## Energy Bills Discount Scheme (EBDS) Overview

Library and Archive activities and Museum activities.





#### Agenda

#### • Overview of The Energy Bills Discount Scheme (EBDS)

- What are the discounts
- How can Libraries and Archive activities and Museums apply for the higher rate of discount.

#### • Specific Examples of successful applications

- A look into the supporting evidence submitted for 1 x Local Authority Library and 1 x non Local Authority Library.
- Questions.

## Overview of EBDS and the additional (ETII) Discount

- The Energy Bills Discount Scheme (EBDS) was announced in January and takes over from the Energy Bill Relief Scheme (EBRS) which ran until the 31<sup>st</sup> of March 2023.
- For eligible non-domestic customers who have a contract with a licensed energy supplier, the government has announced the following support:
  - **Baseline Support. From 1 April 2023 to 31 March 2024**, all eligible non-domestic customers who have a contract with a licensed energy supplier will see a unit discount of up to £6.97/MWh automatically applied to their gas bill and a unit discount of up to £19.61/MWh applied to their electricity bill.
  - This will be subject to a wholesale price threshold, set with reference to the support provided for domestic consumers, of £107/MWh for gas and £302/MWh for electricity. This means that businesses experiencing energy costs below this level will not receive support.



### Overview of the additional ETII Discount

- Eligible ETII's will receive an additional discount; however, they will need to apply to receive this additional support. You can learn more about the application process <u>here</u>.
- An organisation is considered eligible for ETII support if at least 50% of its revenue is generated from UK-based activity within eligible Standard Industrial Classification (SIC) code sectors. The discount will apply to 70% of energy volumes.

To be eligible (for the discount), the applicant must have a non-domestic contract with a licensed energy supplier and be:

- on existing fixed price contracts that were agreed on or after 1 December 2021
- signing new fixed price contracts
- on deemed/out of contract or variable tariffs
- on flexible purchase (or similar) contracts
- on variable 'Day Ahead Index' (DAI) tariffs (Northern Ireland scheme only)

Department for Energy Security & Net Zero

#### Overview of the additional ETII Discount

Organisations will receive a discount reflecting the difference between the price threshold and the relevant wholesale price. The thresholds are:

- Electricity £185 per MWh
- Gas £99 per MWh

This discount will only apply to 70% of energy volumes and will be subject to a 'maximum discount' of £40.0/MWh for gas and £89/MWh for electricity. The baseline level of support will apply for the remaining 30% of energy volumes where the customers wholesale price meets the baseline eligibility criteria. The discount is likely to show up as one line on the bill as suppliers will do one calculation for the overall discount.



#### **ETII Discount Example**

A customer uses c.4 MWh of electricity a month. They signed a fixed price contract on 9 October 2022, giving them a current electricity unit rate of 61.2p/kWh (illustrative example)

How the discount is calculated	April	Мау	June
Electricity consumed (kWh)	4,130	3,929	4,041
Fixed Electricity contracted unit prices p/kWh	61.2	61.2	61.2
Electricity Base Discount p/kWh	1.961	1.961	1.961
Electricity ETII Discount p/kWh	8.9	8.9	8.9
Weighted discount (70% ETII discount + 30% base discount) p/kWh	6.82	6.82	6.82
Electricity Bill	£2,527.56	£2,404.55	£2,473.09
Price Adjustment from EBDS	£281.67	£267.96	£275.60
Net Customer Bill	£2,245.89	£2,136.59	£2,197.50

Department for Energy Security & Net Zero

# What information is required for the ETII application portal?

- Contact details of the applicant (including email address and phone number)
- Registered name and address of the organisation or business
- Company registration number (CRN) if the organisation has one, this can be skipped.
- Up to 4 ETII eligible standard industrial classification (SIC) codes that relate to your organisation's activities see the list of eligible sector SIC codes –
- Energy supplier names and the gas or electricity meter point numbers (MPRN or MPAN) associated with the property, found on bills from your energy suppliers
- If you have more than 10 meter point numbers per supplier, a template has been provided for you to record your meter point numbers.
- The name of your organisation as it appears on your bill from your energy suppliers
- Details of any intermediary providers such as landlords if you don't pay energy suppliers directly



