support)

- a. Energy Supplier categorises contracts, calculates EBDS Discount (including separate baseline, ETII and QHS enhanced Discounts where applicable), and applies Discount amount to Customer bill (See Section 3)

- b. Energy Supplier submits a Discount Recovery Claim, declaration form and supporting evidence (Data requirements for the latter documents are listed in Section 4). These documents are submitted via the EBDS Scheme Portal
- c. The Department receives the Discount Recovery Claim, acknowledges receipt and records the data
- d. The Department completes Discount Recovery Claim checks
- e. The Department processes payments
- f. The Department completes post payment checks
- g. The Department audits Energy Suppliers' compliance with the Scheme
- h. Ofgem / Uregni reviews evidence upon referrals arising from audits and exercises enforcement as appropriate
- i. The Department handles dispute resolution and recovery
- j. The Department completes independent audit

## Changes in ETII / QHS certification data

If there are any changes in certification information provided by the applicant or certified entity then that entity must notify the Department and update the certification record. This could include adding meter numbers to an application or notify of a change of Energy Supplier. Where the changes affect eligibility, the applicant may need to reapply. Energy Suppliers will find out about these changes from the EBDS Certification Portal (Energy Supplier view).

## How Energy Suppliers should handle ETIIs and QHS with respect to delivering the enhanced Discount

The ETII and QHS certification eligibility applies to the legal entity where the primary activity occurs (where the energy is consumed), so there may be cases where a group of companies operating under one energy contract have a number of legal entities that qualify for enhanced support and a number of legal entities that do not qualify for enhanced ETII or QHS support (this would also apply to third party buying group arrangements).

In these cases, we expect Energy Suppliers to treat the single (group level) contract as if it were split into separate contracts to allow the enhanced support to be applied to the eligible consumption (See example in Section 3.5).

Customers will be expected to provide Energy Suppliers with details of the relevant meter points that are eligible for ETII support.

There may be cases where a single meter serves an office block or industrial estate in which some of the consumers operating from that site are eligible for enhanced support and others are not. In these cases where there is one or more Intermediary provider between the Energy Supplier and the ETII or QHS, then the ETII or QHS is required to provide details of their eligibility certificate to their Intermediary provider(s).



The Intermediary provider which is the Energy Supplier's direct Customer is required to notify the Energy Supplier and provide details of the specific meter points and proportion of consumption that is eligible for enhanced support.

Further details on how the proportions of ETII and QHS enhanced support should be determined and passed through are described in Section 3.4 and 3.5.

## 3. Discount Calculations and Examples: Guidance for Part 2 of the Energy Bills Discount Scheme Regulations 2023

### 3.1 Determination of prices

#### Supply Price

The Supply Price means the unit price (before any EBDS Discounts) of energy supplied under a given supply contract for a relevant period of supply or the average of prices in the relevant period.

The Supply Price should always consider all commodity and non-commodity costs billed to the Customer, even where these are individually itemised elements on the bill. The Supply Price excludes VAT and Climate Change Levy.

For the Supply Price, Energy Suppliers would normally include wholesale energy costs, variable transmission and distribution costs, system costs, environmental and policy costs, and supplier operating costs in the unit rates but would exclude fixed metering costs, distribution and transmission standing/capacity charges and settlement charges.

The Supply Price is important as the EBDS Schemes include provision that ensures a Discount under the Scheme cannot result in the Supply Price, after the Discount has been deducted, going below the Minimum Supply Price.

#### Minimum Supply Price

The EBDS Discount is capped to ensure that the Discount application does not cause the Customer's Supply Price to drop below the Minimum Supply Price. The Minimum Supply Price for EBDS has been set as follows:

- Baseline support: 30.2p/kWh for electricity and 10.7p/kWh for gas
- ETII Customers: 18.5p /kWh electricity and 9.9p/kWh for gas

QHS Customers:

- QHS customers for energy supplied prior to 1 February 2024, and for Fixed contracts entered into before 1st February 2024: 34.0p /kWh electricity and 7.83p/kWh for gas
- QHS customers for energy supplied on or after 1 February 2024, including Fixed contracts entered into on or after 1st February 2024: 28.24p/kWh and 6.50p/kWh for gas

- The revised MSP from 1st February 2024 is only applicable to fixed contracts entered into on or after the 1st February 2024, and for all existing variable, flexible and DAI contracts. The MSP change is not relevant for those who remain on fixed contracts entered into before the MSP change (1st February).
- This change is effective for eligible contract types until the end of the scheme period (31st March 2024).

If a customer is currently contracted to pay below the Minimum Supply Price, then no action is required to be taken to increase their price to the Minimum Supply Price.

The Minimum Supply Price should be applied to electricity and gas unit rates as billed to the Customer and not to standing charges or other charges.

### Minimum Supply Price in relation to Multi-rate Meter Configurations

For Customers with multi-rate meter configurations (e.g. day and night rates), Energy Suppliers should apply Discount to the Customer's Supply Price across all consumption in each given period ensuring that the Customer's average Supply Price after the Discount has been applied is not below the Minimum Supply Price.

### Reference Wholesale Price (RWP) – Fixed Price, Variable Price and DAI Contracts

For each contract that is eligible for a Discount under the EBDS, a Reference Wholesale Price must be determined. This is the wholesale energy price per unit which is assumed, for the purposes of the EBDS, to be reflected in the existing Supply Price in a Customer's supply contract.

The Department will publish the Reference Wholesale Prices and baseline, ETII and QHS Discounts for Fixed Price Contracts, Variable Price Contracts and the DAI Price Contracts (for NI).

### Reference Wholesale Price (RWP) – Flexible Price Contracts

Energy Suppliers are expected to calculate Customer specific Reference Wholesale Prices for Flexible Price Contracts. The Reference Wholesale Price for any billing period is the Customer's volume- weighted average contracted wholesale price (WAP) for the billing period.

The WAP calculation should consider all fixes and unfixes trades and defaulting volume (baseload, peakload, index (e.g. day ahead) and cash-out) the Customer has made irrespective of when the trades occurred (i.e. these fixes and unfixes could be made prior to 1 December 2021). The WAP calculation should consider the net value of fixes and unfixes for the given billing period, e.g. any gains made from unfixing volumes should be reflected in a lower Customer WAP.

The WAP should not include any fees that are not directly related to the cost of wholesale energy, examples may include trading charges, charges for volume tolerance breaches in addition to cash out prices, premiums for shape/imbalance, management fees or similar. For

clarity, where the Energy Supplier is assuming the market price risk then the cost should not be included in the WAP calculation (e.g. £/MWh fee applied to all volumes for shape), whereas if the Customer is assuming the market price risk (e.g. day ahead settlement of residual volumes) then the cost should be included in the WAP calculation.

## 3.2 Classification of supply contracts

### Categories for classification of supply contracts

The EBDS classifies contracts into four categories: Fixed Price Contracts, Variable Price Contracts, Flexible Price Contracts and (in Northern Ireland) Day Ahead Index (DAI) price contract. Classification of energy supply contracts is important as the type of supply contract determines how the Discount is calculated. Where an Energy Supplier has a contract with a Customer for provision of both gas and electricity these should be treated as separate contracts.

Under the EBDS, energy supply contracts are defined as below:

- **"Fixed Price Contract"** means a supply contract under which, at the time the contract is entered into, the Contracted Wholesale Price is fixed for a period specified in or determined under the contract.
- **"Flexible Price Contract"** means a supply contract under which the Customer may elect from time to time to fix the Contracted Wholesale Price for agreed quantities of energy for certain periods of time, and to cancel any such fixing of the Contracted Wholesale Price.
- **"Variable Price Contract"** means a supply contract under which the Energy Supplier may change the Contracted Wholesale Price (and hence Supply Price) at any time by giving notice (as provided in the contract) to the Customer.
- **"Day Ahead Index (DAI) Price Contract"** (NI) means an electricity supply contract under which the Contracted Wholesale Price is determined solely by reference to a day-ahead index of the wholesale price for electricity.

### Methodology for classification of supply contracts

Energy Suppliers must determine the category which closest fits each Customer supply contract. The Energy Supplier is responsible for determining a methodology to identify the most accurate categorisation and must ensure that it has reliable systems and procedures in place to apply the methodology.

Where a contract is not a close fit to either a Fixed Price Contract or a Variable Price Contract, then it should in any case be treated as a Flexible Price Contract. The Energy Supplier must notify the Customer of this determination.

Where a single contract between an Energy Supplier and a Customer provides for the supply of both electricity and gas, the contract must be categorised for the purposes of the EBDS as two

separate supply contracts, for electricity and gas respectively. In this case, the Energy Supplier must notify the Customer of the determination of both the electricity and gas contracts.

Examples for how to classify supply contracts can be found in Section 3.2 of the Energy Bill Relief Scheme Guidance.

