Department for Business, Innovation, Science and Trade

British Industrial Competitiveness Scheme: guidance for suppliers

November 2026

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1. Introduction

1.1. Scheme overview

The Government is working in partnership with businesses, mayors and local government to drive good growth and create good jobs across the country. Our ambition is to engineer the reindustrialisation of the United Kingdom, building on what we've achieved through our Modern Industrial Strategy and make it easier for our businesses to compete and succeed.

A key part of delivering that ambition is addressing industrial electricity costs. We are clear that the long-term answers to the challenges around energy security, affordability and sustainability point in the same direction – clean energy. Clean power remains fundamental to strengthening our energy security and reducing exposure to volatile fossil fuel markets and we will continue to push towards clean power, while putting affordability at the heart of our approach.

To address the more immediate electricity cost challenges, the Government is pressing ahead with the British Industrial Competitiveness Scheme (BICS) as part of its Modern Industrial Strategy. The scheme is designed to support eligible manufacturing businesses frontier industries within the Industrial Strategy growth driving sectors (the 'IS-8'), together with the manufacturing foundational industries that provide important inputs to the frontier industries.

By reducing electricity costs for eligible businesses, BICS will strengthen our industrial competitiveness, encourage investment and support high-quality manufacturing jobs across Great Britain.

Under the scheme, eligible businesses will receive exemptions from the indirect costs associated with the Renewables Obligation (RO), Feed-in Tariffs (FiT) and Capacity Market (CM).

Electricity suppliers play a key role in the delivery of BICS. Suppliers will be required to support scheme administration and delivery through agreed operational and data-sharing arrangements.

This guidance explains the processes, requirements and responsibilities applicable to participating suppliers.

1.2. About this guidance

This guidance should be read alongside the BICS Business Guidance and is intended specifically for electricity suppliers participating in BICS.

The purpose of this document is to support suppliers in preparing for and delivering the scheme. It sets out the practical, technical and operational requirements associated with BICS, including supplier responsibilities, data-sharing arrangements, levy compliance obligations, application of exemptions, customer scenarios, reporting requirements and available support.

The guidance covers:

- the role suppliers play in the successful operation of the scheme;
- how suppliers will access and use eligibility information;
- customer communications, data-sharing arrangements and GDPR considerations;
- how BICS affects existing levy obligations and reporting requirements;
- the practical application of exemptions to eligible supply points;
- how savings should be passed through to customers;
- the treatment of changes in circumstances, including customer switching and eligibility changes;
- exchequer funding arrangements; and
- the administration of additional payments.

This guidance will be kept under review and updated where necessary to reflect changes to scheme delivery, operational processes, supporting legislation or published policy decisions. Suppliers will be notified of material updates through established programme engagement channels.

The implementation of BICS requires amendments to the existing secondary legislation underpinning the Renewables Obligation (RO), Feed-in Tariffs (FiT) and Capacity Market (CM). An instrument to implement the RO and CM exemptions came into force on 6 November and an instrument to implement the FiT exemption is due to come into force on 3

December, subject to parliamentary approval. This guidance is subject to the relevant legislation coming into force.

1.3. Timings

With respect to supplier onboarding, the key dates are:

- **October 2026:** Final Technical Specifications issued for year-1 Application Programming Interface (API) and Secure File Transfer Protocol (SFTP)
- **From mid/late November 2026:** staging and integration
- **From 1 December 2026:** production onboarding and integration
- **From 4 January 2027:** production testing
- **By mid-March 2027:** technical integration complete
- **April 2027:** business exemption from paying the indirect costs of the RO and FiT start
- **October 2027:** business exemption from paying the indirect costs of the CM (in addition to RO and FiT) start

1.4. Supplier onboarding checklist

To support onboarding, suppliers should:

- nominate business, technical and operational points of contact (by November 2026);
- review the Supplier Guidance and technical specifications (by November 2026);
- confirm they will be integrating with API, or whether SFTP will be initially used (by November 2026);
- review and enter into the Data Sharing Agreement (From 1st December 2026);
- complete technical onboarding and testing activities (by mid-March 2027);
- participate in supplier engagement forums and readiness activities (ongoing); and
- ensure internal operational teams are prepared for scheme implementation (ongoing).

Licensed energy suppliers will play a critical role in the effective delivery of BICS. Suppliers will support the administration of the scheme through the provision of specified data, participation in onboarding and assurance activities, implementation of the agreed technical integration, and compliance with relevant operational requirements.

We recognise that suppliers require clarity, certainty and practical support to prepare for implementation. The Department will work collaboratively with suppliers throughout onboarding and delivery, providing technical documentation, engagement forums and access to policy teams.

2. What we expect of suppliers

2.1. Suppliers' role in making the scheme work

BICS is a live exemption scheme whereby relief is provided through exemption of specific policy costs and does not operate retrospectively or as compensation. The costs of exemptions are redistributed across the wider electricity system and will be offset through a combination of changes within the energy system – the re-indexation of RO/FiTs and removal of Carbon Price Support from April 2028 - and Exchequer funding. Further information on the funding of the scheme can be found in section 7.

The first-year additional payment aside, the scheme does not involve direct government payments to suppliers or eligible businesses.

Suppliers will play a key role in the delivery of BICS, as they pass on the indirect costs of RO, FiT and CM levies to customers, and therefore will be responsible to apply exemptions from the costs that would otherwise be charged to eligible businesses.

Eligibility decisions will be made by the Department of Business Innovation Science and Trade (BIST) and communicated to suppliers by early 2027. Further detail on eligibility decisions can be found in section 2.2. BIST will also be responsible for issuing, amending, and revoking BICS eligibility certificates, monitoring and auditing scheme operations.

Main supplier responsibilities

Suppliers are expected to pass on the full value of BICS exemptions to eligible businesses in a timely manner and should ensure systems and billing processes are set up to process exemptions

As under the British Industrial Supercharger (BIS) scheme, suppliers will be required to set up relevant metering and data arrangements to ensure validation of BICS exemptions. In delivering BICS suppliers will need to:

- validate BICS exemption information received;
- determine appropriate mechanisms to pass through BICS exemptions;
- complete any required industry notifications;

- record exemptions against the relevant customers;
- apply exemptions;
- communicate exemptions to customers;
- keep records to support reporting and assurance; and
- manage corrections, changes, expiry and revocations as directed by BIST.

Information on how suppliers can do this in practice will be further detailed within section 4 of this guidance document

Suppliers should also integrate BICS exemptions into levy settlement processes. This includes integrating BICS exemptions into:

- CM supplier forecasting and pay CM supplier charges adjusted for BICS exemptions; and
- RO and FiT compliance processes, including in ringfencing and mutualisation processes and pay RO and FiT supplier charges adjusted for BICS exemptions.

Supplier levy liabilities will be appropriately adjusted as set out in legislation and ESC and Ofgem guidance.

2.2. Scheme timeline/outline for suppliers

BICS is a rolling scheme with a planned review in 2030. New businesses will be able to apply each year on a fixed application window basis. There will be no mid-year introductions of new businesses onto the scheme. In line with their established delivery years, the RO and FiT exemptions will be applied from April each year, while the CM payments will apply from October each year.

For the first year of BICS, the key dates are the following:

- **30 November 2026 at 11:59pm:** Application window closes.
- **By early 2027:** Businesses will receive confirmation of their eligibility decision and suppliers receive confirmation of customers in their portfolio that will be eligible for BICS.

- **April 2027:** Suppliers will begin providing exemptions from paying the indirect costs of the RO and FiT.
- **October 2027:** Suppliers will begin providing exemptions from paying the indirect costs of the CM.

Eligible businesses will receive exemptions that are valid for 5 years, subject to an annual declaration and mid-point review at year 2. For RO and FiT exemptions, the BICS exemption will remain valid until April of the final year. For CM exemptions, the exemption will remain valid until October of the final year.

Annual declarations: The declaration must be submitted online by businesses between December and the end of January. It will take place in year 1, 3 and 4 of a business's eligibility period.

Year 2 review: Will be a combination of an annual declaration and a full eligibility reassessment. If a business starts receiving BICS exemptions in 2027 they will be required to do this between April and November 2028.

Year 5 renewal: Where businesses want to continue receiving support once its BICS exemption expires, they will need to submit a renewal application in their final year of eligibility.

Suppliers will be expected to provide exemptions for the entirety of the exemption validity period, subject to any changes in circumstances highlighted through the above processes and ad-hoc reporting (e.g. a business is no longer your customer, or has validity revoked). See section 6 for more information on changes in circumstances.

2.3. How suppliers will access and use eligibility information

Suppliers can access BICS exemption data through the BICS API. To support suppliers who are not able to receive data through an API, exemption data will also be available through Secure File Transfer Protocol (SFTP) until 1 September 2027. All suppliers will be expected to migrate to the API after this date. To request copies of the technical specifications, email bics.supplier.onboarding@businessandtrade.gov.uk.

API

The API is the strategic access method and should be used wherever possible. It provides secure, system-to-system access to the supplier's complete current exemption dataset in CSV format.

