



Department for
Business, Energy
& Industrial Strategy

The Rt Hon Greg Hands MP
Minister of State for Energy, Clean Growth
and Climate Change

Department for Business, Energy &
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1 Victoria Street
London
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Darren Jones MP
Chair, Business, Energy and Industrial Strategy Committee
House of Commons
London
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28th July 2022

Dear Darren,

Energy Bill Support Scheme consultation response

I am writing to inform you that today my department published a consultation response on the Energy Bills Support Scheme (EBSS). The consultation and our response can be found here <https://www.gov.uk/government/consultations/technical-proposals-for-the-energy-bills-support-scheme>.

BEIS held a technical consultation on the design of EBSS between 11 April and 23 May, seeking views on the technical detail of the Scheme's design. All 233 responses have been analysed by BEIS officials. On 26 May, the government announced an expansion of the Energy Bills Support Scheme, doubling the grant amount from £200 to £400, and cancelling the levy element. We have carried out a further informal, targeted consultation with stakeholders on the impact of these changes and our response also covers their feedback to this exercise.

We are working urgently to ensure that the people of Northern Ireland receive equivalent support as soon as possible.

Customer eligibility and payment process

Customer eligibility will be determined monthly, with a Qualifying Date on the first of each month between October 2022 and March 2023. Domestic electricity customers will receive the £400 in monthly £66 or £67 instalments across the six-month period as set out below.

Direct Debit customers will receive EBSS as either a reduction to the monthly Direct Debit amount collected or as a refund to the customer's bank account (following Direct Debit collection) during each month of EBSS delivery. Customer Direct Debit dates will remain unchanged.

Standard credit customers (pay on receipt) will receive EBSS as a credit to customers' accounts in the first week of each month of EBSS delivery. This will be the same whether the account is paid monthly or quarterly.

Payment card customers will receive EBSS as a credit to customers' accounts in the first week of each month of EBSS delivery.

Smart prepayment meter customers will receive EBSS payments remotely, applied as credit to smart pre-payment meters in the first week of each month of EBSS delivery. Where this cannot be done remotely suppliers will treat “dumb meters” the same as traditional prepayment meters.

Traditional prepayment meter customers will receive EBSS payments as vouchers or Special Action Messages (SAMs) issued in the first week of each month of EBSS delivery, to be received by customers within 11 working days. These vouchers or SAMs will be redeemable by traditional prepayment meter customers at the relevant top-up points.

Supplier and government communications

Suppliers must notify their customers in writing (paper or electronic) that they will receive the EBSS grant and should be clearly able to see when they have received EBSS. This will vary by customer payment type, but at a minimum, we expect this to be clearly shown on bills or statements for relevant customer groups.

BEIS will continue to work closely with all suppliers to ensure EBSS communications are clear, coordinated and consistent to minimise customer confusion and calls to supplier call centres. Additionally, there will be targeted communications to encourage redemption of the EBSS by traditional pre-payment meter customers. A broad range of channels will be used ahead of and through the Scheme’s implementation including ministerial and other government communications, media and digital, charities, consumer and advocacy groups, and through relevant influencers. The Scheme is also being communicated under the broader Cost of Living campaign and Help for Households brand.

Households who are ineligible for the main Scheme

Some households will not receive EBSS from a supplier if they do not have a domestic electricity contract with a licensed electricity supplier. Affected groups would include those who pay their electricity as part of an inclusive charge, supplied through a commercial electricity contract. For these affected households, funding will be made available as soon as possible. We are developing approaches that will ensure they receive £400 equivalent support for energy bills this winter, working with local authorities, the devolved administrations and commercial partners. An announcement with details on how and when these households across Great Britain can access this support will be made this autumn.

Reporting, compliance and enforcement

If a supplier is unable to provide EBSS to all its eligible customers during the payment period, the supplier must report to BEIS the steps it is taking to deliver by the cut-off date. We will use Ofgem’s current compliance, enforcement and sanctions framework for the licence conditions relating to the scheme and have listened to suppliers who stated no new regime should be created.

We have also listened to suppliers’ feedback that reporting requirements should be as streamlined as possible, and reporting should not be duplicated or requested at the last minute. BEIS, however, may require some additional financial reporting to ensure that we are managing public money appropriately. Reporting requirements for the scheme will be set out in the Direction and the Scheme Guidance. A draft of the Direction has been published alongside the response and can be found here

<https://www.gov.uk/government/consultations/technical-proposals-for-the-energy-bills-support-scheme>.

Supplier funding and costs

BEIS will provide funding to suppliers for all EBSS grants delivered to eligible customers, but not for any administrative costs. If this affects the cost to serve for efficient suppliers, we expect suppliers will be able to evidence these costs to Ofgem, who will assess whether to account for them within the relevant price caps. However, this is a matter for Ofgem.

Supplier funding will be determined monthly by the fifth working day of the month prior to delivery. Suppliers will require a separate account to receive the funds. They will report the number of domestic customers they expect to have on the Qualifying Date each month so that funding, sufficient to pay all eligible customers, can be made available before payments commence.

A copy of this letter and the Energy Bills Support Scheme consultation response will be placed in the Libraries of the House.

Yours ever

A handwritten signature in blue ink, appearing to be 'G Hands', with a long horizontal stroke extending to the right.

THE RT HON GREG HANDS MP

Minister of State for Energy, Clean Growth and Climate Change