## Consequences of change in contract categorisation

Where the categorisation of a supply contract is revised for a billing period within the Scheme duration, either by the Energy Supplier or the Department, due to new information or any other means, the Energy Supplier must re-notify the Customer.

The Energy Supplier must also recalculate the amount of any Discount applied prior to the revision, to the Discounted supply price aligned with the re-categorised contract.

The Energy Supplier must ensure the difference in the amounts calculated between the previous and new contract categorisation is credited or debited to the Customer by way of a credit note or adjustment to an invoice, bill or statement of account.

## Price-Fix Date

Where a Customer has a Fixed Price Contract, the amount of the Discount that is available for the contract is based on the Price-Fix Date for the contract.

Suppliers should determine the Price-Fix Date to reflect the most accurate available date recorded by Suppliers for when the contracted wholesale price in the contract was set.

Where it is appropriate to do so, Suppliers should use the date the Fixed Price Contract was agreed between the Supplier and the Customer as the Price-Fix Date. In other words, the date recorded as the point at which the Fixed Price Contract was accepted such that the fixed price became legally binding between the parties.

However, in certain cases it may be more appropriate to an alternative date because this better reflects the date at which the contracted wholesale price was fixed under the contract.

A Supplier should be consistent with the approach it takes to determine the Price-Fix Date for a particular type of product. Different approaches can be taken for different types of product.

Suppliers should retain evidence to support such dates.

## Fixed Price Contracts with back dated start dates

Where a Customer, which was previously on a Variable Price Contract, enters into a Fixed Price Contract that has a back-dated start date, the Price-Fix Date should be the date on which the contract was priced or agreed, not the date the contract is back-dated to.

The Discount relevant for this Price-Fix Date should apply for all backdated consumption during the period of the EBDS Schemes and is subject to the Maximum Discount.

## Fixed Price Contracts extended into a new Fixed Price Contract

Where Fixed Price Contracts are repriced or extended before the end of the original fixed term, the base discount applicable to the new contract shall be the original base discount up until the end of the original fixed term after which point the discount relevant to the amendment date shall apply. This means that customers may continue to see some or all of the discount applied to their bills, subject to the EBDS threshold and duration of the scheme. Further detail on how to calculate the discount applicable to these contracts is provided in section 3.4.

After the end of the original fixed term, the new contract shall be treated for the purposes of EBDS as a new Fixed Price Contract for which the Price-Fix Date is determined by reference to the time when the amendment to the original contract was made.

## 3.3 Scheme Parameters: Components to determine Discount value

The Discount available to Customers under EBDS is the difference between the Reference Wholesale Price and the Government Supported Price subject to a Maximum Discount. These are set out below.

### Government Support Price (GSP)

The EBDS Discounts will be applied as a per unit Discount if wholesale energy prices are above a certain price threshold (Government Support Price), subject to a Maximum Discount. For Non- Domestic Customers in GB and NI, who are receiving the baseline support, the Government Supported Price for has been set at:

- 30.2p/kWh for electricity
- 10.7p/kWh for gas

ETIIs will receive an enhanced level of support, subject to a Maximum Discount for 70% of their eligible energy. The Government Support Price for ETIIs has been set at:

- 18.5p/kWh for electricity
- 9.9p/kWh for gas

This is expressed in the EBDS Regulations as a GSP decrement, which is the difference between the threshold levels for baseline and ETII support.

The Government Support Price for QHS has been set to 0p/kWh for both electricity and gas.

### Maximum Discount

The Discount applied to the Customer's Supply Price is capped to ensure that the Discount does not exceed a maximum value. The Maximum Discount levels for EBDS has been set at:

- Baseline support: 1.961p/kWh for electricity and 0.697p/kWh for gas

- ETII Customers: 8.9p/kWh electricity and 4.0p/kWh for gas (applied to 70% of Customer consumption)

Note that this Maximum Discount will apply to all contracts including existing Fixed Price Contracts with a Price-Fix date before 1<sup>st</sup> April 2023 under EBDS.

For QHS, EBDS aims to bring retail energy prices paid by heat suppliers down to a specific heat network Minimum Supply Price. This means there are no Maximum Discounts for QHS and the Government Supported Price for QHS has been set to 0p/kWh for both electricity and gas.

### 3.4 Discount calculations by contract type and for ETII and QHS Customers

There are multiple elements Energy Suppliers are required to identify, calculate and apply to determine the appropriate reduction in Supply Price. These are:

- The relevant Discount for Fixed Price Contracts, Variable Price Contracts and the DAI Price Contracts (for NI)
- The Customer specific Reference Wholesale Price and relevant Government Support Price to calculate the Discount for Flexible Price Contracts
- The relevant Maximum Discount applicable
- The relevant Minimum Supply Price applicable
- The current Customer Supply Price

#### Calculation of Discount for Baseline Support

For Non-Domestic Customers receiving baseline support, the reduction in Customer Supply Price should be calculated as:

- The maximum of {the minimum of (Customer specific baseline Discount, baseline Maximum Discount, (Customer Supply Price less baseline Minimum Supply Price)), and 0}

#### Calculation of Discount for ETII Customers

For Customers receiving the enhanced ETII support the reduction in Customer Supply Price should be calculated as:

- 30% of the maximum of {the minimum of (Customer specific baseline Discount, baseline Maximum Discount, (Customer Supply Price less baseline Minimum Supply Price)), and 0}; plus 70% of the maximum of {the minimum of (Customer specific ETII Customer Discount, ETII Maximum Discount, (Customer Supply Price less ETII Minimum Supply Price)) and 0}



This results in a single, weighted Discount figure in p/kWh applicable to all consumption within the relevant billing period.

## Calculation of Discount for QHS Customers

For QHS Customers there are no Maximum Discounts or wholesale price thresholds and in effect the Customer's Supply Price will be set at the Minimum Supply Price (if not already lower) to allow the appropriate benefits to be passed through to their consumers.

## Calculation of Discount for Fixed Price Contracts

Where a Customer has a Fixed Price Contract, the amount of Discount that is available for the contract is based on the Price-fix date for the contract.

In particular:

- Where the Fixed Price Contract has a Price-Fix date before 1 December 2021 the Customer will not be eligible for any Discount under EBDS.
- Where the Fixed Price Contract has a Price-Fix date on or after 1 December 2021 the Customer will be eligible for a Discount based on the amount by which the Reference Wholesale Price for the Price-Fix date exceeds the relevant Government Support Price.

The Discounts applicable for each Price-Fix date will be calculated in line with the stated methodology and published by the Department before the beginning of the Schemes and updated weekly as new Price-Fix dates occur.

**Fixed price contract example – Baseline support:** *A general Customer has a Fixed Price Contract with a Supply Price of 91.2p/kWh. The Customer signed this contract on 3rd December 2022, and the corresponding Reference Wholesale Price at the time was 43.81p/kWh. The baseline Government Support Price is 30.2p/kWh. Since RWP > GSP, the Customer qualifies for a Discount.*

- *The applicable baseline Discount would be  $RWP - GSP = 43.8 - 30.2 = 13.6\text{p/kWh}$*
- *The baseline Maximum Discount applicable to this contract is 1.961p/kWh*
- *The baseline Minimum Supply Price is 30.2p/kWh*
- *The Customer Supply Price less the baseline Minimum Supply Price is 61p/kWh*

*By applying the Discount formula to this Customer:  $\max\{\min(13.6, 1.961, 61), 0\} =$*

*1.961p/kWh. Hence the reduction in Supply Price for this Customer would be 1.961p/kWh. This Discount applies to all Customer consumption until the earlier of end of the Customer contract or EBDS end date.*

**Fixed Price Contract example – ETII support:** *An ETII Customer has a Fixed Price Contract with a Supply Price of 61.2p/kWh. The Customer signed this contract on 9th October 2022, and the corresponding Reference Wholesale Price at the time was 32.33p/kWh. The Government Support Price decrement for ETII Customers is 11.7p/kWh*



*(30.2p/kWh – 18.5p/kWh). As the RWP is greater than both the baseline GSP and the baseline GSP less the ETII GSP decrement, this Customer qualifies for both baseline Discount and ETII Discount.*

*For the baseline Discount*

- The applicable baseline Discount will be  $RWP - GSP = 32.33 - 30.2 = 2.13\text{p/kWh}$*
- The baseline Maximum Discount applicable to this contract is 1.961p/kWh*
- The baseline Minimum Supply Price is 30.2p/kWh*
- The Customer Supply Price less the baseline Minimum Supply Price is 31p/kWh*

*For ETII Customer Discount*

- The applicable ETII Discount will be  $RWP - (GSP - GSPD) = 32.33 - (30.2 - 11.7) = 13.83\text{p/kWh}$*
- The ETII Maximum Discount applicable to this contract is 8.9p/kWh*
- The ETII Minimum Supply Price is 18.5p/kWh*
- The Customer Supply Price less the ETII Minimum Supply Price is 42.7p/kWh*