SFTP

SFTP is a temporary option for suppliers unable to use the API at scheme launch. Under this method, the supplier hosts the SFTP service and BICS delivers a complete CSV dataset daily. Suppliers using SFTP must plan to migrate to the API. BIST intends to retire SFTP by 1 September 2027.

Migration to the API

Suppliers using SFTP are encouraged to begin API onboarding as soon as they are able. There is no separate migration process for SFTP suppliers; the standard API onboarding and testing process applies. Suppliers may onboard to and begin using the API at any point while continuing to use SFTP.

SFTP support will be withdrawn on 1 September 2027, so suppliers should allow sufficient time to complete API onboarding and testing before this date. There is no planned extension or alternative SFTP support beyond 1 September 2027.

Onboarding

Suppliers must use the BICS onboarding portal to onboard for API or SFTP access. The portal will collect the organisation, contact and technical information required and enable suppliers to provide any additional information needed to support their connection. Access to the portal requires GOV.UK One Login and uses a Companies House authentication flow. The person completing onboarding must either be an administrator of the organisation's Companies House account or have access delegated to them by an administrator, which will be managed by the onboarding portal.

EMRS Data

BICS data will be sent to EMRS through an API in order that data is shared in a timely manner and avoids notification delays between parties.

2.4. Data-sharing arrangements

The scheme warrants a data sharing arrangement between BIST and the energy suppliers to enable the legal exchange of exemption data – including but not limited to meter serial numbers / supply point identifiers – to allow for the lawful application of levy exemptions to be applied for eligible businesses.

Purpose

The sole purpose of this data share is to allow both parties (BIST and the energy suppliers) to successfully implement the BICS scheme, by passing on BICS exemptions to their eligible customers.

Data that is exchanged should not be used for any other purpose other than to allow for the application of levy exemptions to be applied for eligible businesses.

The sharing of this data is vital to improving the UK's attractiveness as a location for industrial investment, and so agreeing to the principles outlined within this document will in turn will support HMG in reducing energy price pressures facing frontier and foundational industries in the UK today.

Parties

The parties to this data share are:

- BIST
- Energy suppliers

BIST will be providing energy suppliers with a daily snapshot of the current BICS exemption to be applied to each metered supply point (MPAN or BMU) on that day.

Data

BIST will share (at least) the following data fields with the energy suppliers on a daily basis:

- The type of the metered supply point, either an MPAN or a BMU;
- The industry-standard unique identifier for the supply point;
- The percentage amount of the exemption;

- The (inclusive) start date of the exemption;
- The (inclusive, expected) end date of the exemption.

Further technical details about this data share are to be found in the following documents:

- BICS Exemption Data Integration API;
- BICS – Exemption Data Specification – SFTP

Please note that **no personally identifiable information will be shared** as part of this arrangement, in either direction.

Legal Basis

BICS is established in UK secondary legislation.

As part of the application process, eligible companies have given informed consent for data to be shared between BIST and the energy suppliers in order to implement BICS exemptions.

Roles and Responsibilities

Both parties (BIST and the energy suppliers) acknowledge that they may act as a Data Sender and/or a Data Recipient under this data share arrangement.

BIST is responsible for sharing an accurate, up-to-date snapshot of the BICS Exemption Ledger with the energy companies on a daily basis.

The energy suppliers are responsible for processing this snapshot immediately upon download. This will involve identifying exactly those metered supply points in the data that they are responsible for supplying, and then updating their internal records so as to pass on the correct exemption to the correct customers.

It is important to note that energy suppliers are **not** expected to undertake additional eligibility, company identity or other validation checks before applying the exemption. BIST remains responsible for the underlying exemption data and subsequent validation.

Further technical details about roles and responsibilities are to be found in the following documents:

- BICS Exemption Data Integration API;
- BICS – Exemption Data Specification – SFTP

Retention and Disposal

The Recipient shall not retain the Shared Data for longer than is necessary to fulfil the agreed purpose or to meet applicable legal or regulatory requirements. When the Shared Data is no longer required, it shall be securely deleted, destroyed or irreversibly anonymised, including any copies held by the Recipient.

Onward Sharing

The Recipient shall not share the Shared Data with any third party except where necessary for the Permitted Purpose, required by law, or agreed in writing with the Data Sender. Any permitted onward sharing shall be limited to the minimum data necessary and subject to appropriate contractual and security safeguards.

Note that onward sharing from both parties to **EMR Settlement** (and by extension to other settlement agencies) is explicitly assumed for purposes of this data sharing arrangement, since this is necessary for successful implementation and reporting of the BICS scheme.

3. Levy compliance obligations

3.1. How BICS exemptions impact your key obligations

Overview

This section outlines how BICS affects your obligations under existing government schemes. This includes both changes to calculation methodologies and to your reporting requirements.

There are also new reporting expectations which are specific to BICS. These are set out in section 3.3.

Renewables Obligation

How BICS impacts the calculation of your obligation

The number of ROCs you must present is calculated as follows:

Supplier Obligation (ROCs) =

Total relevant electricity supplied (MWh) × Obligation level (ROCs/MWh)

For obligation periods prior to 1st April 2027, a supplier's relevant electricity (G) is determined according to the following formula:

$$G = (B+C+D) - F$$

Where:

B = supply to customers connected directly to a licensed distribution network

C = supply to customers connected to a licence-exempt distribution network

D = supply to customers connected directly to the transmission system

And F = supply to EIIs which is exempt from RO costs ('EII Excluded Electricity').

For obligation periods after 1 April 2027, electricity supplied under BICS exemptions will be subtracted from the total relevant electricity, in the same way that EII-excluded electricity currently is subtracted.

This means your obligation (G) will now be calculated as:

$$G = (B+C+D) – F – H$$

Where...

B = supply to customers connected directly to a licensed distribution network

C = supply to customers connected to a licence-exempt distribution network

D = supply to customers connected directly to the transmission system

F = supply to EIIs which is exempt from RO costs ('EII Excluded Electricity').

And H = supply to BICS-eligible customers which is exempt from RO costs ('BICS Excluded Electricity).

How BICS impacts RO timelines

The timelines for setting and communicating RO levels remain unchanged. RO levels will be published on 1st October preceding the obligation period.

How BICS impacts your RO reporting requirements

To support the new method of calculation, your reporting requirements will also change. As a general rule, any data which you already monitor and report for EII excluded electricity, you must now also report for BICS excluded electricity.

In addition to your previous reporting requirements, you must now also report the following for each obligation period beginning on or after 1 April 2027:

- **By no later than 1 June** following the period, you must provide **estimates** of the amount of BICS excluded electricity you have supplied to customers in England and Wales during each month—
    - of an obligation period beginning on or after 1 April 2027; or
    - in respect of which a revised obligation level applies.

- **By no later than 1 July** following the period, you must provide **actual figures** showing the amount of BICS excluded electricity you have supplied to customers in England and Wales during each month—
    - of an obligation period beginning on or after 1 April 2027; or
    - in respect of which a revised obligation level applies.
- These new requirements will be reflected in Ofgem's annual reminder (sent in April or May each year).

Feed-In Tariffs

The Feed-in Tariffs (FiT) scheme requires some electricity suppliers ('FiT Licensees') to pay fixed tariffs to FiT generators for the electricity their accredited installation generates and exports to the grid.

Scheme costs are met every quarter through payments from licensed electricity suppliers, with a levelisation process ensuring that each licensee has paid or received the correct amount. The amount each supplier pays (or receives) is based on their share of the electricity supply market of Great Britain. When suppliers' market share is calculated, electricity supplied under EII exemptions is excluded.

For FiT years beginning on or after 1st April 2027, electricity supplied under BICS exemptions will also be excluded from this calculation.

This means that, in addition to monitoring and submitting data on EII Excluded Electricity, you will also need to submit data on BICS Excluded Electricity (in MWh) to Ofgem via the Central FiT Register.

Otherwise, your obligations under the FiT scheme remain the same. You must continue to carry out your duties under the FiT Order and Conditions 33 and 34 of the Standard Conditions of Electricity Supply Licences , including:

- Making FiT payments
- Registering FiT generators that switch to you
- Ensuring that the information provided by the FiT generator is accurate
- Updating the Central FiT Register (CFR) as required

- Verifying meter readings provided by FiT generators.

Capacity Market

The capacity market supplier charge now takes into account BICS-excluded electricity alongside EII-excluded electricity. Suppliers' reporting requirements remain unchanged.

Contracts for Difference (CfD)

BICS does not exempt eligible businesses from CfD levies. However, the scheme is partially funded through an Exchequer-funded reduction to the CfD Interim Levy Rate, which offsets the increase to ineligible consumers' bills that would otherwise occur as a result of BICS exemptions. Further information about the BICS CfD offset will be provided in a forthcoming BIST scheme funding publication.

This offset will be reflected in the CfD allowance of the energy price cap, to ensure that domestic consumers receive the intended benefit. Ofgem have explained how the BICS offset affects the price cap methodology in their November 2026 consultation, linked here.

Your reporting requirements under the CfD scheme will not change.

All obligations under other schemes remain unaffected.

