

Research Briefing

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By Becky Mawhood,
Hazel Armstrong

Constituency casework: Government support for energy bills



Summary

- 1 Energy Bills Support Scheme (EBSS)
- 2 Energy Price Guarantee (EPG)
- 3 Energy Bill Relief Scheme (EBRS)
- 4 Pass through requirements for the EBSS, EPG and EBRS
- 5 Alternative Fuel Payments

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Contents

Summary	4
1 Energy Bills Support Scheme (EBSS)	6
2 Energy Price Guarantee (EPG)	9
3 Energy Bill Relief Scheme (EBRS)	14
4 Pass through requirements for the EBSS, EPG and EBRS	18
5 Alternative Fuel Payments	22

Summary

This briefing covers the new energy bill support schemes introduced by the Government in 2022 to help households and businesses with rising energy prices. It provides a guide to relevant sources that answer frequent questions on the schemes.

Where complex issues are raised it may be more appropriate to refer constituents to specialist bodies and organisations or to a solicitor if legal advice is sought.

The Library briefing [Help with energy bills](#) provides information on pre-existing schemes such as the Winter Fuel Payments, Cold Weather Payments and Warm Home Discount.

The support schemes covered

- **Energy Bills Support Scheme (EBSS)**, including the **EBSS Alternative Fund**: a one-off £400 payment to households to help with bills over winter 2022-23
- **Energy Price Guarantee (EPG)**: a cap on domestic electricity and gas prices over the period 1 October 2022 to 31 March 2024
- **Energy Bill Relief Scheme (EBRS)**: a discount on non-domestic electricity and gas prices over the period 1 October 2022 to 31 March 2023
- **Pass-through requirements for the EBSS, EPG and EBRS**, including specific pass-through requirements for **heat networks**: these require third party intermediaries to pass on benefits to end users
- **Alternative Fuel Payments**, including the **Alternative Fuel Payments Alternative Fund**: a one-off payment for households (£200) and non-domestic customers (at least £150) who are not on the mains gas grid and use an alternative fuel (such as heating oil) for heating.

The [Energy Prices Act 2022](#) created powers to set up, or deliver aspects of, each of these schemes. For more information see the Library briefing on the [Energy Prices Bill 2022-23](#).

Key resources

General information on all of the schemes is provided in the Government's [Energy bills support factsheet](#), updated on 1 November 2022. The policy paper [How households and businesses will be supported by the Energy Prices Bill](#), updated 21 October 2022, also provides a high-level overview of the measures.

Some changes to the new schemes were announced in the [Autumn Statement 2022](#), on 17 November.

The guidance documents referred to in this briefing are current at the time of writing. However, information on the new schemes is being updated frequently, so it is advisable to check the relevant websites, particularly the [Department for Business, Energy and Industrial Strategy](#) for updates.

Further reading

The following Library briefings provide more information on energy bills and wider support available to help constituents with these:

- [Help with energy bills](#) (March 2019): this provides information on longer-term support schemes, practical steps constituents can take to reduce their bills and sources of information and advice.
- [Help with energy efficiency, heating and renewable energy in homes](#) (July 2022)
- [Energy Bills Support Scheme: Government policy and FAQs](#) (August 2022)
- [Heat networks and energy prices](#) (April 2022)
- [Domestic energy prices](#)

1 Energy Bills Support Scheme (EBSS)

The Energy Bills Support Scheme (EBSS) provides a £400 non-repayable discount to households with a domestic electricity connection in England, Scotland and Wales to help with energy bills between October 2022 to March 2023.

Households who do not have a domestic electricity connection will also receive support: see section 1.2.

The Northern Ireland Energy Bills Support Scheme will provide £400 support to households in Northern Ireland: see section 1.3.

1.1 How will households receive the EBSS?

The [EBSS guidance for householders](#) explains that the discount will be automatically applied to electricity bills, so customers do not need to apply for the discount. It will be paid in monthly instalments:

The discount will be applied to your monthly household electricity bill for 6 months starting in October 2022. You'll get:

- £66 in October and November
- £67 in December, January, February and March.¹

Customers should contact their supplier if they had not received their first instalment by the end of October 2022.