*By applying the Discount formula to this Customer it results in a weighted Discount of:  $0.3 * \max\{\min(2.13, 1.961, 31), 0\} + 0.7 * \max\{\min(13.83, 8.9, 42.7), 0\} = 0.3 * 1.961\text{p/kWh} + 0.7 * 8.9\text{p/kWh} = 0.5883 + 6.23 = 6.82\text{p/kWh}$ . This would apply to all Customer consumption in the relevant billing period.*

*For example, in a month where the Customer uses 4,041kWh of electricity – their total electricity bill would be £2473.09 - £275.60 ( $6.82\text{p/kWh} * 4,041\text{kWh}$ ) = £2,197.50*

**Fixed price contract example – QHS support:** *A QHS signed a Fixed Price Contract on 28th December 2022, giving them a current gas Supply Price of 11.63p/kWh, and the corresponding Reference Wholesale Price at the time was 7.61p/kWh. The QHS Government Support Price is 0p/kWh. Since  $RWP > GSP$ , the Customer qualifies for a Discount.*

- The applicable QHS Discount would be  $RWP - GSP = 7.61 - 0 = 7.61\text{p/kWh}$*
- There is no QHS Maximum Discount applicable to this contract*
- The QHS Minimum Supply Price for Fixed Contracts entered into before 1st February 2024 is 7.83p/kWh*
- The Customer Supply Price less the QHS Minimum Supply Price is  $(11.63 - 7.83) = 3.8\text{p/kWh}$*

*By applying the Discount formula to this Customer:  $\max\{\min(7.61, \infty, 3.8), 0\} = 3.8\text{p/kWh}$ . Hence the reduction in Supply Price for this Customer would be 3.8p/kWh.*

*The Customer uses 244,220 kWh for April 2023 consumption. The Energy Supplier calculates and applies an adjusted Discount of 3.8p/kWh to the month's consumption. The*

*Discount from EBDS is therefore £9,280.36 (3.8p/kWh x 244,200) for April, against a total gas bill of £28,402.79 for the month.*

**Variable Price contract example – QHS support:** *A QHS signed a Variable Price Contract on the 1st of February 2024 with a current gas Supply Price of 10.00p/kWh, and the corresponding Reference Wholesale Price of 4.20p/kWh. The QHS Government Support Price is 0p/kWh. Since RWP > GSP, the Customer qualifies for a Discount.*

- *The applicable QHS Discount would be  $RWP - GSP = 4.20 - 0 = 4.20p/kWh$*
- *There is no QHS Maximum Discount applicable to this contract*
- *The QHS Minimum Supply Price is 6.50p/kWh*
- *The Customer Supply Price less the QHS Minimum Supply Price is  $(10.00 - 6.50) = 3.50p/kWh$*

*By applying the Discount formula to this Customer:  $\max\{\min(4.20, \infty, 3.50), 0\} = 3.50p/kWh$ . Hence the reduction in Supply Price for this Customer would be 3.50p/kWh.*

## Calculation of Discount for Variable Price Contracts

Where a Customer has a Variable Price Contract, the amount of Discount that is available for the contract is based on a relevant published p/kWh Discount for Variable Price Contracts. These relevant Discounts will apply to all Customer consumption on a Variable Price Contract until the earlier of:

- A Customer no longer having a Variable Price Contract
- A new Discount for a Variable Price Contract being published
- The end of the Scheme

The Discounts applicable for a Variable Price Contract will be calculated in line with the stated methodology and published by the Department before the beginning of the Scheme and updated quarterly.

**Variable price contract example:** *An Energy Supplier supplying a general, Non-Domestic Customer sets a variable tariff rate from 1st April 2023 at 33.73p/kWh.*

- *To determine the EBDS Discount for a Variable Price Contract the Energy Supplier checks the published EBDS Discount tables to apply to their Customer's Supply Price for the period April – June 2023.*
- *The baseline Discount shows as zero therefore no p/kWh Discount is applied to the Customer Supply Price. This will remain the case even if the variable tariff increases during the April to June 2023 period.*

## Calculation of Discount for Flexible Price Contracts

In relation to a Flexible Price Contract the Reference Wholesale Price for any billing period is the volume-weighted average Contracted Wholesale Price (WAP) for the billing period.

The Discount is the difference between the WAP and the relevant Government Support Price (subject to the Maximum Discount) and should be applied to all Customer consumption at meter supply point level.

Where an Energy Supplier has offered to bill a Customer on a reference price or flattened Customers prices (based on already executed trades) for cashflow purposes (e.g. over a quarter, season, year), the WAP calculation should be based on the underlying trades for each billing period not the agreed billing price.

Customers with physically sleeved corporate power purchase agreements (CPPAs) should have these volumes and prices included as part of their WAP calculation (this would include sleeving fees related to converting the CPPA shape to baseload).

**Flexible price contract example – baseline support:** A general Non-Domestic Customer has a flexible price contract with a weighted average price of 31.98 p/kWh for the April 2023 billing period, this is also the Customer's Reference Wholesale Price (RWP). The billing period Supply Price is 67.03 p/kWh. The baseline GSP is 30.2p/kWh. Since  $RWP > GSP$ , the Customer qualifies for a Discount.

- The applicable baseline Discount would be  $RWP - GSP = 31.98 - 30.2 = 1.78p/kWh$
- The baseline Maximum Discount applicable to this contract is 1.961p/kWh
- The baseline Minimum Supply Price is 30.2p/kWh
- The Customer Supply Price less the baseline Minimum Supply Price is 36.83p/kWh

By applying the Discount formula to this Customer:  $\max\{\min(1.78, 1.961, 36.83), 0\} =$

1.78p/kWh. Hence the reduction in Supply Price for this Customer would be 1.78p/kWh. This Discount applies to all Customer consumption in the corresponding billing period.

**Flexible price contract example – ETII support:** An ETII Customer on a Flexible Price Contract has a weighted average price (WAP) of 35p/kWh for the relevant billing period, this is also the Customers Reference Wholesale Price (RWP). The billing period Supply Price is 58.33p/kWh. The Government Support Price decrement for ETII Customers is 11.7p/kWh (30.2p/kWh – 18.5p/kWh). As the RWP is greater than both the baseline GSP and the baseline GSP less the ETII GSP decrement, this Customer qualifies for both baseline Discount and ETII Discount.

For the baseline Discount

- The applicable baseline Discount will be  $RWP - GSP = 35 - 30.2 = 4.8p/kWh$
- The baseline Maximum Discount applicable to this contract is 1.961p/kWh
- The baseline Minimum Supply Price is 30.2p/kWh
- The Customer Supply Price less the baseline Minimum Supply Price is 28.13p/kWh

For ETII Discount

- *The applicable ETII Discount will be  $RWP - (GSP - GSP \text{ decrement}) = 35 - (30.2 - 11.7) = 16.5\text{p/kWh}$*
- *The ETII Maximum Discount applicable to this contract is 8.9p/kWh*
- *The ETII Minimum Supply Price is 18.5p/kWh*
- *The Customer Supply Price less the ETII Minimum Supply Price is 39.83p/kWh*

*By applying the Discount formula to this Customer it results in a weighted Discount of:  $0.3 * \max\{\min(4.8, 1.961, 28.13), 0\} + 0.7 * \max\{\min(16.5, 8.9, 39.83), 0\} = 0.3 * 1.961\text{p/kWh} + 0.7 * 8.9\text{p/kWh} = 0.5883 + 6.23 = 6.82\text{p/kWh}$ . This Discount would apply to all Customer consumption in the relevant billing period.*

## Calculation of Discount for DAI Price Contract (NI)

Where a customer has a DAI Price Contract, the amount of Discount that is available for the contract is based on the relevant monthly published p/kWh Discounts for these contracts. The Discounts will apply to all DAI Price Contract Customer consumption in the relevant month.

The Discounts applicable for DAI Price Contract will be calculated in line with the stated methodology and published by the Department on a monthly basis. The published Discount will apply to all Customer consumption in the corresponding month.

## Calculation of Discount for Customers on 'Blend and Extend' Contracts

We know that some energy suppliers are now offering customers on high fixed price contracts the option to 'Blend and Extend' their contract as part of their initiative to support customers - signing a customer up to a new contract at lower energy rates prior to the end of their existing contract term, and blending the rate charged across the extended period. As stated in previous communications, to blend and extend a contract is allowable in the EBDS regulations and EBDS support is still available to those eligible businesses. We expect that suppliers offering the option to blend and extend have been supporting their customers to make the right decision for them, as per the EBDS regulations.

Eligible organisations who blend and extend their contracts may continue to see some or all of the discount applied to their bills, subject to the EBDS threshold and duration of the scheme.