3.2. Counting exemptions correctly

To support suppliers with counting exemptions correctly, Ofgem will update their existing FIT and RO guidance documents where they refer to EII-excluded electricity to cover BICS-excluded electricity as well. This document. A link to that guidance will be added to this document when it is complete, and you should refer to both documents to ensure you are able to count exemptions correctly.

The section below provides an explanation of how BICS exemptions may interact with those given under the British Industry Supercharger (BIS) scheme.

Accounting for overlap between BICS and British Industry Supercharger exemptions

Some sectors are eligible for both BICS and BIS support. The schemes are not mutually exclusive and a business may receive benefits under both schemes at once. However, the exemptions from each scheme must cover different parts of a business's overall activity and electricity consumption.

Both BICS and BIS allow for partial exemptions to be applied to an MPAN. Where this occurs, our policy is to allow both exemptions to apply to different portions of consumption on the same MPAN.

This would only apply in cases where:

- a BIS beneficiary has an exemption at a level less than 100% of an MPAN;
- the residual consumption on the MPAN is eligible for BICS; and
- the company chooses to apply for a BICS exemption covering the residual consumption and is successful in doing so.

In practice, we expect this to occur very rarely. There are only c. 600 BIS beneficiaries, the majority of whom receive 100% exemptions at MPAN level, and not all BIS-eligible sectors are eligible for BICS, meaning there will be limited cases where residual consumption is eligible for BICS. Nevertheless, we have set out a process for applying exemptions for both schemes to the same MPAN.

The BICS data record shared with EMRS will break down exemptions for each MPAN by scheme, levy and exemption rate, giving suppliers the relevant information to process exemptions correctly. The information provided below covers how BIST will calculate the relevant exemption levels where there is overlap between schemes. This is not essential for suppliers to know in order to process these exemptions accurately, but is provided here for context.

Calculating and applying BICS exemptions where a BIS exemption is in place

Where a BIS exemption is already in place on an MPAN, the calculation of BICS relief will take this into account. Whatever level is calculated for the site-wide exemption (50% or 100% exemption) will be applied only to the residual consumption on the MPAN not already covered by the BIS EII certificate. This prevents MPAN-level exemptions from exceeding 100%

Example 1 – Existing EII certificate

A business has an EII certificate in force for MPAN X, covering 70% of consumption.

The business subsequently applies for BICS. Based on the ratio of eligible and ineligible activity at the site, they are awarded a 50% exemption.

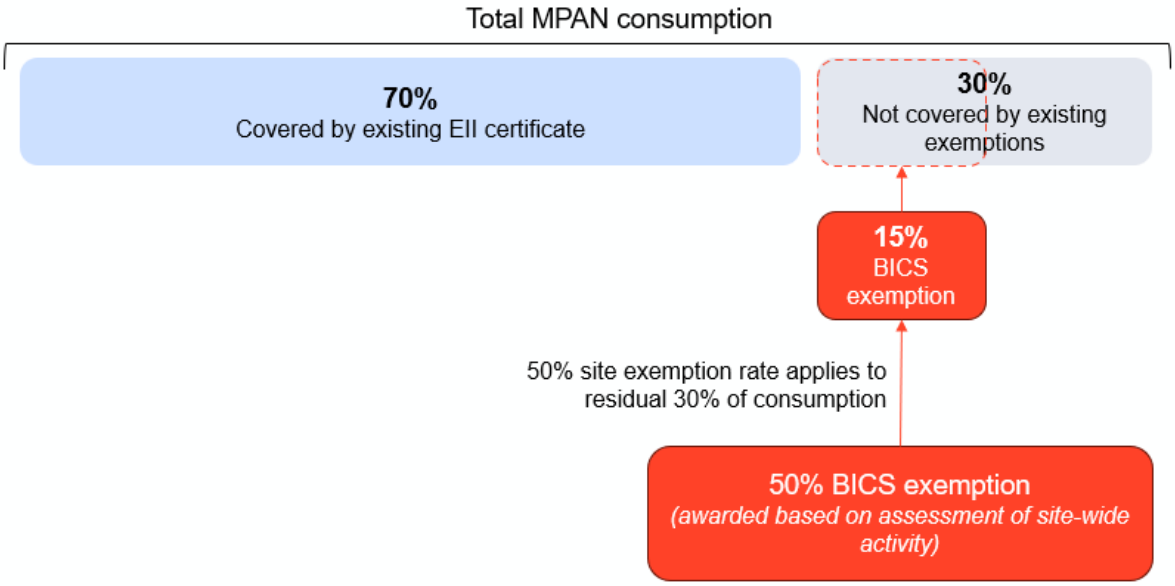
The 50% exemption rate for BICS is applied to the 30% of consumption not already covered by the EII certificate. This results in a 15% exemption at MPAN level in respect of BICS.

Expressed in terms of individual levies, this means:

85% (70% EII + 15% BICS) of consumption is exempt from RO, FiT and CM levies.

70% (EII only) of consumption is exempt from CfD and Nuclear RAB levies.

Figure 1. Applying a BICS exemption to an MPAN with an existing partial BIS exemption.



Shared MPANs and BICS/BIS overlap

In cases where a BICS beneficiary shares the use of an MPAN with other parties, BIST will take this into account when calculating the BICS relief. The site exemption rate in respect of BICS (50% or 100%) is applied to the residual consumption at the MPAN which is both:

- controlled/used by the applicant
- not already covered by an existing EII certificate

The bill payer would be responsible for ensuring that the correct benefit is passed through to the eligible BICS and EII beneficiaries. Section 4.2 sets out the type of information that would support bill payers to do this.

Example 2 - Existing EII certificate and shared MPAN

Two businesses, Business A and Business B, share an MPAN. Business A is responsible for 60% of consumption at the MPAN, and Business B is responsible for 40%.

Business A applies for BICS. Business B does not apply.

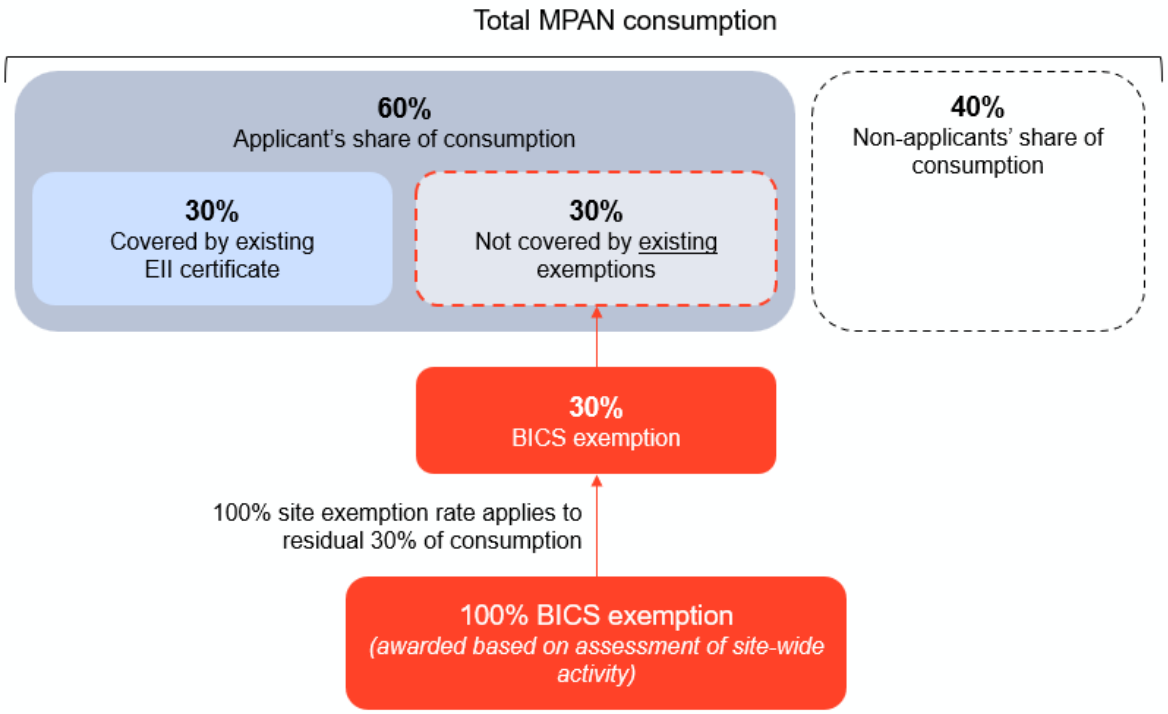
Business A also has an EII certificate in force which covers 30% of the total consumption at the MPAN (i.e half of Business A's activity).

BIST assesses Business A's application and calculates that it should receive a 100% exemption for electricity at the site, since all of its activity is eligible for BICS.

This 100% exemption does not apply to the proportion of MPAN consumption used by Business B (40%) or to the proportion covered by Business A's EII certificate (30%), but only to the remaining amount when these elements of consumption are excluded.

As a result, a 30% (100% - 40% - 30%) exemption is applied to the MPAN in respect of Business A's BICS exemption.

Figure 2. Applying a BICS exemption to a shared MPAN with an existing partial BIS exemption.



