



**Information Guide:**

# Energy Bill Relief Scheme (EBRS)

A guide for SmartestEnergy Limited's customers and partners.

**SmartestEnergy Ltd**  
November 2022



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# Energy Bill Relief Scheme (EBRS)



Under the Government's Energy Bill Relief Scheme (EBRS), eligible non-domestic customers in Great Britain will receive a discount on their gas and electricity bills throughout the winter period (1<sup>st</sup> October 2022 – 31<sup>st</sup> March 2023).

The Department for Business, Energy & Industrial Strategy (BEIS) have advised that the scheme applies to all businesses, voluntary sector organisations (i.e. charities) and public sector organisations (i.e. schools and hospitals) who are:

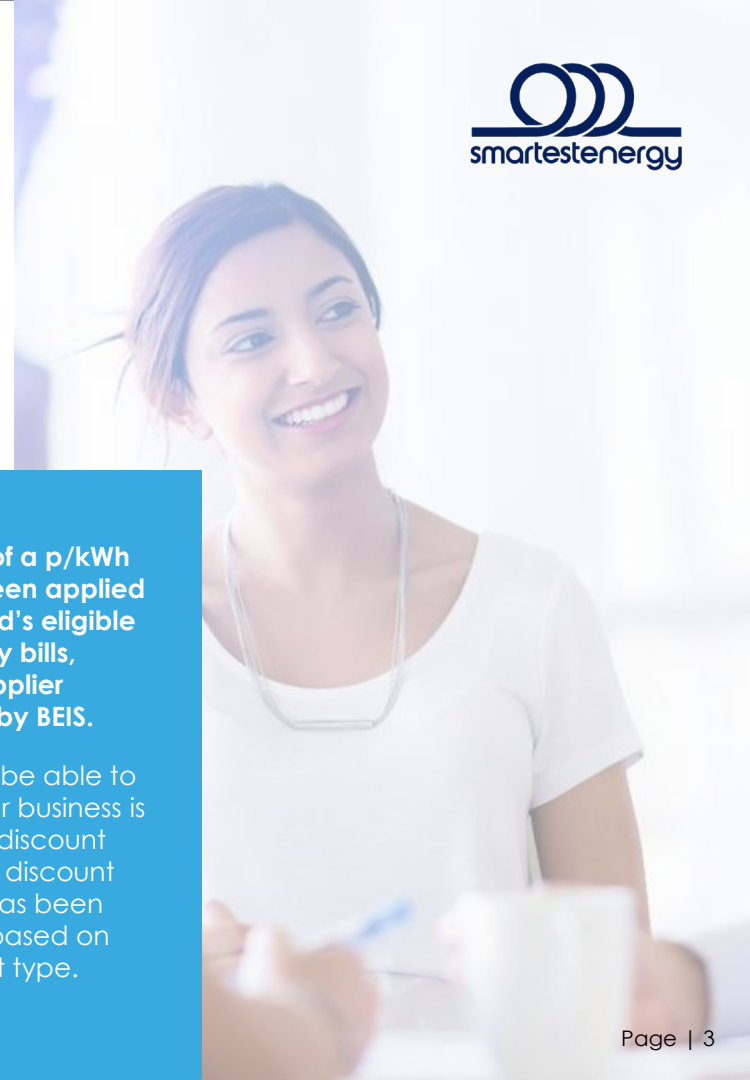
- > **On a Fixed Price contract, signed on or after the 1<sup>st</sup> December 2021**
- > **On a deemed/out of contract tariff**
- > **On a flexible contract**

Limited exclusions apply, for example businesses that use gas or electricity for the purpose of generating power they are selling back into the grid (i.e. Pumped hydro or grid level battery storage).

Please refer to the [Energy Bill Relief Scheme \(EBRS\) policy documents](#) published by BEIS on the 1st November 2022 for further rules and guidance.

Support in the form of a p/kWh discount has now been applied to SmartestEnergy Ltd's eligible customers' electricity bills, according to the supplier guidance provided by BEIS.

In this guide you will be able to identify whether your business is eligible for the EBRS discount and understand the discount methodology that has been applied to your bill based on your supply contract type.



# EBRS discount overview by supply product type

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# Fixed contract

The discount reflects the difference between the government supported price & the relevant wholesale price for the day the contract was agreed, except when that takes the rate below the government supported price in which case it is the difference between the government supported price and the retail unit rate.

Contract Type	Contract Acceptance Date	Reference Energy Rate	Reference Energy Rate Threshold	Eligibility	Discount application
<b>Fixed</b>	Before 1/12/21	Relevant Wholesale Price	Below 21.1p/kWh	No	
	Before 1/12/21	Relevant Wholesale Price	Above 21.1p/kWh	No	
	From 1/12/21	Relevant Wholesale Price	Below 21.1p/kWh	No	
	From 1/12/21	Relevant Wholesale Price	Above 21.1p/kWh	Yes	BEIS provide a Base Discount per acceptance day which is applied against relevant wholesale price, down to the permitted Floor Price of 21.1p/kWh. If the discount takes the rate below the floor price, the discount is the difference between the government supported price and the retail unit rate.