To blend and extend a contract is an option that some business may choose to pursue with their supplier depending on their individual circumstances and it is a commercial decision for each individual business to determine whether this option is beneficial for them. It is the responsibility of the supplier to ensure that customers can make an informed decision, including understanding the impact on their entitlement to EBDS support, and the costs and benefits over the short and longer term.

The EBDS Regulations state in Regulation 14 that:

When an amendment is made to a fixed price contract which changes the wholesale price before the end of the original fixed term, until the end of the original term, the base discount applicable to the new contract is the base discount that was applicable to the original contract.

The discount applicable to the new contract is subject to price thresholds and maximum discounts as detailed in Regulation 29 that to calculate the discount:

*'(1) For the purposes of these Regulations, "the discount" means the reduction (in p/kWh) in the supply price under a supply contract to be applied pursuant to the scheme in respect of that contract for any period.*

*(2) In the case of a general supply contract or a QHS supply contract, the discount is calculated as follows:*

$$\max \{ \min (BD, MD, (SP - MP)), 0 \}$$

Where:

- *BD is the base discount in respect of that supply contract for the period;*
- *MD is the maximum discount applicable to that supply contract;*
- *SP is the supply price for the period;*
- *MP is the minimum supply price applicable to that supply contract'*

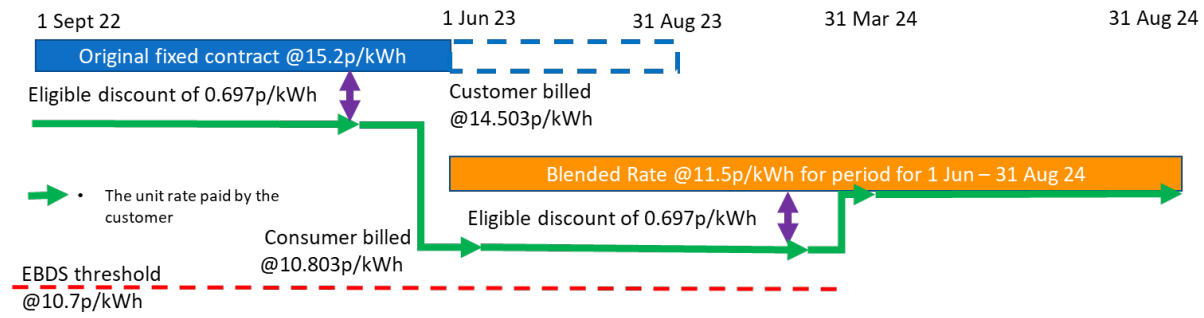
When using the formula in Regulation 29(2) to calculate the discount applicable to a contract that has been subject to a blend & extend amendment, the discount should be calculated as the least (but not less than zero) of:

- The base discount (which under Regulation 14(4) is to be the base discount applicable to the original fixed price contract);
- Supply Price (SP) – Minimum Supply Price (MP) - where the SP is the supply price at the time, taking account of the blend and extend amendment; and
- The maximum discount.

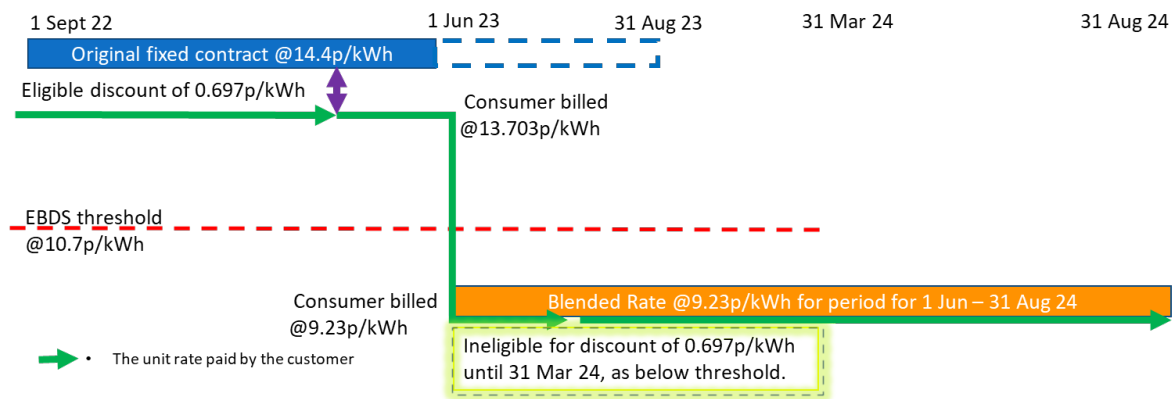
This means that while the base discount in the formula is always the base discount applicable to the original fixed price contract, if the new supply price is lower than the original fixed price, the calculation of SP-MP means the discount provided is lower than originally applied. If the blend and extend amendment reduces the supply price, it may fall below the Minimum Price (for the baseline or ETII element of support) resulting in a loss of entitlement to EBDS discount. If the new supply price is higher than the original fixed price, the discount applied is the original base discount.

## Illustrative Examples

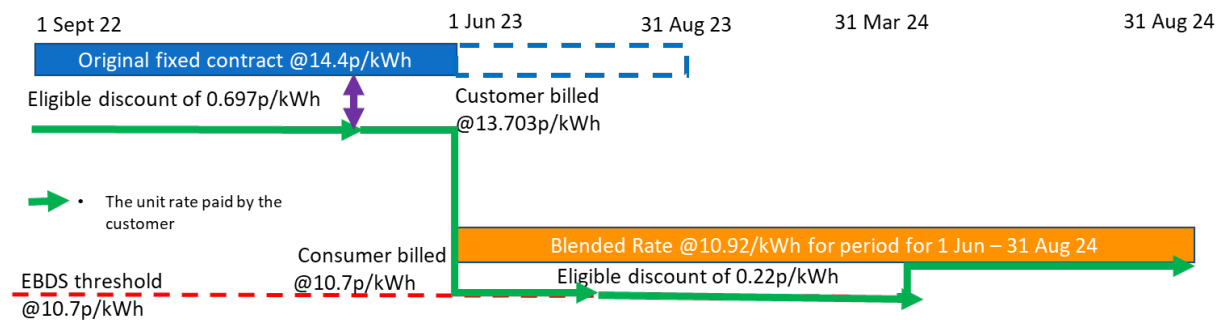
*Please note that the prices and dates used in the examples below are illustrative and do not reflect current market prices or contract terms.*



Example 1: The customer blends and extends their contract without engaging the EBDS threshold. In this example, the Maximum Discount is the lowest positive term within the formula described above, so this is the level of discount applied. Therefore, the customer draws the same amount of EBDS support for the duration of the scheme.



Example 2: The customer blends and extends their contract, bringing them below the EBDS threshold. Since the Base and Maximum Discounts can only be applied positively to a Supply Price above the threshold, the discount applicable is zero. This means that the customer is no longer eligible for EBDS discount from 1 June 2023.



Example 3: The customer blends and extends their contract, meaning that their contract rate is now closer to the EBDS threshold than the amount of discount they were originally receiving. In this scenario, the calculation of Supply Price – Minimum Supply Price is used to determine the discount applied. This means that from 1 June, the customer is entitled to the level of discount that brings them down to the threshold, rather than the full amount they were originally receiving.



*Prices and dates used in these examples are illustrative and do not reflect current market prices or contract terms.*

## 3.5 Customer billing and Discount pass through

Energy Suppliers are expected to provide to Customers, details of the EBDS Discounts applied to their consumption in a timely and transparent manner, in line with Regulation 30. There is no specific text requirements that suppliers must display on invoices or corresponding backing statements.

Where an Energy Suppliers' Customer is acting as an Intermediary for other End Users or consumers who are ETIIs and/or QHS there is a requirement for the Energy Supplier to treat the Customers contract as if it were separate contracts to represent the baseline, ETII and QHS portions of the contract. Details for how the contract should be separated and proportions determined are set out below.

### Determination and redetermination of ETII and QHS proportions

In each customer billing cycle, information about the proportions of energy attracting the ETII / QHS Discount is sent up the chain of supply, as explained below.

For this to happen, parties in the chain need to know the timing of the billing cycle, and so the Energy Supplier or its direct Customer is required to send information down the chain about billing periods in the supply contract.

The goal of the arrangements is that an Intermediary will pass through the benefit of the ETII / QHS Discount to its lower-tier providers until it reaches the ETII or QHS entitled to it. Applied in reverse, that passthrough process is the way in which the Energy Supplier at the 'top' of a chain of supply is informed of ETII and QHS proportions.

For each billing period, the party that provides energy or heat to an ETII or QHS must establish what proportion, of the total Scheme benefit that (under passthrough requirements) it receives from its higher-tier provider, it will either (1) pass on to ETIIs, QHSs or others who are neither; or (2) be entitled to retain itself (and if so, whether it is an ETII or QHS). (This is done assuming only the baseline Discount.) It sends that information to its higher-tier provider, who repeats the process (based on the information it receives from all its lower-tier providers, and for itself). Working 'up' the chain of supply, this information reaches the direct Customer, who repeats the process and sends to the Energy Supplier three proportions: i.e. those in which energy supplied in the billing period attracts the ETII proportion, the QHS proportion or neither.