3.3. Supplier reporting, monitoring and assurance

As a supplier delivering BICS exemptions to your customers, we expect you to report certain information to the Department on a regular basis. This reporting is central to how the scheme is monitored. This section sets out what we expect you to report, how often and how, what assurance activity you should expect, and why this matters to the scheme's success.

What we expect you to report

From April 2027, we expect you to report the following for each reporting period:

- the volume (in MWh) and value (in pounds) of BICS exemptions applicable to your certified customers, calculated from your own records of exempt volumes and the applicable exemption rates, shown separately for each levy (RO, FiT and, from October 2027, Capacity Market);
- the value, in pounds, of those exemptions you have passed through to certified customers via bill reductions, or reflected in the price quoted; and
- a short method statement explaining how you calculated these figures and any difference between the applicable and passed-through values, including how you handled timing differences between receiving the exemption and reflecting it in a customer's bill, or quoted price, provided with your first report and updated only if your method changes.

Your pass-through rate is the value passed through as a percentage of the value of applicable exemptions. The Department will also compare the volume and value you report with the exemption volumes and values confirmed through Ofgem and the settlement bodies, and the volume with metered consumption at your certified sites. It will contact you if they differ so that any difference can be resolved early.

This data arrives on different timetables. FiT volumes are confirmed quarterly. RO volumes are confirmed annually, after the end of each obligation period (1 April to 31 March), with FiT data used as an interim indicator in between. Capacity Market figures are available from October 2027 and are updated as forecast figures are replaced by metered and then

reconciled data. The figures you report may therefore be checked against that data in a later period than the one they cover.

Where figures change after you have reported (for example estimates, rebills or backdated changes), please show the correction as a separate adjustment in your next return, not by restating the earlier period.

We will confirm the reporting frequency with suppliers and update this guidance before reporting begins. We expect to ask for reports within 20 working days of the end of each reporting period. How to submit your reports is set out below.

This pass-through reporting is central to how the scheme is monitored. The Department receives data from Ofgem and the relevant settlement bodies confirming the volume of exempt electricity across your certified customers, from which the value of the exemption is calculated; what only you can confirm is what happened to that value afterwards, and whether it reached the certified customer. Reporting this accurately protects you as much as it protects the scheme, since it is the primary evidence that exemptions have been passed through as intended.

Separately, the Department will ask suppliers to complete a short readiness and feedback survey every two months. Some suppliers will already have received surveys ahead of this guidance being published, and further rounds will follow through the scheme’s early months. The survey is short and focuses on whether you are ready and what would help.

Third-party and landlord arrangements

Where your certified customer is a third party, such as a landlord or site owner, rather than the eligible manufacturer directly, your reporting under this section covers the value passed through to that certified account holder only. It does not, by itself, evidence that the benefit has reached the manufacturer occupying the site, since you may have no direct relationship with that business. You are not asked to report on any later step. You do not need to tell us which of your customers are third parties.

Worked example: how your pass-through rate is calculated

In this illustrative example, Supplier A's records show BICS exemptions of 4,000 MWh, with a value of £120,000, applicable to its certified customers for the reporting period (RO and FiT).

In the same period, Supplier A applies bill credits or reduced charges totalling £114,000 to those customers, reflecting the exemption. It reports to the Department the volume, the applicable value and the amount passed through, with a method statement.

Supplier A's pass-through rate for the period is:

£114,000 ÷ £120,000 = 95%

Supplier A's method statement should explain the £6,000 difference. Acceptable explanations might include, for example, a small number of certified customers being invoiced for the period after the reporting deadline (a timing difference, which should be reported and reconciled in the following period), or specific accounts where the customer's certificate became effective partway through the period, meaning only pro-rated relief was due.

If the £6,000 was a timing difference, then in the following reporting period Supplier A's applicable exemptions are £90,000 (3,000 MWh) and it applies £90,000 to bills. It also credits the £6,000 relating to the earlier period. It reports £90,000 as passed through for the period, a pass-through rate of 100%, and shows the £6,000 separately as an adjustment to the earlier period. It does not restate the earlier return. Across the two periods, £210,000 was applicable and £210,000 was passed through.

A difference between the applicable and passed-through values is expected in some periods and is not in itself a concern. Where a difference has no explanation, the Department may follow up with you to understand it.

Where a supplier serves multiple certified customers on different contract types (fixed and flexible), please report the total across all certified customers for the period, not separately by contract type, though your method statement should note where different contract types

are treated differently in your billing process, since this may be relevant to understanding any variance.

How to submit your reports

Reports are submitted using a standard template, which the Department will send to your nominated BICS contact before reporting begins. Please return completed templates by email to the address given in the template. The template is short and asks only for figures most suppliers already hold for billing and levy settlement, so it should not require new data collection. If any of this is difficult to provide, please contact us early so we can agree a practical approach.

Assurance

Please keep the records behind your reported figures, in line with your existing record-keeping. At this stage we do not expect independent assurance or formal attestation.

The Department will use your reporting alongside data received from Ofgem, the settlement bodies and businesses themselves to assess whether exemptions are being delivered as intended. This includes comparing your reported figures with the relief expected from certified customers' metered consumption. Where reported figures do not match what a business declares it has received, or where a pattern emerges across your customer base that differs materially from other suppliers, the Department may follow up directly with you to understand the discrepancy. We will work through any queries with you directly and agree a reasonable time to respond.

Where needed, the Department may ask for further information about individual accounts.

Why this matters

The scheme's evaluation depends on this data. If exemptions are correctly calculated and paid to suppliers but not reflected in customer bills, the scheme will not deliver its intended benefit even though it appears, from a levy perspective, to be functioning correctly. Your reporting is the mechanism that allows the Department to distinguish between these two situations, and to identify and address any gap promptly, before it affects a large number of businesses. Where reporting is not provided, the Department can see what was exempted

but not whether it reached customers, so we will work with you to understand what is possible.

Exchequer funding and the CfD levy

Separately from BICS exemptions, Exchequer funding will be used to reduce the CfD levy. This works through an adjustment to the levy, which affects all levy-paying suppliers rather than certified BICS customers. The reporting set out earlier in this section therefore does not apply to it.

The Department intends to monitor whether the funding is reflected in the prices customers pay, drawing on information from LCCC and, for domestic customers, published price cap information. It also proposes to ask suppliers for a light-touch confirmation. The Department will discuss with suppliers what they can reasonably provide before finalising this request. No action is needed at this time.

4. Applying the exemption in practice

Suppliers will be expected to apply and pass exemptions onto eligible BICS customers in the full amount entitled and for the full length of the validity period that the business is a supplier's customer, whilst ensuring consistency with contractual and scheme requirements. Suppliers will apply relief from the 1 April 2027 for RO and FiT levy costs and from the 1 October 2027 for CM levy costs.

While each supplier will differ in their exact approach, below are a series of common steps that each supplier will need to take to apply the exemption in practice:

Identify BICS customers in your portfolio

As outlined above in section 2.2, suppliers will need to access eligibility data from BIST and identify the eligible businesses that they will need to provide exemptions for. Suppliers should have arrangements in place to receive the data needed to confirm an eligible customer and apply the exemption.

Suppliers should confirm they have sufficient and correct information before the exemption is applied to a customer.

Record and process the exemption

Suppliers should ensure that exemptions are appropriately recorded and applied in their systems, with correct exemption amounts confirmed. We understand that this may differ depending on systems used, but may include tagging meters or customers in systems as receiving exemptions or recording the exemption against the relevant meters, with applicable charge types, exemption entitlement and validity period.

Where required under applicable industry arrangements, suppliers should provide the relevant exemption information to the appointed industry party so that the exemption can be reflected correctly in settlement data and resolve any rejected or unsuccessful submissions in accordance with the applicable industry process.

4.1. Applying to different types of contracts

We understand that the approach suppliers take to apply and pass on exemptions will differ depending on supplier systems, existing processes to apply other types of exemptions,

types of contracts eligible BICS businesses are on and billing arrangements. Individual suppliers should determine the most appropriate mechanism for passing through exemptions to their customers. This may include:

Applying exemptions to flexible contracts with pass through rates

Where customers have flexible contracts with distinct RO, FiT and CM levy pass-through rates, suppliers should apply the recorded exemption to the relevant eligible pass-through charges on customer invoices for the applicable period. Suppliers may choose to do this by reducing the levies' unit rate to reflect the updated proportion the customer should be paying and pass through the updated BICS cost.

For example, where a business should receive a 100% exemption on RO, FiT and CM levy rates, a supplier may:

- reduce this pass-through element to £0/kwh price unit;
- apply the BICS exemption percentage to the consumption volume when calculating the amount to pay for these bill elements. This means a 100%-exempt customer would have the RO, FIT and CM elements calculated on zero volume, resulting in zero cost.

Similarly, where a business should receive a 50% exemption on RO, FiT and CM levy rates, a supplier may:

- reduce this pass-through element to half of its unit rate;
- apply the BICS exemption percentage of 50% to the consumption volume when calculating the amount to pay for these bill elements. This means a 50%-exempt customer would have the RO, FiT and CM elements calculated on 50% of total consumption volume, resulting in 50% of the cost.