Customers will receive the EBSS in different ways, depending on how they pay for their energy bills:²

- Direct debit customers will receive either a reduction to their monthly direct debit amount, or a refund to their bank account following their monthly direct debit collection;
- Customers who pay by standard credit or payment card will have the discount applied as a credit to their account in the first week of each month;

¹ BEIS, [Getting the Energy Bills Support Scheme discount](#), GOV.UK, 1 April 2022

² BEIS, [Getting the Energy Bills Support Scheme discount](#), GOV.UK, 1 April 2022

- Smart prepayment meter customers will see the discount credited directly to their smart prepayment meters in the first week of each month;
- Traditional prepayment meter customers will be provided with either redeemable vouchers sent by SMS text, email or post, or an automatic credit when they top up at their usual top up point;
 - Customers who receive vouchers need to redeem these at a top-up point. The vouchers are valid for 90 days from the date of issue.³
 - Customers can request the reissue of an expired voucher up to 30 June 2023; all vouchers must be redeemed by this date.⁴

The [EBSS guidance for electricity suppliers](#) [PDF] has more detailed information about how the scheme will be delivered.⁵ This includes information on how payments should be made to customers, including customers who are in arrears and debt.

The guidance for electricity suppliers notes that where a supplier provides both electricity and gas to a customer, the EBSS payment may be applied to reduce or refund the customer's charges for electricity and/or gas.

The [EBSS guidance for householders](#) has more information on [eligibility for the EBSS](#) and [how householders will receive the EBSS discount](#).

1.2

Will households without a domestic electricity connection receive the EBSS?

Some households pay a third-party intermediary (such as a landlord) for their energy. The intermediary may receive the EBSS if they have a domestic electricity supply. New [pass-through regulations](#) require intermediaries to pass on support received under the EBSS to end users (such as tenants). For more information see section 4.

In addition, the [EBSS Alternative Fund](#) scheme will provide £400 support to households across the UK who do not have a domestic electricity contract, and who would otherwise miss out on the EBSS.⁶

³ BEIS, [Energy Bills Support Scheme: Guidance for Electricity Suppliers](#) [PDF], GOV.UK, 22 September 2022, para 5.49

⁴ PQ 77426 [on [Energy Bills Rebate](#)], 11 November 2022

⁵ BEIS, [Energy Bills Support Scheme: Guidance for Electricity Suppliers](#) [PDF], GOV.UK, 22 September 2022

⁶ BEIS, [How households and businesses will be supported by the Energy Prices Bill](#), GOV.UK, 21 October 2022

Details of the EBSS Alternative Funding scheme have not yet been announced. The Government has said that “details, including eligibility criteria and which groups will be in scope, will be announced as soon as possible”,⁷ and that it intends to “have the process up and running for applications this winter”.⁸

1.3 Northern Ireland Energy Bills Support Scheme

Households in Northern Ireland will receive £400 of support under the Northern Ireland Energy Bill Support Scheme. This will use a “similar delivery model” to the EBSS in Great Britain and provide the discount “later this winter”.⁹

Details of the scheme have not yet been announced. On 10 November 2022 the Government said “details of how [the Northern Ireland EBSS] will run will be announced in the coming weeks and payments will be backdated to October”.¹⁰

1.4 Further information

The Government is publishing monthly updates on [EBSS payments made by electricity suppliers to customers](#).¹¹ The data is presented by supplier and by meter type.

The Library briefing [Energy Bills Support Scheme: Government policy and FAQs](#) (August 2022) summarises reactions to the announcement of the scheme, and answers frequently asked questions about it. It does not cover more recent updates to the scheme; we will update this briefing paper in due course.