The Energy Supplier is then required to treat the supply contract with its Customer as if it were three separate contracts, each for the supply of one of those categories of energy, and to allocate the total energy supplied between those separate contracts based on those proportions.

Where the relevant ETII Customer or QHS Customer has meter points which exclusively serves energy which is eligible for the ETII Discount or the QHS Discount, then the apportionment should be based on the specific meter point consumption.

Where a single meter point serves a combination of ETII Customer and/or QHS Customer and/or other Non-Domestic Customers, then the Customer responsible for the meter point must determine the apportionment of the relevant Discounts based upon how a provisional baseline Discount would otherwise have been passed-through to the End Users (based on the pass-through regulations). The Customer must notify the Energy Supplier as soon as reasonably practicable to allow the Energy Supplier to apportion the correct split of the meter point consumption between baseline and ETII and/or QHS support in order to apply the correct Discount for the Customer based on this apportionment.

For each benefit calculation period, this process happens in advance, on an estimated basis (before the metered quantity is known), to allow the supplier to be informed about the proportions to be applied in its original bill for that period. Once the customer's bill has been issued (and the metered quantity is known) it happens a second time, by way of adjustment. Further adjustments may be needed in relation to the same period (for example, where an ETII or QHS only obtains its certificate after the relevant period). However, after the first three months of the Scheme, the Energy Supplier is not required to revise its billing more frequently than every 90 days, unless the amount of the adjustment exceeds certain thresholds, in which case it must be done within 30 days.

## Redetermination of Discount

Where this apportionment is based on an estimate or where new information changes the apportionment (e.g. a consumer subsequently becomes an ETII Customer or a QHS Customer) then the Customer must provide the Energy Supplier with a redetermination of the appropriate portions of the relevant Discounts as soon as reasonably practicable and the Energy Supplier should apply any deltas in Discount either by reissuing the relevant invoices or by providing a debit or credit on subsequent invoices.

Where a redetermination event occurs within the first three calendar months of the Scheme the Energy Supplier should make the appropriate adjustment within 30 days after being notified by the Customer. After the initial three months then the adjustment should be made within 90 days unless it is above the threshold set out in the Schemes rules.

***Determination of ETII and QHS proportions example (set out in Figure 1 below): A Customer X is a Certified ETII operator which also supplies energy to Intermediary Y and to another End User that is not an ETII or QHS. It is therefore responsible for determining the apportionment of support across the different entities and informing the Energy Supplier.***

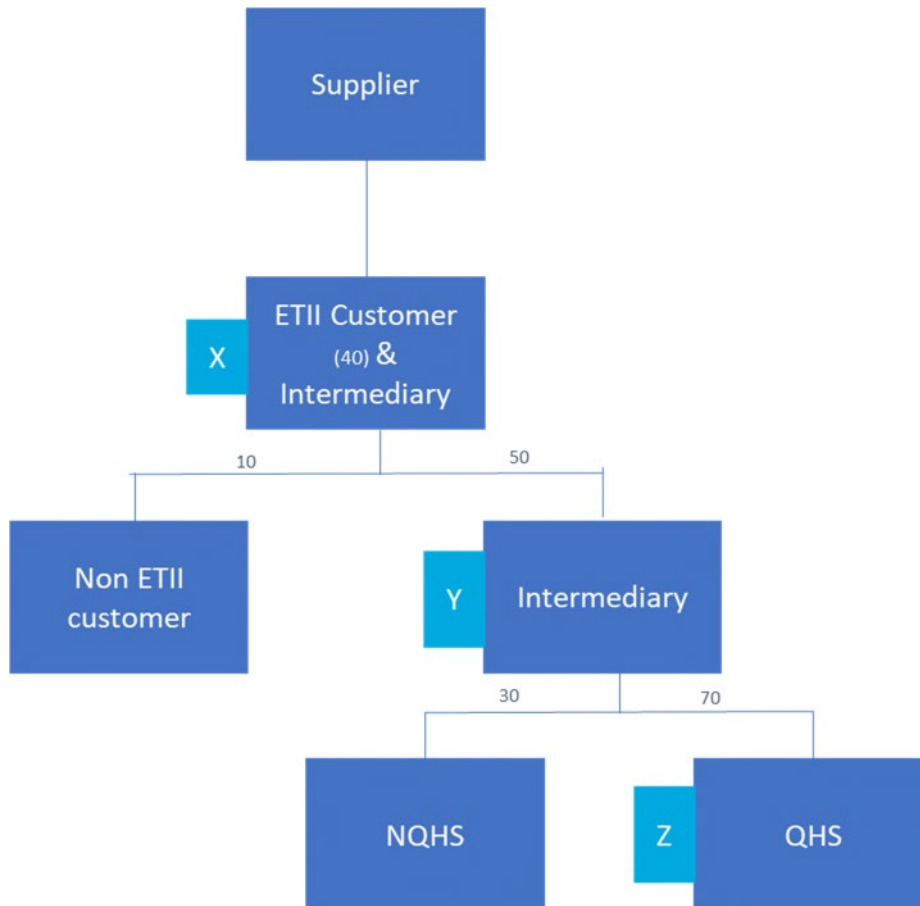
*Of a notional 100 of baseline Scheme benefit in the same period, Customer X would retain 40, and pass on 50 to Intermediary Y and 10 to the other End User.*

*Intermediary Y is a provider to consumer Z who is a QHS, and another consumer who is not a QHS. Of a notional 100 of baseline Scheme benefit in the same period, Intermediary Y would pass on 70 to consumer Z and 30 to the other consumer.*



Based on this determination, Customer X would inform its Energy Supplier that 40% of its consumption should be eligible for ETII support, 35% should be eligible for QHS support (50% of the allocated 70% for Energy consumer Z via Intermediary Y) and 25% should be eligible for baseline support (30% of 50% allocated via Intermediary Y plus 10% for the Non-ETII consumer).

**Figure 1: Schematic example of proportioning Discounts for Intermediaries**



Customer X currently has a flexible price contract for this gas consumption Figure 1 illustrates how the applicable Discount for Customer X should be calculated and applied. It is Customer X’s responsibility to pass through these Discounts.

**Table 1: Breakdown of the Discount apportionment**

Customer X	Total	Base Proportion (25%)	ETII Proportion (40%)	QHS Proportion (35%)
Total Gas Consumed	3,235,000	808,750	1,294,000	1,132,250
Supply Price p/kWh	15.19	£122,849.13	£196,558.60	£171,988.78
WAP p/kWh	11.17			
Base Discount (11.17 - 10.70) p/kWh	0.47	£3,801.13		

ETII Discount (11.17 - 9.90) p/kWh	1.27			
ETII Applied Discount (0.3*0.47 + 0.7 *1.27) p/kWh	1.03		£13,328.20	
QHS Discount p/kWh	11.17			
QHS Adjusted Discount (15.19 - 7.83) p/kWh	7.36			£83,333.60
Gas Bill (unit rate)	£491,396.50			
Total Discount from EBDS	£100,462.93			
<b>Total Net Customer Bill</b>	<b>£390,933.58</b>	<b>£119,048.00</b>	<b>£183,230.40</b>	<b>£88,655.18</b>

## 4. Discount Recovery: Guidance for Part 3 of the Energy Bills Discount Scheme Regulations 2023

### 4.1 Submission of a Discount Recovery Claim

#### How Energy Suppliers submit a Discount Recovery Claim

Energy Suppliers will be entitled to recover from the Secretary of State, the Discount amount applied to Customers under the EBDS.

- Energy Suppliers will access the EBDS Scheme Portal
- Energy Suppliers complete the claim declaration, the Discount Recovery Claim form and will submit a supporting evidence document in the EBDS Scheme Portal.
- All claims must be submitted within the monthly Claims Window in order for Energy Suppliers to be paid by the scheduled payment date for that corresponding Claims Window.
- Any late claims will be processed and paid by the payment date of the next Claims Window.
- Pre-payment checks are carried out on data completeness, Energy Supplier details, application of the Discount and volumes of energy consumption.
- If checks are not successful, a notification will be sent back the Energy Supplier, highlighting reasons for not passing the checks.

#### Invalid, erroneous or absent Discount Recovery Claims

Where the Department considers that a claim submitted by an Energy Supplier is not a valid Discount Recovery Claim in that it does not meet the Scheme Regulations 40(4) and Scheme Rules 11 then the Department has the right to decline payment of the claim or pay only part of the amount claimed.

Where the Department considers that a Discount Recovery Claim is valid but the amount in the claim is erroneously stated, the Department will take reasonable steps to resolve the issue with the Energy Supplier and may adjust the amount of the claim to reflect the value that the Department considers to be the correct amount.