## Deemed or Out of contract tariffs

The applied discount is based on BEIS' published value subject to the Retail Unit Rate not falling below the Floor price of 21.1p/kWh, but is subject to a 'maximum discount' of 34.5p/kWh.\*

Contract Type	Contract Acceptance Date	Reference Energy Rate	Reference Energy Rate Threshold	Eligibility	Discount application
<b>Deemed / Out of Contract</b>	N/A	Retail Unit Rate	Below 21.1p/kWh	No	
	N/A	Retail Unit Rate	Above 21.1p/kWh	Yes	Maximum discount of 34.5p/kWh down to the permitted Floor Price of 21.1p/kWh

\*Please note this discount application has been our approach for October consumption bills. It is subject to change for the remainder of the winter period, following the outcome of ongoing discussions with BEIS.

## Flexible contracts

The discount reflects the difference between the Government supported price and the weighted average price (WAP) of locked and unlocked hedges by delivery period, but is subject to a 'maximum discount' of £345/MWh\*

Contract Type	Contract Acceptance Date	Reference Energy Rate	Reference Energy Rate Threshold	Eligibility	Discount application
Flexible	Anytime	Wholesale Energy Rate (WAP)	Below £211/MWh	No	
	Anytime	Wholesale Energy Rate (WAP)	Above £211/MWh	Yes	Discount against WAP down to Floor Price of £211/MWh, but up to a maximum discount of £345/MWh

\*Customers on a flexible contract who use financial instruments for hedging activities should be aware of their obligations under the legislative guidance and advise SmartestEnergy of the use of financial instruments and any subsequent benefit, for the discount to be adjusted. This applies if the energy supplied at the premises to which the Supply Contract relates in the 12-month period starting from 1 October 2022 will exceed 0.5 gigawatt hours or the maximum rate at which energy is supplied under the contract at any time will exceed 0.5 megawatts.

> [Click here](#) to view the BEIS policy documents.

# Framework contracts

The discount reflects the difference between the Government supported price and the weighted average price (WAP) of locked and unlocked hedges by delivery period, but is subject to a 'maximum discount' of £345/MWh.\*

Contract Type	Contract Acceptance Date	Reference Energy Rate	Reference Energy Rate Threshold	Eligibility	Discount application
<b>Framework:</b> Monthly / Seasonal Energy Rate	Anytime	Wholesale Energy Rate (WAP)	Below £211/MWh	No	
	Anytime	Wholesale Energy Rate (WAP)	Above £211/MWh	Yes	Discount against WAP down to Floor Price of £211/MWh, but up to a maximum discount of £345/MWh
<b>Framework:</b> Annual Energy Rate (AER)	Anytime	Wholesale Energy Rate (WAP)	Below £211/MWh	No	
	Anytime	Wholesale Energy Rate (WAP)	Above £211/MWh	Yes	Annual Energy Rate not applied for eligible period. Discount against WAP down to Floor Price of £211/MWh, but up to a maximum discount of £345/MWh

\*Customers on a flexible contract who use financial instruments for hedging activities should be aware of their obligations under the legislative guidance and advise SmartestEnergy of the use of financial instruments and any subsequent benefit, for the discount to be adjusted. This applies if the energy supplied at the premises to which the Supply Contract relates in the 12-month period starting from 1 October 2022 will exceed 0.5 gigawatt hours or the maximum rate at which energy is supplied under the contract at any time will exceed 0.5 megawatts.

> [Click here](#) to view the BEIS policy documents.



# EBRS discount overview by generation asset

**Pumped Storage / Battery Storage** – Page 10

**Gas generators** – Page 10

**CHP gas** - Page 10

**Solar PV**

**Wind**

**Nuclear**

**Coal**

**Biomass**

**Non-pumped hydro**

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# Generation assets with import meters

Generation Asset	Where/ when energy is used	Eligibility	Discount application	Additional info
<b>Pumped Storage / Battery Storage</b>	Primary purpose to import & export to the grid	No	Please refer to the Supply product types (pages 4-7)	
	Partly for generation to the grid and partly for private wire	Yes		The discount only applies to the power used for private wire / behind the meter (based on a simple apportionment). Suppliers assume that all the electricity of a gas generator, battery storage or pumped storage is sold to the grid, unless otherwise informed by the customer.
	In construction or decommissioned or offline & unable to generate	Yes		
<b>Gas generator</b>	Whilst generating or able to generate	No		
	In construction or decommissioned or offline & unable to generate	Yes		
<b>CHP (Gas)</b>	'Non-heat led' and above 5MW (Exports to the grid)	No		
	'Non-heat led' and above 5MW (Does not export to the grid)	Yes		
	'Heat led' and below 5MW.	Yes		Apportionment will be needed to quantify the amount of gas that is used for generating electricity for sale to the grid
<b>Solar, wind, nuclear, coal, biomass, non-pumped hydro</b>	Any use	Yes		

# Customer scenarios and examples

## Fixed:

**Scenario:** A Fixed Contract is signed on the 6<sup>th</sup> September 2022. The BEIS published discount rate for this accepted contract date is -38.7p/kWh.