Because the RO and FiT exemption come into force earlier than the CM, suppliers may wish to initially update pass-through rates for RO and FiT in April of each delivery year and make a further update to the unit rate when CM exemptions begin in October of each delivery year.

Applying exemptions to existing fixed-price contracts, including signed, but not yet commenced supply, or already on supply

We understand that where customers have signed and are already on fixed-price contracts, prices have already been set and agreed, often years in advance, and that these prices account for a fixed cost of RO, FiT and CM levies. To ensure businesses on a fixed-price contract can still receive their correct eligible discount, suppliers may choose, but are not limited, to:

- amend the contracted fixed-rate to account for exemption amounts. This would involve communicating with customers and reopening contracts to update prices to reflect the 50% or 100% exemption for RO, FiT and CM elements of the fixed-rate;
- amend the contract to separate RO, FiT and CM cost elements out of the fixed price and onto a new pass-through product. This would involve discussions with customers. Following this, customers would continue to be billed with the fixed rate for the majority of their bill, and pay RO, FiT and CM elements on a pass-through rate (either at zero cost or 50% cost);
- apply a BICS discount rate to the consumed volume during the bill period and provide businesses with a discount line applied to its bill. As suppliers set their own RO, FiT and CM rates to charge customers, suppliers would need to set their own discount rate, rather than a government-set rate.

Where a customer does not agree to a proposed contract variation, or negotiations are not completed by the exemption's effective date, suppliers should agree with its customer the most appropriate mechanism to pass on savings, which may include backdating savings to the exemption's effective date if delays result.

Applying exemptions to future contracts, not yet signed

When agreeing contracts with new customers who are eligible for BICS, suppliers may choose to:

- communicate with prospective customer during contract conversations to understand if they are already eligible and understand entitled exemptions;
- include expected exemptions into quoting and pricing systems;
- quote the price into fixed-price elements of contracts so that this accounts for 50% or 100% exemptions for RO, FiT and CM elements of the fixed-rate;

- agree with customers that RO, FiT and CM price elements should be disaggregated from an agreed fixed-rate in the contract and should be included as a pass-through product.

Applying exemptions to already billed periods

Where periodic billing, or due to time taken for suppliers to set new prices to account for BICS exemptions, it may arise that suppliers need to apply BICS exemptions to eligible periods for which invoices have already been issued to customers. To address this, suppliers will need to make necessary billing corrections promptly to ensure that exemptions are applied correctly from the appropriate effective date and should communicate the adjustment to the customer in line with their normal billing arrangements. Relief applies from the certificate's effective date only. There is no retrospective eligibility. To account for exemptions in the affected period, suppliers may:

- rebill the customer for period with an adjusted price;
- carry out a reconciliation for future bill periods;
- provide customers with a bill credit.

Suppliers should take time to discuss changes in billing and contracts with their BICS eligible customers and should begin these conversations at the earliest opportunity to provide clarity to businesses and ensure sufficient time to determine the appropriate pass-through mechanism and make any billing system changes required for this.

4.2. Communicating exemptions to customers

Suppliers will need to clearly communicate with customers that the entitled exemption has been applied to the relevant charges and should provide sufficient information to confirm this.

How suppliers show to customers that the exemption has been correctly passed through will depend on how levy charges appear on a customer contract and bill. We understand the levy charges for the RO, FiT, and CM (as well as other schemes not covered by BICS exemptions) may be:

- listed as individual line items;
- grouped together as a collective line item (labelled as ‘government levies’ or ‘FiT, RO and CfD charges’, for example);

- incorporated within the overall electricity bill and not listed as a separate line item.

Suppliers may choose to illustrate BICS exemptions by:

- including an itemised line item on a customers bill to show the eligible charge, exemption rate and the entitlement applied;
- listing the volume of consumption covered by the exemption and the volume of consumption still subject to the levy as 2 separate line items;
- providing a notification to businesses confirming changed prices and how these have been calculated to reflect the entitlement for BICS exemptions.

Suppliers are encouraged to clearly show BICS exemptions as a line item where possible to benefit suppliers' records and customer clarity but this will be up to individual supplier discretion.

Maintain records and internal controls

Suppliers will need to retain sufficient evidence of applying exemptions to customers, including evidence of the exemption information received, industry processing and billing adjustments, in order to support billing and settlement processes, monitoring and audit activities and to support communications with customers eligible for BICS exemptions.

Manage changes and corrections – see section 6 (Change of Circumstances)

Suppliers will need to ensure that exemptions are amended, updated or revoked where required so that exemptions are applied correctly in practise over time. Section 6 below outlines supplier responsibilities in relation to adjusting for changes in circumstances.

5. Special supply arrangements

5.1. Private networks and private wire

BICS applicants supplied through a private network or private wire may be eligible for the scheme where the electricity comes from the distribution network, attracts relevant BICS policy costs and can be verified through metering and settlement arrangements.

What suppliers need to do

Suppliers may be asked to:

- confirm the supply arrangement, boundary connection and meter numbers(s);
- confirm that applicable RO, FiT and CM costs are incurred;
- link the applicant's consumption and levy exposure to the arrangement;
- provide information needed by BIST and settlement bodies to verify the exemption;
- pass through exemptions awarded by BICS; and
- review details for shared meter arrangements as these may apply to multiple private wire applicants on a site.

The applicant provides the evidence and BIST determines eligibility. Suppliers do not assess wider eligibility. Suppliers should support applicants by providing requested documentation and information required to support their applications. Suppliers should also pass on exemptions.

Evidence of policy costs

Evidence may include supplier or landlord invoices, written levy confirmation, the boundary arrangement and associated MPAN or BMU, and six months of grid-consumption data. Levies do not need to appear as separate line items if the supplier confirms they are included in the tariff and other requirements are met.

Electricity in scope

Only grid-supplied electricity subject to BICS policy costs is eligible. Local or behind-the-meter generation is excluded and must be distinguished from eligible grid electricity.

Generator import meters

Private networks connected through a generator import meter are not eligible in year one because current settlement systems cannot verify and process the exemption.

Supplier checklist

Confirm that:

1. the private network connects to the distribution network;
2. the boundary meter is identifiable;
3. applicable RO, FiT and CM costs are incurred;
4. grid consumption and levy exposure are evidenced;
5. settlement arrangements can verify the exemption;
6. check shared meter arrangements; and
7. apply the exemptions.

If these conditions cannot be evidenced and verified, the exemption cannot be applied.

BIST determines eligibility; the applicant provides evidence. The supplier confirms the supply and levy position. Settlement bodies verify the exemption.

5.2. Balancing Mechanism Units (BMUs)

BMUs are being treated as a settlement identifier rather than as a separate eligibility route for BICS. BICS will use an associated MPAN where one exists; where there is no MPAN, the BMU may be used as the equivalent identifier, provided the applicant, manufacturing site, supplier or BSC Party, electricity account and settlement volumes can be linked and verified. BICS has asked the applicant to provide confirmation the applicable BICS levies are paid along with invoices from the suppler and a tenancy agreement to support an application. Suppliers are asked to support requests from their customers for evidence to support an application and demonstrate eligibility.

The BICS case work team may need to reach out to request additional information when reviewing an application for private wire and BMU applications. You are asked to support applicants with any additional requests for evidence.

What suppliers need to do

Suppliers may be asked to:

- confirm the BMU identifier, any associated MPAN and the relevant supplier or BSC Party;

- confirm that the BMU relates to the applicant's declared manufacturing site and to relevant grid-supplied industrial demand;
- confirm the supply and billing route, including any third-party or intermediary arrangement;
- confirm that applicable RO, FiT and CM costs are incurred and identify the consumption to which they apply;
- provide or validate settlement data linking eligible consumption to the BMU and applicant;
- identify and exclude generation, export, virtual or other non-relevant BMU volumes;
- review any shared-BMU arrangement so that relief is limited to the applicant's evidenced share;
- review any shared-BMU arrangement to support proportionate exemptions where there are shared BMU arrangements; and
- apply and pass through the exemption awarded under BICS, and amend or stop it following a notified change in circumstances.

Evidence and verification

Evidence may include supplier or BSC Party confirmation, the BMU registration and any associated MPAN, electricity invoices or third-party recharge statements, contractual evidence, and consumption or settlement data. Evidence requested is based on BICS understanding of what should be available to applicant businesses as part of their standard arrangements with their supplier.

The evidence must provide an auditable link between the legal entity, declared site, electricity account, BMU, eligible consumption and policy-cost exposure.

Where that link cannot be established, or settlement bodies cannot verify and process the exemption, the exemption cannot be applied. BICS has made exemptions conditional on levies being verifiable by settlement bodies.

How this mirrors the private-wire approach

- eligibility is conditional on evidence of relevant grid electricity, eligible consumption and RO, FiT and CM cost exposure where applicable;
- third-party billing, shared-meter arrangements and mixed generation or consumption require allocation and reconciliation;

- the applicant supplies evidence; applicants ask suppliers to confirm details to support the application (suppliers confirm the supply and levy position); applicant provides the confirmation of supplier levy position; BIST determines eligibility; settlement bodies verify that the exemption can be applied; and
- eligibility is conditional on levies being verifiable via settlement bodies.