## 4.2 Claims Windows and Payment Cycle

For the EBDS a Claims Window is the period of time in which Energy Suppliers can submit a Discount Recovery Claim, for a reimbursement of the EBDS Discounts applied during a previous month of the Scheme.

The EBDS Claims Window will open the first working day of the month for the Scheme duration and remain open for 10 working days until closure on the 14th, 15th or 16th calendar day of each month.

The first Claims Window is planned to open on the first working day of May 2023.

One exception to the cadence outlined above is in October 2023, when the Claims Window will remain open for 11 working days to ensure that closure occurs within our target period (i.e. The 14th, 15th or 16th calendar day of each month). For detail on dates of the Claims Window and payment cycles for the duration of the EBDS, refer to Annex 1.

Once the Claims Window closes in each calendar month, the Department will pay Energy Suppliers within 10 working days, either partially or in full, unless there are significant challenges on the Energy Supplier side of the claim.

After the Scheme ends, and the final of the twelve Claims Windows closes, there will be a reconciliation period. The dates for the reconciliation period will be confirmed at a later date.

## 4.3 Data requirements

This section outlines the data that may be requested from Energy Suppliers in the Scheme delivery and Discount recovery process, from Energy Supplier readiness, to setting up new bank accounts to submitting a Discount Recovery Claim. All data submitted to the Department will be held securely and in accordance with GDPR on a secure server.

### Data required to complete Energy Supplier readiness

The list below outlines the data requirements checklist to ensure Energy Supplier readiness for EBDS:

- Energy Suppliers will receive log-ins for the EBDS Scheme Portal and Certification Portal and will be able to sign-in using those user credentials
- Energy Suppliers will be able to download the Discount Recovery Claim form from the Scheme Portal
- Energy Suppliers will receive the latest guidance documentation
- Energy Suppliers will receive worked example calculations for both ETII and QHS
- Energy Suppliers to confirm bank details previously provided for EBRS are still relevant for EBDS Discount or provide new bank details (if applicable)

## Data Requirements from Energy Suppliers that are new to the Scheme

The provision of this data is to ensure Energy Suppliers are set up to receive EBDS reimbursements.

- Name of Bank
- Account holder
- Account number
- Sort Code
- Completed AP1A form
- Declaration of accuracy of bank details signed by Finance Director or equivalent

## Data required from existing Energy Suppliers in order to change bank details

- Name of Bank
- Account holder
- Account number
- Sort Code
- Newly completed AP1A form
- Declaration of accuracy of bank details signed by Finance Director or equivalent
- Brief written explanation of the need to change bank details

To allow for appropriate onboarding of a new Energy Supplier or for a change to existing bank details, the signatory of the declaration may be required to provide further verification, including verbal confirmation via telephone, email or other (as requested), to prohibit fraudulent activity. Any attempts to confirm bank details for new Energy Suppliers or to change bank details of existing Energy Suppliers will be at the discretion of the Department.

## Data required from Energy Suppliers in order to submit a Discount Recovery Claim

In order to submit a Discount Recovery Claim, Energy Suppliers will be obligated to provide three items:

- A declaration form
- A Discount Recovery Claim form.
- Supporting evidence

The declaration form and further details of what must be included in a Discount Recovery Claim can be found in the EBDS GB Scheme Rules.

## Data required from ETIs when applying for the EBDS on the Certification Portal (For information only)

Note that the list below is as found in Schedule 5 of the EBDS GB Scheme Rules. ETIs must provide the following data when applying for EBDS certification:

Details of the applicant:

- Name
- Registered office (if applicable) or principal office
- Applicant's email address
- Applicant's website
- Company registration number (if applicable)
- Form of business organisation (if not a limited company) (by reference to forms specified by the Secretary of State)

Contact details of the individual completing the application:

- Name
- Email address
- Telephone number
- Position in the applicant's organisation

Details of the ETI qualifying activities:

[Note: to be provided for up to 4 ETI qualifying activities of the applicant]

- Name of sector (within the Standard Industrial Classification referred to in the definition of SIC code in regulation 15)
- 4-digit SIC code

Details of the contract (or each contract, if more than one) under which the applicant is provided with energy, heating or hot water:

- The name of the person (or entity) providing energy, heating or hot water to the applicant
- Whether that person is a licensed Supplier
- For each of the applicant's premises supplied by that person that are connected to an electricity system or to a pipeline system operated by a gas transporter (as defined respectively in regulation 2 and regulation 46(2)), the associated meter number(s) (MPRN(s) or MPAN(s)).
- Where that person is a licensed Supplier, the applicant's Customer billing name.

## Data required from Qualified Heat Suppliers when applying for the EBDS on the Certification Portal (For information only)

Note that the list below is as found in Schedule 6 of the EBDS GB Scheme Rules. QHS must provide the following data when applying for EBDS certification:

Details of the applicant:

- Name
- Registered office (if applicable) or principal office
- Applicant's email address
- Company registration number (if applicable)
- Category of business (by reference to categories specified by the Secretary of State)

Contact details of the individual completing the application:

- Name
- Email address
- Telephone number

Details of the heat network:

- Name
- Postcode of the site or main site at which the heating or hot water that is supplied through the heat network is produced
- Input fuel type (gas, electricity or both)

Details of the contract (or each contract, if more than one) under which the applicant is provided with energy that it uses to produce heating / hot water:

- The name of the person(s) providing energy to the applicant
- Whether that person is a licensed Supplier
- For each of the applicant's premises supplied by that person that are connected to an electricity system or to a pipeline system operated by a gas transporter (as defined respectively in regulation 2 and regulation 46(2)), the associated meter number(s) (MPRN(s) or MPAN(s))
- Where that person is a licensed Supplier, the applicant's Customer billing name.

## 5. Adjustment of Discount or supply quantity in certain cases: Guidance for Part 4 of the Energy Bills Discount Scheme Regulations 2023

### 5.1 Effective financial exposure to wholesale energy prices

#### Financial hedging and other arrangements

The EBDS is designed to provide energy bill relief for Non-Domestic contracts. The amount of the Discount depends on the Reference Wholesale Price of the contract, and it is intended that Customers with contracts that reflect a higher wholesale energy price receive a larger Discount than those Customers that have contracts that reflect a lower wholesale energy price. As a result, relief under the scheme is targeted to those who need it the most.

In most cases, a Customer's exposure to the price of energy is limited purely to the cost that it pays its Supplier under the Supply Contract. In these cases, the attributes of the Supply Contract can therefore determine the amount of Discount which should be applied to the energy purchased under the contract. The information about the contract is available to the Supplier and they can use this information to apply the correct Discount to the gas and electricity supplied to the Customer.

However, in certain cases, the Customer enters into wider arrangements which mean that its effective financial exposure to the wholesale energy prices is greater than or less than the Reference Wholesale Price reflected in relation to the Supply Contract.

In these cases, the provisions in Chapter 1 of Part 4 of the SI may apply to adjust the Discount available under the Supply Contract to reflect the Customer's overall effective financial exposure to the wholesale energy prices.

The Chapter 1 provisions apply where it may reasonably be expected that either:

- the energy supplied to the Customer at the premises to which the Supply Contract relates in the 12-month period starting from 01 April 2023 will exceed 0.5 gigawatt hours, or
- the maximum rate at which energy is supplied under the contract at any time will exceed 0.5 megawatts.

The Chapter 1 provisions apply where the Customer has made arrangements, otherwise than in a Supply Contract, by virtue of which the Customer's overall financial exposure to the wholesale price of energy supplied to it in any period within the Scheme period (the effective



financial exposure) differs from its financial exposure in that period to the contracted wholesale price under the Supply Contract (the contract financial exposure).

This would apply to cases where the Customer is party to arrangements to hedge the wholesale price of the gas or electricity under the Supply Contract or is otherwise related to the Customer's financial exposure to the contracted wholesale price under the contract.

Where the Chapter 1 provisions apply, it is necessary to adjust the Reference Wholesale Price to take effect of the arrangements as follows:

Determine the arrangement benefit for the period which is calculated for the period as:

- Contract financial exposure (CFE) – effective financial exposure (EFE)

This is then converted into the “unit arrangement benefit” (expressed in pence) being the arrangement benefit divided by the supply quantity in the period.

The Reference Wholesale Price for the period is then determined as:

- Reference Wholesale Price (RWP) – unit arrangement benefit (UAB)

Where:

RWP is the price that would otherwise be determined as the Reference Wholesale Price and UAB is the unit arrangement benefit.

The provisions apply symmetrically between cases where the effective financial exposure exceeds or is less than the contract financial exposure. However, no adjustment to increase the Reference Wholesale Price is to be made in relation to a Variable Price Contract.

There is no obligation for the Customer to declare the arrangement benefit to the Supplier if the arrangement benefit is less than £100 per day in the declaration period.