**Example Customer A** has a total retail unit price of 25.2p/kWh, the discount applied is -4.1p/kWh, bringing the total retail unit price down to the Floor Price of 21.1p/kWh.

**Example Customer B** has a total retail unit price of 60.4p/kWh, the BEIS published discount rate of -38.7p/kWh is applied, bringing the total retail unit rate down to 21.7p/kWh.

## Flexible:

**Example Customer A** has a monthly WAP (weighted average price) of £355/MWh, the discount applied is -£144/MWh, bringing the monthly WAP down to the Floor Price of £211/MWh.

**Example Customer B** has a monthly WAP (weighted average price) of £625/MWh, the maximum discount that can be applied is -£345/MWh, effectively bringing the monthly WAP down to £280/MWh.

## Deemed:

BEIS published a maximum discount value of 34.5p/kWh, this will be applied to our deemed rates.

However, please note where scheme details change for the application of discount rates, we will provide further guidance.

\*Please note this discount application has been our approach for October consumption bills. It is subject to change for the remainder of the winter period, following the outcome of ongoing discussions with BEIS.



# How to raise a query



Please check our [dedicated web page](#) in the first instance, we are continually updating the EBRS information and FAQs as we receive updates from BEIS.

If you would like to discuss your EBRS query, please contact your dedicated Customer Service Executive or Account Manager. Alternatively, you can reach our Customer Service Team on +44 1473 234151 or [customerservices@smartestenergy.com](mailto:customerservices@smartestenergy.com).

## FAQs

### **How will the discount appear on my bill?**

You will see a new line item on your bill 'Energy Bill Relief Scheme' showing the discount value. The discount has been applied at meter level, as advised by BEIS.

### **I am on a flexible contract and use financial instruments for hedging activities, do I need to do anything?**

Customers on a flexible contract who use financial instruments for hedging activities should be aware of their obligations under the legislative guidance and advise SmartestEnergy of the use of financial instruments and any subsequent benefit, for the discount to be adjusted. This applies if the energy supplied at the premises to which the Supply Contract relates in the 12-month period starting from 1 October 2022 will exceed 0.5 gigawatt hours or the maximum rate at which energy is supplied under the contract at any time will exceed 0.5 megawatts.

### **I have a generation asset and believe I should be exempt from the EBRS discount, what should I do?**

Where customers hold an import site that is used for generation purposes, we have assessed these sites based on the eligibility criteria. If, however, you feel you have received a discount in error please contact us.

### **Can I opt out of the scheme?**

Yes, most customers can 'opt-out' of the discounts being applied. A customer may subsequently withdraw an opt-out notice, but this cannot take effect before the date when the notice of the withdrawal is given. Please contact us if you wish to opt out (Restrictions apply).

Please ensure you are fully aware of your obligations under the legislative guidance in relation to anti-abuse of the Energy Bill Relief Scheme (EBRS) by referring to the [BEIS policy documents](#)

# Glossary of Terms

- > **Government Supported Price** has been set at £211/MWh (21.1p/kWh) for electricity.
- > **Maximum Discount Value** has been calculated by the Government by comparing the government supported price with the average of expected wholesale prices for delivery across the 6 months of the scheme. The maximum discount, is £345/MWh (34.5p/kWh) for electricity.
- > **Floor Price** - Suppliers are required to ensure that where discounts are being applied under the scheme, the effective supply price after the discount for a customer's electricity does not fall below the Government Supported Price.
- > **Retail Unit Rate** - The all-in price charged per unit in respect of the supply of energy by a supplier to a customer under a supply contract (prior to the reduction under the EBRs). This takes into account all rates within the supply contract which are chargeable as p/kWh, excluding VAT and CCL and is volume weighted average if on multi-rate contract.
- > **Weighted Average Price (WAP)** - The WAP calculation considers all locked and unlocked hedges and defaulting volume (baseload, peakload, index (e.g. day ahead) and cash-out) a customer has made irrespective of when the hedges occurred, excluding fees. The WAP calculation considers the net value of locks and unlocks for the given billing period, e.g. any gains made from unlocking volumes would be reflected in a lower WAP.
- > **Annual Energy Rate (AER)** is a smoothed out price of the WAP to an average annual rate.
- > **Base Discount** is Reference Wholesale Price minus the Floor Price (21.1p/kWh), one for each acceptance date has been provided by the Government.
- > **Acceptance date** – the date the contract is locked into our systems and becomes legally binding. Typically, the date you received the acceptance email.

# Contact us

You can reach the SmartestEnergy Ltd, Customer Service Team using the contact details below:

 01473 234151

 [customer-services@smartestenergy.com](mailto:customer-services@smartestenergy.com)

 [Linkedin.com/company/smartestenergy](https://www.linkedin.com/company/smartestenergy)

 @smartestenergy

[smartestenergy.com](https://www.smartestenergy.com)