⁷ BEIS, HMT James Cartlidge MP, and The Rt Hon Grant Shapps MP, [Millions across Great Britain see energy bills reduced as £1.8 billion is paid out in first month of government scheme](#), GOV.UK, 18 November 2022

⁸ PQ 67935 [on [Energy Bills Rebate](#)], 26 October 2022

⁹ BEIS, Northern Ireland Office, The Rt Hon Grant Shapps MP and The Rt Hon Chris Heaton-Harris MP, [Energy bill support for Northern Ireland households launches](#), GOV.UK, 1 November 2022; BEIS, [How households and businesses will be supported by the Energy Prices Bill](#), GOV.UK, 21 October 2022

¹⁰ HL 2979 [on [Energy: Northern Ireland](#)], 10 November 2022

¹¹ BEIS, [Energy Bills Support Scheme: payments made by electricity suppliers to customers](#), GOV.UK, 18 November 2022

2

Energy Price Guarantee (EPG)

The [Energy Price Guarantee](#) (EPG) limits the amount consumers on domestic contracts can be charged per unit of gas and electricity over the period 1 October 2022 to 31 March 2024.

The actual cost of a consumer's bill will depend on the amount of electricity and gas they use.

The level of the EPG limit is set as follows:

- Between 1 October 2022 to 31 March 2023 the EPG is set at a level equivalent to an annual bill of £2,500 for a “typical” household.¹² It is intended to save a typical household around £900 this winter, compared to what energy prices would have been under the [Default Tariff Cap](#) (energy price cap).¹³
- Between 1 April 2023 to 31 March 2024 the EPG will be increased so that a typical household will pay £3,000 per year, saving £500 compared to prices under the Default Tariff Cap.¹⁴

The Government plans to keep the EPG under review and may make changes to the scheme, for example if forecast costs increase significantly.¹⁵

It will also consult on amending the EPG “as soon as is feasible” after April 2023. The consultation will consider options to cap the support given to consumers who use very large volumes of energy, as well as “ways to ensure that vulnerable high energy users, such as those with medical requirements are not put at risk”.¹⁶

The Government has said households who are not on standard domestic electricity and/or gas supply contracts will receive “equivalent support” to the EPG.¹⁷ For more information see section 2.2.

The Energy Price Guarantee in Northern Ireland will provide support to households in Northern Ireland: for more information see section 2.3.

¹² HM Treasury (HMT), [Cost of living support Factsheet](#), GOV.UK, 21 November 2022

¹³ The Library briefing [Energy bills and the price cap](#) provides background on the default tariff cap. This has been superseded by the Energy Price Guarantee for the period 1 October 2022 to 31 March 2024. Ofgem has also published [guidance on how the EPG supersedes the Energy Price Cap](#).

¹⁴ HMT, [Cost of living support Factsheet](#), GOV.UK, 21 November 2022

¹⁵ HMT, [Autumn Statement 2022](#) [PDF], GOV.UK, 17 November 2022, para 5.1

¹⁶ HMT, [Autumn Statement 2022](#) [PDF], GOV.UK, 17 November 2022, para 5.1

¹⁷ BEIS, [Energy bills support factsheet](#), GOV.UK, 1 November 2022

2.1

How will the EPG reduce domestic energy prices?

The Government's [Energy Bills Support Factsheet](#) sets out how customers in a range of circumstances will receive the EPG.¹⁸

The EPG will be applied automatically to domestic electricity and gas bills. Customers do not need to apply for the discount, and prepayment meter customers do not need vouchers.

The value of the unit price reductions will vary according to the tariff which the customer is currently on. For customers on a standard variable tariff, the reductions also vary by payment method and region.

Standard variable tariff

For customers on a **standard variable tariff** (SVT) (also known as a default tariff) the EPG sets a limit on the unit rate of gas and electricity. For winter 2022-23:

- The limits vary according to how the customer pays their bills and by region. A full list of the different rates can be found at [Energy Price Guarantee: regional rates](#).¹⁹ As an example, the average unit price for customers with a dual fuel SVT paying by direct debit will be limited to 34p/kWh for electricity and 10.3p/kWh for gas.²⁰
- For customers on **multi-register tariffs such as Economy 7**, suppliers can apply slightly different discounts to help balance-out the reduction of more expensive day rates with cheaper night-time electricity rates.²¹

Standing charges are a daily fixed charge on energy bills. They cover administration fees, connections to and maintenance of the energy network and government schemes to help reduce carbon emissions and fuel poverty.²² Under the EPG, standing charges for customers on SVTs will remain capped at the levels set by Ofgem for the default tariff cap from 1 October 2022:

Average standing charges for customers on default tariffs will remain capped in line with the levels set (in Great Britain) by Ofgem for the default tariff cap from 1 October, at 46p per day for electricity and 28p per day for gas, for a typical dual fuel customer paying by direct debit. Standing charges for households in Northern Ireland will also be unaffected.²³

¹⁸ BEIS, [Energy bills support factsheet](#), GOV.UK, 1 November 2022

¹⁹ BEIS, [Energy Price Guarantee: regional rates](#), GOV.UK, 7 October 2022

²⁰ BEIS, [Energy bills support factsheet](#), GOV.UK, 1 November 2022

²¹ BEIS, [Energy Price Guarantee: regional rates](#), GOV.UK, 7 October 2022

²² Ofgem, [Energy price cap explained](#), accessed 23 November 2022

²³ BEIS, [Energy bills support factsheet](#), GOV.UK, 1 November 2022

The cap levels for standing charges vary by payment method and by region. For more information see the Library briefing [Domestic energy prices](#).

Variable tariffs not subject to the default tariff cap

Some variable tariffs were not subject to the default tariff cap (energy price cap) because they have a “derogation”. This includes some 100% renewable energy tariffs.²⁴

- Customers on these tariffs will receive a **unit price reduction** of 17p/kWh for electricity and 4.2p/kWh for gas over winter 2022-23.
- If the customer’s original tariff was priced at a higher level than the default tariff cap, the rates after the unit discount will be above the EPG unit rates for standard variable tariffs.²⁵

Fixed rate tariffs

Customers on a fixed rate tariff with higher unit rates than the EPG will receive a **unit price reduction of up to 17p/kWh** for electricity and 4.2p/kWh for gas over winter 2022-23:

- These customers’ unit prices will be reduced down to (but not below) a ‘floor’ (minimum) unit price. As an example, for direct debit customers the average floor unit price will be 34p/kWh for electricity and 10.3p/kWh for gas.
- If the customer’s fixed rate tariff is already below the floor price, they will not receive a further discount for the duration of their fixed term contract.
- If the customer’s fixed rate is above the level of the default tariff cap set by Ofgem from 1 October 2022 they will receive the maximum unit price reduction, but the unit rates they pay will remain above the EPG unit rates for standard variable tariffs.²⁶

The Government’s [Energy bills support factsheet](#) has more information.

²⁴ Ofgem awarded permanent derogations from the default tariff cap to three energy suppliers in 2019. It has not since awarded any further such derogations. For more information on the derogations, see Energy Live News, [Ofgem confirms permanent energy price cap exemptions for three green suppliers](#), 1 August 2019.

²⁵ BEIS, [Energy bills support factsheet](#), GOV.UK, 1 November 2022

²⁶ BEIS, [Energy bills support factsheet](#), GOV.UK, 1 November 2022

2.2

Will households without a domestic electricity and/or gas contract receive the EPG?

The Government has said households who are not on standard domestic electricity and/or gas supply contracts will receive “equivalent support” to the EPG:²⁷

- Some households pay an intermediary (such as a landlord, heat network or park site owner) for their energy:
 - If the intermediary has a domestic electricity and/or gas supply they may benefit from the EPG;
 - If the intermediary has a non-domestic electricity and/or gas supply they may benefit from the **Energy Bill Relief Scheme**. For more information see section 3;
 - The **pass-through regulations** require intermediaries to pass on benefits received under the EPG to end users. For more information see section 4;
- The **Alternative Fuels Payment** will provide a one-off payment of £200 to households who use alternative fuels (instead of electricity or gas) for their heating. For more information see section 5.