Customers that have undertaken financial hedges should be handled in the same way as in EBRS, examples of which can be found in the Energy Bill Relief Scheme Guidance linked in Section 1.3.

## 5.2 Arrangements for a Customer to deliver electricity to the grid

Where a Customer uses energy for the purpose of generating or storing electricity to be delivered to the grid, the gas or electricity so used will not be eligible for Discounts under the EBDS.

This applies where:

- the quantity of energy supplied to the Customer at the premises to which the Supply Contract relates in the 12-month period starting from 1 April 2023 will exceed 0.5 GWh,

or the maximum rate at which energy is supplied under the contract at any time will exceed 0.5 MW.

And the Customer has made arrangements under which:

- Gas supplied to the Customer under the Supply Contract is used for the purpose of generating electricity, some or all of which is delivered to the grid or
- electricity supplied to the Customer is stored (e.g. under battery or pumped storage) to be subsequently delivered to the grid.

The exclusions included in Chapter 2 of Part 4 of the SI do not, therefore, apply to electricity used to supply a gas generator. Nor do they apply to gas or electricity used to supply other types of generators that are not covered by the above cases.

In addition, the regulation in Chapter 2 does not apply where:

- the capacity of the facility is not material,
- the quantities in which electricity is or may be delivered to the grid or any electricity system are not material, or the application of the provisions in Chapter 2 would be disproportionate having regard to the complexity of determining ineligibility quantities and to the amounts involved.

A simple CHP consists of an electrical generator combined with equipment for recovering and using the heat produced by that generator. The generator may be a prime mover such as a gas turbine or a reciprocating engine. Alternatively, it may consist of a steam turbine generating power from high- pressure steam produced in a boiler. In some cases, a CHP may be a combination of prime mover, boilers and steam turbines.

The CHP-scheme will include one or more prime movers (e.g. gas turbine or reciprocating engine) driving electrical generators or mechanical loads and some means of recovering waste heat, which would otherwise be released to the environment, for a useful purpose.

Rules have been issued which applies this in respect of combined heat and power (CHP) schemes that have capacity of 5 MWe or less (see below). Customers or consumers with CHPs have an obligation placed upon them in Chapter 2 of Part 4 of the Regulations, to make a declaration to their Energy Supplier (or Intermediary provider) should they have a CHP that has an electrical generation capacity of more than 5MW and exports to the grid. Upon receiving such a declaration either directly or through the Intermediary provider, Energy Suppliers are then obligated to adjust discounts accordingly. This will apply to many heat suppliers, but also other non-heat supplier organisations that have CHPs.

### CHPs equal to or under 5MWe generation capacity

As set out above, where a Customer has a CHP-scheme with installed electrical generation capacity of 5MWe or less, the full amount of gas used by that CHP-scheme would typically be eligible for Discounts under the Scheme, regardless of whether or not any electricity is delivered to the grid.

This threshold applies on a CHP-scheme by CHP-scheme basis, in line with the definition of CHP- scheme. For example, if a site has two separate CHP-schemes with capacity of 3MWe each, then the exclusion will not apply.

## CHPs over 5 MWe Generation Capacity

If a Customer has a CHP-scheme with installed electrical generation capacity of more than 5MWe then the provisions (in Chapter 2 of Part 4 of the SI) need to be applied.

In cases where the Customer who operates the CHP-scheme does not generate any electricity to be delivered to the grid, then no restriction would be necessary under Chapter 2.

In cases where the Customer who operates the CHP-scheme does generate electricity to be delivered to the grid, an assignment of the amount of gas that is used by the CHP-scheme is needed.

In particular, gas used by the CHP-scheme that is attributed to the electricity that is delivered to the grid will be ineligible for Discounts under the EBDS.

Gas that is not attributed to electricity to be delivered to the grid will be eligible for Discounts under the EBDS.

This will include gas that is used which is attributed to:

- Electricity that is not delivered to the grid (whether used onsite by the Customer or sold through a private wire)
- Heat output from the plant (whether used onsite or sold to a third party).

## 5.3 Abusive Arrangements

The anti-abuse provisions for EBDS are the same as those for EBRS and apply to abusive arrangements where the purpose or main purpose of the arrangements is to achieve an increase in the benefits of the Scheme. Note that there are separate anti-abuse and fraud regulations for false ETII and QHS certificate applications.

Where the Customer or Supplier is party to an abusive arrangement, the Discount is reduced so to ensure that the benefit of the scheme is not increased by that arrangement.

Where Suppliers and Customers are acting commercially, and the obtaining of the benefits of the EBDS is incidental to the steps undertaken, the anti-abuse provisions are unlikely to apply. However, where the key aim of the arrangements is to obtain an advantage through increased benefits under the scheme, then the anti-abuse provisions can be expected to be engaged.

The reference to arrangements includes any agreement, understanding, Scheme transaction or series of transactions (whether or not legally enforceable).

Energy Suppliers must maintain business as usual fraud detection, prevention, reporting and recovery processes and procedures that are proportionate to and appropriate for EBDS Scheme delivery.

Examples of abusive arrangements can be found in the Energy Bill Relief Scheme Guidance linked in Section 1.3.

# 6. Programme Assurance and Management: Guidance for Part 5 of the Energy Bills Discount Scheme Regulations 2023

## 6.1 Regular reporting by Energy Suppliers

The Department may by notice require Energy Suppliers to provide reports about their operation of the Scheme. The notice will specify the contents of the report and when the report is to be provided.

This is to ensure compliance, minimise misuse of the Scheme at the post-payment stage and to be able to monitor the success of the Scheme. For example; Energy Suppliers may be required to regularly report on EBDS claims and Discounts, which may include providing insight into:

- Evidence of the EBDS Discounts being passed to Customers,
- Discount calculation at a contract level including to Certified ETIs and QHS
- How Energy Suppliers are ensuring estimated data submitted under the Scheme is as accurate as possible, building on their normal processes for ensuring accurate energy consumption estimation and reconciliation over time and under different tariffs.

## 6.2 Information Requests

Where the Department considers that EBDS rules may not have been complied with, or where it sees a requirement to ascertain that rules have been followed appropriately, or for other purposes specified in the Regulations, it may give notice to Energy Suppliers, Customers or any Certified ETI or QHS, to provide further information.

Notices will give specify the type of information that is required and reasonable deadlines will be set to allow the provision of information. The entity receiving the notice must respond within the period specified in the notice, providing the document or providing in writing the information as specified in the notice.

## 6.3 Audit and Assurance Programme

To ensure compliance with Scheme regulations, Energy Suppliers are required to engage with compliance, assurance and audit processes as outlined by the Department.

## Audit

The Department may give notice for an audit of the books, records, systems, processes and/or methodologies of the Energy Supplier for the purposes of, for example:

- Ascertaining whether there is compliance with the Scheme
- Ascertaining whether, in line with the Scheme, any amount is payable by the Scheme party to the Department
- And otherwise ensuring the accurate accounting of, tracing and control of public money under the EBDS.

The person that carries out the audit will be appointed by the Department and the costs of the audit will be covered by the Department.

## Post payment assurance

Post payment assurance will be carried out by the Department to ensure the effective management of public money. The Department will undertake detailed assurance checks on a subset of payments delivered to Customers to assess whether appropriate and robust processes were in place to complete the minimum assurance for operating the EBDS.

Energy Suppliers may be required to participate in a post payment sample-based assurance process, the purpose of which is to provide assurance that all EBDS payments have been delivered in line with the eligibility and other conditions for the Scheme. Appropriate evidence must be retained to evidence that all EBDS payments met all relevant criteria at the point of award.

For EBDS payments delivered, at a minimum Energy Suppliers must be able to evidence:

- the Customer was eligible to receive the Discounts delivered
- the value of EBDS payments delivered
- the date of EBDS payments delivered
- the payment was clearly itemised on the Customer bill or otherwise transparently and in a timely manner communicated to the Customer as a Discount funded by HM Department in line with the communication guidelines

## 6.4 Scheme Compliance & Enforcement

The Department will be responsible for conducting compliance checks, as well as setting out the terms and specifications of reporting and data requests and communicating these to Energy Suppliers.

If considered necessary by the Department enforcement action in relation to Energy Suppliers may be carried out by the regulators. This will be Ofgem for the GB Scheme and Uregni for the NI Scheme.

The Department will work collaboratively with Ofgem and Uregni to ensure that compliance cases are transferred to regulators at the required standard that will enable them to execute enforcement obligations effectively.

## 7. Glossary and Key Scheme Terms

This glossary lists and provides definitions for terms used in this guidance document. Most but not all of these terms are defined in the Regulations at regulation 2(1) (and the glossary either repeats or summarises that definition). Unless indicated otherwise, they apply to both GB and NI Schemes.

These terms have been capitalised in this guidance document.