## What evidence is needed for the application form? 1/2

- **Signed director's declaration letter** You will need to provide a letter signed by a named director or equivalent of your organisation or business. You should use the template provided, which sets out what must be included in your letter.
- Additional financial evidence You may also need to provide further information if your business or organisation was not registered at Companies House with an eligible SIC code in December 2022. This evidence could include:
  - Your most recent full set of end-of-year accounts if you do not have these, upload evidence of your most recent company accounts, covering a minimum period of the most recent 6 months
  - An Income Statement referring to the same time period as the accounts
  - A sample of 20 sales invoices, no older than 12 months from the date of the signed declaration, which demonstrates activity that falls within an eligible sector
  - License or trade body membership details for regulated industries (if applicable)
  - Any additional evidence you want to support your application



## What evidence is needed for the application form? 2/2

To help with the processing of your application, you could also upload a letter signed by an external auditor or chartered accountant. This should confirm that you are in an eligible sector, and that 50% or more of your revenue is generated from UK-based activity in an eligible sector. A template for the accountant's report is available.

#### Local authorities (including libraries)

Local authority applicants who cannot provide the financial evidence should upload floor plans of the relevant property, with accompanying measurements in square metres. This should show that 50% or more of your activities are in an eligible sector.

#### **EBDS customer support**

support@ebds.beis.gov.uk

Telephone: 030 0400 5251



Organisation Type	Evidence Required	Chartered Accountant
Businesses	License or Trade body details (if available). End-of-year company accounts; the most recent full-set of end-of-year accounts. If not applicable, evidence of company accounts over 6 months at a minimum. An income statement referring to the same time period as the accounts. A breakdown schedule which separates activities between eligible and ineligible SIC codes. A sample of sales invoices which represent the eligible activities.	Recommended
Charities	License details (if available). End-of-year company accounts; the most recent full-set of end-of-year accounts. If not applicable, evidence of company accounts over 6 months at a minimum. An income statement referring to the same time period as the accounts. A breakdown schedule which separates activities between eligible and ineligible SIC codes. A sample of sales invoices which represent the eligible activities, or remittance advice.	Recommended
Sole traders and partnerships	The same as other commercial entities where available, or; A sample of sales and/or purchase invoices which represent the eligible activities. VAT returns.	For the organisation to consider the cost of the report against estimated scheme benefit.
Public Libraries	Same as commercial entities where available, or use of floorspace combined with a declaration from a Director or equivalent.	N/A



## Specific Example of Successful ETII applications.

## Case Study 1 : Local Authority with a list of libraries successfully manually approved for ETII.

Information / Documentation Provided:

- Applied under SIC code 91.01
- Signed declaration
- Bulk upload (meters for all libraries and museums)
- No invoices or receipts included or needed
- 1 x Floor plan for each Library / Location.



#### PDF Floor Plan of LA Library





Department for Energy Security & Net Zero

## Specific Example of Successful ETII applications.

#### **Case Study 2 : Private Library**

Information / Documentation Provided:

- Applied under **SIC** code 91.01
- Signed declaration
- 10 x Sales invoices and 10 x Purchase receipts
- 21/22 Annual Report and Accounts
- Signed ETII Application / Declaration Form

#### **Useful Links**

- Overview of The Energy Bills Discount Scheme (EBDS)
  - Overview of Scheme: <u>https://www.gov.uk/guidance/energy-bills-discount-scheme</u>
  - list of eligible sector SIC codes
- Gov.uk ETII Application portal
  - Start Page: <u>https://www.gov.uk/guidance/energy-bills-discount-scheme-energy-and-trade-intensive-industries-support</u>
  - Additional ETII application guidance: <a href="https://www.gov.uk/government/publications/energy-bills-discount-scheme-energy-and-trade-intensive-industry-etii-guidance#:~:text=ETIIs%20will%20have%2090%20days,eligible%2C%20subject%20to%20scheme%20duration\_n.</a>