Key differences from private wire

- where BMU data provides a direct, auditable settlement link, treatment may be closer to a standard settled supply;
- only the relevant grid-supplied BMU consumption is in scope; and
- for a BMU without an associated MPAN, the supplier or BSC Party must provide confirmation linking the BMU, site, account, volumes and policy costs.

Supplier information required to support applications

Applicants are asked to provide written confirmation from suppliers. Some of the evidence may be provided via tenancy agreements and invoices. Where they do not confirm details required, written confirmation from BMU suppliers should:

1. verify the BMU and any associated MPAN;
2. link the BMU to the applicant, declared site, account and supplier or BSC Party;
3. identify the relevant import or demand volumes and exclude generation, export and virtual volumes;
4. confirm RO, FiT and CM cost exposure for those volumes;
5. check third-party billing and any shared-BMU allocation;
6. confirm that settlement bodies can verify and process the exemption; and
7. apply, pass through and maintain the exemption in accordance with the BICS decision and applicable scheme requirements.

If an applicant's levy exposure and settlement route cannot be verified by settlement bodies, the exemption cannot be applied. We will make exemptions for private wires and BMU arrangements conditional on the ability of settlement bodies to apply the exemptions.

5.3. License Exempt Supply (LES)

Some meters may consume electricity that is licence exempt. BICS determination will not take into account any licence exempt supply (LES).

What suppliers need to do

If a supplier identifies that a MPAN is subject to licence exempt supply it should apply the BICS determination to the residual consumption on the MPAN.

Suppliers should note in the method statement submitted with their BICS reporting (see Section 3.3) where License Exempt Supply (LES) reduces the BICS volume on a meter, or where they have chosen not to apply BICS to a meter with LES.

A supplier should also communicate to a LES customer how BICS will be applied.

6. Change of circumstances

6.1. Customers switching supplier, and how the exemption moves across

Over the lifetime of the scheme, we expect that some businesses will change supplier within the delivery year, particularly over the months of October and April each year. The scheme is designed to accommodate changes of supplier during the exemption validity period, and, according to the principles of the policy, the support businesses receive should not be interrupted when they do so.

BIST will provide all suppliers with the data record of MPANs eligible for BICS. It is each supplier's responsibility to identify the MPANs within that dataset for which they are responsible.

Where businesses switch supplier, this will be reflected in the regular updates to the BICS data record. it is the responsibility of the new supplier to ensure that eligible businesses continue to receive their exemptions, with minimal interruption to support. You may need to work with the business's former supplier to facilitate this. You may also wish to ask new potential customers if they have BICS exemptions in place, or expect to apply for BICS, to support prompt delivery of exemptions.

Supplier changes prior to April 2027

Businesses may switch supplier after applying for BICS, but before exemptions begin in April 2027. In this instance, the supplier information they provided to BIST in their application will not be accurate by the time their exemptions are due to begin.

BIST is implementing a process to identify supplier changes during this period and notify them to suppliers accordingly. This will be achieved through referring to data from Electralink.

BIST aims to provide all details of eligible businesses to suppliers by 29 January 2027. Where businesses change supplier before this date, those changes will be reflected in the information BIST provides to suppliers.

6.2. When a business' eligibility changes

Overview of changes in circumstance

In addition to changes of energy supplier, there are a number of other changes in circumstance which businesses may undergo within the validity period, some of which require actions from suppliers.

As above, where relevant changes occur, BIST will notify suppliers via updates to the BICS data record.

Depending on the nature of the change, they may be actioned at different points in the BICS process. The possible action points are:

- **Annual declaration window (December/January of years 1, 3, and 4):** After the first, third and fourth years of the certificate period, businesses must inform BIST of any changes in their details or activity which could impact their exemption, or confirm that none have taken place. Changes notified at this point take effect from the following delivery year.
- **Year 2 review:** After each business's second year of support, they will undergo a more in-depth review process which will look more closely at ongoing production activity. Changes notified at this point take effect from the following delivery year.
- **Ad-hoc**: Within the course of the scheme year, there will be a regular cycle whereby business can notify BIST of changes. Changes notified through this process take effect at a fixed interval after notification (an illustration of this process is provided later in this section).

The table below sets out the changes of circumstance which require notification, and the role of energy suppliers in processing each change. In all cases, suppliers will receive this information via updates to the daily exemption file.

What a business notifies	When it can be notified	How is this reflected in the daily exemption file?	Supplier action
Contact and company details – primary contact, address,	• Ad hoc ASAP • Annual Declaration	No change	No supplier action

bank details, trading status, name change			
Site details, meters and MPANs, including corrections	• Ad hoc ASAP • Annual Declaration • Year 2 review	Change to MPAN list	Apply corrected MPAN list from the effective date
Meter sharing arrangements change, so the applicant's share of metered electricity changes	• Ad hoc ASAP • Annual Declaration • Year 2 review	Change to exemption percentage	Suppliers action reductions on the monthly cycle; increases at the annual update
Eligible production or activity falls, or the mix shifts towards ineligible activity (where this results in a change in exemption tier)	• Ad hoc ASAP	Change to exemption percentage	Exemption percentage reduced in year, as soon as reasonably practicable
Eligible production increases, or new eligible sites and MPANs are added	• Annual Declaration • Year 2 review	Change to exemption percentage	Suppliers apply the increased exemption from the start of the delivery year
Starting to carry out activities in Northern Ireland	• Ad hoc ASAP • Annual Declaration	Change to MPAN list (Exemption revoked if relevant conditions met)	Revoke exemption if necessary
Legal entity changes – restructure, merger, acquisition or transfer of ownership	• Ad hoc ASAP	Change to MPAN list (where relevant)	Move the exemption to the new entity with no gap in cover
Third-party or landlord supply arrangements start, change or end	• Ad hoc ASAP • Annual Declaration (confirmation)	Change to MPAN list (Third party's exemption revoked or reissued; also revoked if the business's own exemption ends)	Apply exemptions to th exemption between the third party and the business

An error in the original application – never eligible, or too much support received	• Ad hoc (as soon as it is discovered)	Change to exemption percentage OR Change to MPAN list (where exemptions are revoked) Exemption reduced or revoked in year; over-claimed support may be recovered	Stop or reduce the exemption
Insolvency, closure, mothballing or cessation of operations at a site	• Ad hoc ASAP	Change to MPAN list (exemption revoked)	Stop applying the exemption
No annual declaration or year 2 review completed, or information knowingly incorrect	• Annual Declaration • Year 2 review	Change to MPAN list (exemption revoked)	Stop applying the exemption from the effective date
Change of energy supplier	• Ad hoc ASAP	Change to MPAN list (supplier details updated)	New supplier confirms eligibility and continues the exemption

As the table shows, where changes to production mean a business's entitlement will **decrease** (a site closes, or production at a site moves towards ineligible activity, resulting in a shift to a lower pro-rating band), these changes are to be actioned within the delivery year.

Where changes to production mean a business's entitlement will **increase** (a new site opens, or the proportion of eligible production at a site increases), these changes only take effect at the end of each delivery year.

Ad-hoc change process

The ad-hoc change process will run in repeating cycles from April 2027. The process will run as follows:

Month 1, Day 1	Cycle begins
Month 1, Day 5	Cut-off for businesses to notify BIST of relevant changes, in order for them to take effect from Month 2.
Month 1, Day 6-Day 20	BIST processes changes
Month 1, Day 20	BIST notifies suppliers of relevant changes

Month 1, Day 21 onwards	Suppliers process changes. Changes must take effect from the first day of the following month, but these can be backdated if necessary.
Month 2, Day 1	Changes take effect.

This timeline remains under review. If it becomes apparent that a quarterly cadence of changes would be more appropriate, we will amend the process and update this guidance accordingly.

Backdating of changes is not permissible in BICS. Where a business has not notified BIST by day 5 of the month, the change will be processed from the following month.

6.3. Fraud and non-compliance scenarios

BIST is committed to ensuring BICS support reaches eligible businesses, and that fraud and error are identified and addressed. Through use of checks at application stage, post award assurance checks and monitoring, mitigations to prevent fraud have been considered and put in place. We have accounted for the fact the scheme may be exposed to some levels of fraud and error. BIST will revoke exemptions immediately to address fraudulent exemptions or those applied in error.

BIST uses proportionate, risk-based checks to verify business, meter and consumption information, including targeted use of ElectraLink data.

Suppliers are not responsible for determining whether a business is eligible for BICS or investigating suspected fraud on behalf of BIST. BIST remains responsible for scheme assurance and eligibility decisions. However, BIST may need to ask suppliers to provide evidence to support any investigative work BIST or other agencies require.

An error or discrepancy will not, by itself, be treated as evidence of fraud. Where a supplier identifies an error affecting a BICS exemption, it should notify BIST promptly so that the issue can be considered and, where appropriate, corrected. Administrative errors should be raised with EMRS.BIST will continue to work with settlement bodies to review and resolve anomalies.