Certification Portal	The mechanism for the submission of ETII applications and QHS applications, information required to be submitted with those applications, revisions of that information, and related communications.
Certified ETII	A qualifying ETII in request of whom an ETII certificate has been issued and not revoked
Certified Heat Supplier	A Qualifying Heat Supplier in request of whom a QHS certificate has been issued and not revoked
CHP or Combined Heat and Power Plant	A system which involves the simultaneous generation of heat and power in a single process
CHP-scheme	Means all the equipment, operating systems and monitoring systems for the total system of a CHP
Claims Window	A period in which an Energy Supplier may submit a Discount Recovery Claim.
Contracted Wholesale Price	In relation to a supply contract, that part of the supply price which represents the cost to the Energy Supplier at the wholesale price of energy supplied under the contract.
Corporate Power Purchase Agreement	A long-term contract under which a business agrees to purchase electricity directly from an energy generator.
Customer	A person or entity, other than an excluded electricity consumer, supplied with electricity by way of non-domestic electricity supply or with gas by way of non-domestic gas supply.
Discount	Means the reduction (in p/kWh) in the Supply Price under a supply contract to be applied as per the EBDS in respect of that contract for any period
Discount Recovery Claim	A claim submitted by a Supplier in order to obtain from the Department the amounts by which its charges under supply contracts have been reduced by the application of Discounts under the EBDS (electricity and/or gas Scheme)
DAI Price Contract (for the NI Scheme)	An electricity supply contract under which the Contracted Wholesale Price is determined solely by reference to a day-ahead index of the wholesale price for electricity.
EBDS or the Scheme	The Energy Bills Relief Scheme for Non-Domestic Customers in Great Britain and Northern Ireland



EBRS	Energy Bills Relief Scheme for Non- Domestic Customers in Great Britain and Northern Ireland
End User	The individual or organisation (at the end of the chain of supply) that is the final consumer of energy supplied by a licensed Energy Supplier, or of heat produced using that energy.
Energy Supplier or Supplier	An energy company, licenced by Ofgem to supply gas or electricity to an End Consumer.
ETII Applicant	A person or organisation that makes an application to become a Certified ETII
ETII Application	An application for an ETII Certificate
ETII Certificate	A certificate issued under EBDS Regulation 16(1)
Fixed Price Contract	A supply contract under which, at the time the contract is entered into, the Contracted Wholesale Price is fixed for the term of the contract.
Flexible Price Contract	(For the GB Scheme:) A supply contract, under which the Customer may elect from time to time to fix the contracted wholesale price for particular quantities of energy to be supplied during certain periods, and to cancel any such fixing of the Contracted Wholesale Price, or which provides another mechanism by which the Contracted Wholesale Price will be determined for periods specified in or determined under the contract.  (For the NI Scheme, Flexible Price Contract has the same definition as for the GB Scheme, except for the NI Scheme the definition excludes DAI Price Contracts.)
Government Supported Price (GSP)	The wholesale energy price set for the purposes of the Scheme as an affordable value per unit for non-standard business Customers. GSPs are set (in £/MWh) for gas and electricity (a separate, single price for each, and separately for GB and NI). The GSP is the same for all Customers and the same for all settlement periods (half-hours / days). The GSP can be amended by the Department.
Heat Network	A network that, by distributing a liquid or a gas, enables the transfer of thermal energy for the purpose of supplying heating or hot water to a building or persons in that building.
Heat Consumer	Means a consumer supplied with heating or hot water, for domestic or non-domestic purposes, through a heat network.
Intermediary	An entity who supplies or otherwise makes available energy (that has been supplied by a Supplier), or heating, hot water or electricity produced with that energy, to another person. A Customer may be an Intermediary, as well as others in a chain of supply via a Customer. Note in the Scheme Regulations this entity is referred to as a provider.
Maximum Discount	A cap to Discount applied to the Customer's Supply Price to ensure the Discount does not exceed a maximum value
Minimum Supply Price	A cap to the EBDS Discount to ensure that the Discount application does not cause the Customer's Supply Price to drop below the Minimum Supply Price.  The Minimum Supply Price should be applied to electricity and gas unit rates as billed to the Customer and not to standing charges or other charges.

Non-Domestic Customer or Customer	A person to whom Energy is provided by way of GB Non-Domestic electricity supply, GB Non-Domestic gas supply, NI Non-Domestic electricity supply or NI Non-Domestic gas supply
Non-Standard Customer (NSC)	A non-domestic customer supplied with energy that has not been supplied by a licensed Supplier. NSCs are not within the scope of the main EBDS Scheme.
Non-Standard Scheme Regulations	The Energy Bills Discount Scheme (Non-Standard Cases) Regulations 2023.
Passthrough	The amount (in £) of Energy Cost Support to be passed through from an Intermediary to an End User or consumer under the pass-through regulations.
Price-Fix Date	The date where the price is fixed under a fixed price contract.
Qualifying Heat Supplier (QHS)	An entity who makes and charges for a qualifying heat supply. This applies to organisations that supply heating and hot water through Heat Networks.
QHS Applicant	An entity in respect of which an QHS application is made.
QHS Application	An application for a QHS certificate in respect of a Heat Network.
QHS Certificate	A certificate issued under regulation 17(1).
Reference Wholesale Price	In relation to a supply contract and a period of supply, the wholesale price which is deemed for the purposes of the Scheme to be the Contracted Wholesale Price, as determined under regulation 10 or in accordance with regulation 11.
Scheme Start Date	Means 01 April 2023, the date on which the Scheme starts.
Scheme Introduction Date	Means 26 April 2023, the date on which the Regulations and Rules are introduced.
Scheme Portal	Means online mechanism for the submission of discount recovery claims, information required to be submitted with those claims, and related communications.
Scheme Regulations	The Energy Bills Discount Scheme Regulations 2023.
SIC code	A code at the level “class” defined by 4 digits, included in the UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007) published by the Office for National Statistics in December 2009 with ISBN number 978-0-230-21012-7.
Supply Contract	A contract, including a deemed contract or an out-of-contract contract, between an Energy Supplier and a Customer which provides for non-domestic electricity supply or non-domestic gas supply at any time during the Scheme period.
Supply Price	Means a) the price of energy supplied under a supply contract so far as that price is to be paid in respect of the quantity of energy supplied in any period or b) the average of prices in the relevant period.

The Department	The Department for Energy Security and Net Zero.
The EBDS GB/NI Rules	Energy Bills Discount Scheme Rules 2023 covering Great Britain and Northern Ireland
Variable Price Contract	A supply contract under which the Energy Supplier may change the Contracted Wholesale Price at any time by giving notice (as provided in the contract) to the Customer.
Weighted Average Price (WAP)	The weighted average of the Wholesale Energy Price(s) for flexible contracts
Wholesale Price or Wholesale Energy Price	A price at which electricity or gas is traded in the wholesale electricity or gas market.

# Annex

## Annex 1: Claims Window openings and closures for EBDS

Claims Window 1	
Claims window opens	02-May 23
Claims window closes	16-May 23
Scheduled Payment to Energy Supplier	30-May 23

Claims Window 2	
Claims window opens	01-Jun 23
Claims window closes	14-Jun 23
Scheduled Payment to Energy Supplier	29-Jun 23

Claims Window 3	
Claims window opens	03-Jul 23
Claims window closes	14-Jul 23
Scheduled Payment to Energy Supplier	28-Jul 23

Claims Window 4	
Claims window opens	01-Aug 23
Claims window closes	14-Aug 23
Scheduled Payment to Energy Supplier	30-Aug 23

Claims Window 5	
Claims window opens	01-Sept 23
Claims window closes	14-Sept 23
Scheduled Payment to Energy Supplier	28-Sept 23

Claims Window 6	
Claims window opens	02-Oct 23
Claims window closes	16-Oct 23
Scheduled Payment to Energy Supplier	30-Oct 23

Claims Window 7	
Claims window opens	01-Nov 23
Claims window closes	14-Nov 23
Scheduled Payment to Energy Supplier	29-Nov 23

Claims Window 8	
Claims window opens	01-Dec 23
Claims window closes	14-Dec 23
Scheduled Payment to Energy Supplier	28-Dec 23

Claims Window 9	
Claims window opens	02-Jan -24
Claims window closes	15-Jan -24
Scheduled Payment to Energy Supplier	30-Jan -24

Claims Window 10	
Claims window opens	01-Feb -24
Claims window closes	14-Feb -24
Scheduled Payment to Energy Supplier	28-Feb -24

Claims Window 11	
Claims window opens	01-Mar -24
Claims window closes	14-Mar -24
Scheduled Payment to Energy Supplier	27-Mar -24

Claims Window 12	
Claims window opens	02-Apr -24
Claims window closes	15-Apr -24
Scheduled Payment to Energy Supplier	29-Apr -24

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This publication is available from: [www.gov.uk/government/publications/energy-bills-discount-scheme-factsheet](http://www.gov.uk/government/publications/energy-bills-discount-scheme-factsheet)

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