What suppliers should do

- provide accurate information through agreed BICS processes;

- respond to reasonable requests about customers, sites, MPANs, consumption and supply arrangements;
- apply exemptions only to the customers, meters and levels notified by BIST; and
- report unexplained discrepancies through the designated supplier route and helping BIST understand apparent discrepancies.

Suppliers are not expected to determine that fraud has occurred. However, information available through normal supplier activity may highlight something that BIST should review whether it is potential fraud or human error. Suppliers are expected to notify BIST of any concerns or errors relating to exemptions.

Issues to flag

Examples include:

- consumption discrepancies;
- duplicate, overlapping or inconsistent exemptions;
- incorrect shared-meter arrangements;
- concerns that minimum consumption requirements are not met (33 kWh per year) or
- changes to the customer, supplier, meter or supply arrangement.

A discrepancy may reflect an error or legitimate change and does not, by itself, indicate fraud, but we would rather know.

What to do

1. check for an explanation, such as a supplier, meter or billing-period change;
2. retain relevant evidence under normal record-management requirements;
3. report material or unexplained discrepancies, identifying the customer, site, MPAN and concern; and
4. continue applying BIST instructions unless told otherwise through the agreed process.

Reporting route

Initially potential fraud concerns should be reported to the BICS team by email on bics.supplier.onboarding@businessandtrade.gov.uk. Energy suppliers concerned about a business fraudulently claiming BICS exemption should set out the following:

- Company name
- Company unique reference number (companies house reference number)
- MPAN or BMU number
- Reason for the concern and evidence and/or information to support your concerns
- A named contact at the energy supplier we can liaise with to support an investigation

We expect continued support to assist BICS with any fraud investigations to ensure an appropriate conclusion is reached.

BIST will continue to engage with energy suppliers through regular forums to understand if the process is working well for all parties.

What BIST will do

BIST will assess concerns alongside other evidence and may seek further information, undertake checks or site visits, and correct, suspend or revoke exemptions. BIST will work with energy suppliers and settlement bodies and where necessary other counter fraud agencies to gather information to support investigations.

BICS and/or settlement bodies may also recover funds where fraud, error or over-exemption is identified. Mirroring the EII scheme, BIST will use the following methods to recover

- Capacity Market: any over-exemption is automatically recovered through the electricity supplier.
- CfD: likewise, the November guidance says any CfD over-exemption is automatically recovered via suppliers.
- RO and FIT: these amounts are recovered directly by BIST from the business.

An error or discrepancy will not, by itself, be treated as evidence of fraud. Where a supplier identifies an error affecting a BICS exemption, it should notify BIST promptly so that the issue can be considered and, where appropriate, corrected. Administrative errors should be

raised with EMRS.BIST will continue to work with settlement bodies to review and resolve anomalies.

Recovery of levies where there is fraud, error or an unsupported over exemption

BICS and/or settlement bodies may recover funds where fraud, error or over-exemption is identified. Mirroring the BIS scheme, BIST will use the following methods to recover funds.

- Capacity Market: any over-exemption is automatically recovered through the electricity supplier.
- RO and FIT: these amounts are recovered directly by BIST from the business.
- CfD: CFD exemptions are not supported by BICS exemptions. Any recovery of CFD exemptions will be set out in the exchequer funding guidance.

BIST will work with BICS exempted companies to obtain energy invoices and evidence that supports the settling of amounts and to agree any repayments where required. Where energy suppliers need to adjust invoices and levy collection, BIST will work with energy suppliers and settlement bodies to agree recovery of funds within the energy system.

Preventing misuse

Suppliers must administer exemptions accurately and must not knowingly provide misleading information, manipulate exemption data or enable ineligible exemptions.

Where deliberate fraud or misuse is identified, BIST may act under the scheme's legislative and operational framework.

BIST operates a risk-based counter-fraud and assurance framework and may undertake checks where potential fraud, error or misuse is identified by suppliers.

Supplier fraud and error

Suppliers must not provide false information or manipulate information for their own financial gains. Settlement bodies will check and reconcile exemptions to ensure exemptions are correct as per their own legislative powers.

Where BIST identifies information suggesting potential fraud or deliberate misuse by a supplier, BIST may undertake further checks and seek relevant supporting information before determining what action is appropriate.

Protecting public money

BIST carries out checks before and after BICS support is awarded such as monitoring and site visits. Information provided through the scheme may be checked against independent sources and industry data. Where information is found to be false or misleading, or a business has received support to which it was not entitled, BIST may amend or revoke the exemption and take appropriate recovery or enforcement action.

7. BICS funding

7.1. Exchequer funding arrangements and forecasting process

We expect that suppliers will redistribute the exempt levy costs of eligible businesses onto their ineligible customer base. In the absence of further intervention by Government, this would lead to an increase in ineligible customers' bills.

To prevent bill increases among ineligible consumers, Government is reducing costs elsewhere in the energy system, which will result in lower supplier costs. This will be achieved through two processes which, together, will generate savings equal to the cost of BICS:

- **Energy system savings**: Changes to RO and FiT indexation, and from 2028 the removal of the Carbon Price Support, which result in reduced costs.
- **Exchequer-funded CfD offset**: Exchequer funding will make up the difference between the realised energy system savings and the cost of BICS. This funding will be transferred to the Low-Carbon Contracts Company (LCCC) in order to facilitate a universal reduction in the CfD Interim Levy Rate (ILR). This reduction will generate savings for suppliers which we expect to be passed through to consumers, offsetting the bill increase that would otherwise occur.

To support suppliers with pricing and forecasting activity, BIST will publish further detail about both of these funding mechanisms on a dedicated page on GOV.UK. Suppliers will be notified when it is available, and a link will be added to this guidance. This publication will also provide further information about the BICS CfD offset.

The published information includes:

- the amount of Exchequer funding to be paid to LCCC each quarter;
- the methodology for calculating the appropriate funding amount, and details of the approach to forecast reconciliation in future periods;
- the methodology for calculating the energy system savings;
- further detail on the policy detail and scope of the system savings and Exchequer funding, including principles for the design and delivery of the funding approach, and expectations for suppliers, including monitoring and reporting requirements; and
- a timetable for future updates from BIST.

Note: Energy suppliers who exclusively serve domestic customers (and therefore are not involved in the delivery of the main BICS scheme) should take note of this information and read through the linked publication in detail, as it affects all consumers including domestic customers.

8. Additional Payments

8.1. Additional payments arrangements

To provide additional support for businesses on the immediate challenges in electricity costs, government has confirmed that businesses eligible for BICS exemptions in Year 1 of the scheme will receive an additional payment to reflect the support they would have received if the scheme had been in place a year earlier. These additional payments will be funded by the Exchequer and will be relatively proportionate to what businesses would have received from an additional year of BICS exemptions from April 2026 – March 2027.

How businesses will receive their additional payment

Suppliers will be involved in the delivery of additional payments to businesses. Those businesses eligible for BICS who have a direct relationship with an electricity supplier will receive their payment through their supplier, in the form of a one-lump sum payment through a bill credit mechanism. Where businesses operate under a third-party arrangement, electricity suppliers will provide the payment to the third party with whom it

has a billing relationship, with the third party expected to pass this payment through to the business. BIST is exploring the most effective route to ensure that third-parties pass payments through correctly and efficiently.

Payments will not be subject to RO, FIT or CM reconciliation processes, as they will not be delivered as exemptions from these policy costs.

How the value of additional payments will be calculated

To ensure businesses receive an additional payment that is broadly proportional in value to what they would have received from an additional year of RO, FiT and CM exemptions (had BICS run from April 2026-March 2027), an individual value will need to be calculated for each eligible business. Calculations will use:

Historical estimated electricity consumption data

This will cover the consumption period of 1 April 2026 to 31 March 2027. While exemptions for the costs of the CM under the main BICS scheme apply on a 1 October to 30 September basis, for ease of delivery, calculations for the additional payment will cover the same year of consumption for all three policy costs.

An average RO, FIT and CM policy cost discount rate

This will be set by government and clearly communicated to businesses and suppliers. This will be the same for all eligible businesses.

A business' banded pro-rating percentage

This will ensure that payments reflect eligible electricity use. These will be confirmed by BIST as part of the process to confirm eligibility for BICS exemptions.

Who will calculate the value of additional payments

BIST will lead the process to calculate the value of additional payments for eligible businesses.

BIST will utilise existing information gathered on businesses as part of the application process, and industry-wide data sources to gather a full view on consumption data across the period in question. BIST will also calculate the average policy cost unit value in £/MWh.

Suppliers may be called upon to support or undertake calculations for a small volume of complex cases. Cases like this could include businesses with BMU identifiers and

businesses supplied through a private network or private wire. Support may include providing BIST with additional consumption data or supporting validation of calculation values. These cases will be dealt with on a case-by-case basis and will be determined once detailed methodologies and clear categorisation of these complex cases have been designed and confirmed.

When payments will be delivered to businesses

The department is working towards payments being made to businesses in August 2027.BIST will transfer funding for payments to suppliers in advance of them making payments to businesses.

This will ensure that BIST can provide support to businesses as soon as possible, while allowing BIST and suppliers sufficient time for mobilisation and delivery.

As the value of additional payments will be calculated using consumption data covering the period 1 April 2026 – 31 March 2027, the full year of data will be accessed for calculations after this period is completed. BIST are exploring the appropriate time to access consumption data that allows initial estimations to be adjusted for, so that the values calculated for payments are as accurate and reflective as possible. BIST will encourage businesses to ensure that meter readings are up-to-date and accurate and will communicate guidance to them once they are confirmed as eligible. BIST will also be responsible for confirming which supplier should pay which business, including capturing changes in circumstances where businesses have switched electricity supplier between their date of application for BICS and the point at which they will receive their additional payment.

Supplier responsibilities

Suppliers will be expected to pass the full value of payments on to eligible businesses in a timely manner.

In order for suppliers to direct payments to eligible businesses, we are aware that there are several activities required in advance of payment delivery. This may include:

- Signing a legally binding agreement with BIST, depicting standard terms governing the additional payment that outline supplier responsibilities for delivery;
- Setting up bank accounts to receive funding;

- Being onboarded onto BIST payment systems; and
- Verifying that the supplier has received the correct funds for the correct eligible businesses.

Following payment delivery, suppliers will also be required to report to BIST to confirm that payments have been delivered in full and in a timely manner. Details on full reporting requirements will be communicated to suppliers.

Suppliers may also be required to support BIST in adjusting payments to businesses.

Further and more detailed guidance on Additional Payments delivery will be shared in due course, and we welcome continued engagement with electricity suppliers to ensure a clear and efficient delivery process that can be used across the industry to deliver payments consistently and accurately to businesses.

9. Annex

Annex A. Supplier FAQs

#	Theme	Question	Answer
1	Strategy	What is the purpose of BICS?	The United Kingdom stands at a pivotal moment in its industrial evolution. As global competition intensifies and technological transformation accelerates, we must ensure that British industry is not only resilient but also relentlessly competitive. The British Industrial Competitiveness Scheme (BICS) is a flagship intervention of the Industrial Strategy – a strategy built on a clear vision: to back the sectors and businesses with the greatest potential to drive sustainable growth, productivity and prosperity across the country. This scheme directly addresses one of the most pressing challenges facing these businesses today: how to remain globally competitive while navigating some of the highest industrial electricity costs in Europe. By providing eligible manufacturing businesses with exemptions from the indirect cost of the Renewables Obligation, Feed-In Tariffs and Capacity Market schemes, BICS will reduce cost pressures and support the long-term viability of our most strategically important industries.
2	Delivery	When will supplier onboarding begin?	The initial stages of supplier onboarding have begun. Technical specifications have been issued to suppliers and suppliers have been asked to confirm their preferred integration approach to support implementation planning. Formal supplier onboarding activities are currently expected to begin in earnest from mid/late November 2026. Further details on onboarding processes, implementation timelines, testing activities and readiness requirements will be provided as they are finalised. In the meantime, suppliers are encouraged to continue reviewing the available technical documentation and engaging with the programme

			team to support readiness ahead of scheme go-live.
3	Delivery	When do suppliers need to be ready to connect to the BICS API?	Suppliers should be ready to connect to the BICS API from 1 December 2026, when BIST may begin issuing eligibility decisions, and must be connected and able to receive decisions by 8 January 2027. We encourage suppliers to connect as early as possible, as connecting later will reduce the time available to process decisions before exemptions take effect on 1 April 2027. Suppliers should continue to use the current technical specification to prepare for implementation.
4	Delivery	Does the 1 April 2027 requirement apply initially to RO and FiT exemptions, with the Capacity Market exemption commencing on 1 October 2027?	This is correct - due to the Capacity Market delivery year commencing in October, BIST took the decision to stagger the start date of exemptions. This will be reflected in the eligibility confirmation that BIST provides to suppliers for each site.
5	Delivery	How will BIST validate the proportion of a customer's electricity used for eligible activity?	Applicants will be required to provide supporting evidence, including production data and evidence of electricity use. BIST will assess applications and determine eligibility and exemption levels. The business guidance sets out the evidence requirements and can be shared with suppliers.
6	Delivery	Will the application window open every year, or is the first application intended to cover the full five-year period?	The application window will be annual. The opening date for the 2027 application window has not yet been confirmed, but applications will need to be submitted by **30 November 2027**. Where a business is found eligible, its exemption may run for **five years**, subject to the scheme requirements, including an **annual declaration.**
	Delivery	Can businesses apply for an exemption	Yes. The application window will open annually, allowing businesses to apply in subsequent years if they did not apply during the first application window or were not eligible at that time. The

		after the first year of the scheme?	opening date for future application windows has not yet been confirmed. Businesses applying in 2027 will need to submit their application by **30 November 2027**. Where a business is found eligible, it may receive an exemption for up to **five years**, subject to the scheme requirements, including submission of an **annual declaration**.
7	Other schemes	Can BICS and BIS relief apply to different portions of the same MPAN?	BICS may apply to the remaining eligible proportion of a meter after taking account of BIS relief. The digital solution is intended to provide suppliers with the applicable exemption data by scheme and levy type. We are clarifying the detailed treatment of meters covered by both schemes and will provide further information in the supplier guidance.
8	Delivery	How will the BICS Exchequer funding payment affect the CfD levy rate, and how will this be shown?	Exchequer funding will be paid to LCCC and used to reduce CfD levy costs, helping to offset the increase in other levy costs arising from BICS exemptions. LCCC is expected to publish information on how the funding changes the levy rate. BIST is working with LCCC to provide suppliers with clear and transparent information in as timely a manner as possible.
9	Customer communications	How should suppliers communicate with customers about BICS?	Suppliers should use the business guidance, eligibility checker and supporting materials to help customers prepare. Please do get in contact with bics.supplier.onboarding@businessandtrade.gov.uk if you have any questions or would like to run a joint webinar briefing for your customers to explain the scheme in more detail.
10	Delivery	BICS has a disproportionate impact on smaller suppliers	We recognise the concern that many of the activities required to implement BICS, including system changes, controls, reporting processes and assurance requirements, may be broadly similar regardless of the number of eligible customers or MPANs served. As a result, implementation costs and resource demands may have a proportionately greater impact on smaller suppliers. During supplier engagement, a number of suggestions have been made to help reduce these impacts, including the use of null returns for

			periods with no exemptions to report, standardised data templates, worked examples, shared testing support, and ensuring that operational processes are tested with suppliers of different sizes and business models rather than solely with larger suppliers. The programme is actively considering this feedback as part of the scheme's operational design. Our objective is to develop a delivery model that is proportionate, practical and deliverable for suppliers of all sizes, while ensuring the scheme can be administered effectively and consistently. We will continue to engage with suppliers throughout the design and implementation phases to understand and mitigate unnecessary administrative burdens wherever possible.
11	Additional Payments	Why can't the Additional Payment be paid directly to eligible businesses?	Following consultation, Ministers have decided that Additional Payments will be delivered through suppliers. Funding will be provided directly to suppliers, who will then apply bill credits to eligible businesses. This approach offers a proportionate and administratively efficient means of delivering support at scale to the more than 10,000 businesses expected to be eligible in the first year.
12	Additional Payments	When will additional details about the design of the Additional Payment element be shared with suppliers?	Policy design questions are being worked on by policy and analytical officials within BIST, following supplier workshops which ran throughout August. We will share further details with suppliers as soon as we are able to once senior officials and Minister have made decisions.
13	Additional Payments	Will the Additional Payment calculation be based on retrospective or current financial year data?	It will be based on consumption data for year 2026/27.
14	Additional Payments	Will BIST set the policy discount rate	Yes, BIST will set the policy discount rate, and determine the pro-rating % based on the eligibility assessment.

		and pro-rating % for Additional Payments?	

Annex B. Glossary of definitions

This section provides definitions for various terms as they are used in this guidance and in wider BICS-related communications by BIST.

Term	Definition
MPAN	Meter Point Administration Number; the unique identification number for an electricity supply point. In this guidance, 'MPAN' is used to refer to the electricity supply point and the electricity consumption relevant to that supply point.
Shared MPAN	An MPAN where electricity consumption is split between multiple consumers. In the context of BICS, this is relevant where multiple businesses use electricity supplied via the same MPAN, but only some are eligible for the scheme, necessitating a partial exemption covering only the beneficiary's portion.
Meter	A physical device that measures electricity consumption.
BMU	Balancing Mechanism Unit: BMUs identify plant and/or equipment which is used for export/import to the Transmission System. In the context of BICS, some businesses which apply may not have associated MPANs, but instead have BMUs associated with their electricity consumption. In these circumstances, the application form allows them to submit BMU IDs in place of MPAN details. BIST expects exemptions to be applied appropriately, regardless of whether the business has a BMU or MPAN listed.
Private Wire	A direct electrical connection between a power generator (like a solar farm or wind turbine) and a consumer (such as a factory

	or business), bypassing the public, national grid network. It is used to supply power directly to a site, offering lower costs, better sustainability, and reduced energy prices.
License Exempt Supply	An arrangement where electricity is supplied directly from a generator to a consumer over the public grid or via private wires without the generator or offtaker needing to hold a full electricity supply licence.