2.3

Energy Price Guarantee in Northern Ireland

The Energy Price Guarantee in Northern Ireland limits the amount domestic customers can be charged per unit of gas and electricity from 1 November 2022 to 31 March 2024. It will provide “equivalent support” to the EPG in Great Britain.²⁸

The discount for 1 November to 31 March 2023 has been set at a slightly higher rate than the EPG in Great Britain, to account for increased energy costs over October 2022. Energy suppliers will **reduce** unit prices in Northern Ireland by up to 20p/kWh for electricity and 4.8p/kWh for gas. Prepayment meter customers will receive the reduction at the same rate as other customers.²⁹

²⁷ BEIS, [Energy bills support factsheet](#), GOV.UK, 1 November 2022

²⁸ HMT, [Autumn Statement 2022](#) [PDF], GOV.UK, 17 November 2022, para 5.1; BEIS, Northern Ireland Office, The Rt Hon Grant Shapps MP and The Rt Hon Chris Heaton-Harris MP, [Energy bill support for Northern Ireland households launches](#), GOV.UK, 1 November 2022; BEIS, [How households and businesses will be supported by the Energy Prices Bill](#), GOV.UK, 21 October 2022

²⁹ BEIS, Northern Ireland Office, The Rt Hon Grant Shapps MP and The Rt Hon Chris Heaton-Harris MP, [Energy bill support for Northern Ireland households launches](#), GOV.UK, 1 November 2022

[NI Direct](#), the [Consumer Council](#) and the [press release announcing the scheme's launch](#) provide more information.

3

Energy Bill Relief Scheme (EBRS)

The [Energy Bill Relief Scheme \(EBRS\)](#) provides a discount on the gas and electricity unit prices paid by customers with a non-domestic energy supply contract. It applies in England, Scotland and Wales from 1 October 2022 to 31 March 2023.³⁰

The EBRS is available to all non-domestic customers (such as businesses, charities and public sector organisations) who are:

- 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.

Customers on fixed contracts signed before December 2021 are not covered because those users “would not have been exposed to the recent rises in wholesale prices”.³¹

The BEIS guidance, [Energy Bill Relief Scheme: help for businesses and other non-domestic customers](#) has more information on eligibility for the scheme.

Non-domestic customers **and households** who purchase energy from an intermediary (such as a heat network, park site owner or landlord), will benefit from the EBRS if the intermediary has a qualifying non-domestic electricity and/or gas supply contract. For more information see section 3.2.

The [Northern Ireland Energy Bill Relief Scheme](#) provides comparable support in Northern Ireland. For more information see section 3.3.

The Government is reviewing the EBRS to determine support for non-domestic energy consumers, excluding public sector organisations, beyond 31 March 2023. It expects to reduce the scale of the support offered after this date, and to target any remaining support at the customers “most affected” by high energy prices. It will publish the review’s findings by 31 December 2022.³²

³⁰ BEIS, [Energy Bill Relief Scheme: help for businesses and other non-domestic customers](#), GOV.UK, 10 October 2022

³¹ BEIS, [Energy Bill Relief Scheme: help for businesses and other non-domestic customers](#), GOV.UK, 10 October 2022

³² HMT, [Terms of Reference: Review of the Energy Bill Relief Scheme](#), GOV.UK, 17 November 2022

3.1

How will the EBRS reduce non-domestic energy prices?

The BEIS guidance, [Energy Bill Relief Scheme: help for businesses and other non-domestic customers](#) explains how customers in different circumstances will benefit from the EBRS.³³

Energy suppliers will automatically apply the EBRS reduction to the bills of all eligible non-domestic customers. Customers do not need to apply for the discount.

The EBRS provides a discount on the **wholesale portion** of gas and electricity unit prices. Wholesale prices are what energy suppliers pay to purchase the energy. They are not retail prices, which is what end-users pay. Retail prices include wider costs, such as network charges and operating costs.³⁴

The EBRS will be calculated by comparing the estimated wholesale portion of the customer's existing unit price with a baseline "government supported price". The government supported price has been set at a lower level than expected wholesale prices this winter. It is based on the implied wholesale element of the Energy Price Guarantee. For customers in Great Britain and Northern Ireland, the government supported price is:

- £211 per megawatt hour (MWh) for electricity
- £75 per MWh for gas.

The value of the EBRS discount will vary according to the type and date of the customer's existing energy supply contract. Some customers may be able to access a cheaper tariff (taking account of the discount) if they switch to a different contract.

- For customers on a **fixed contract**, the discount reflects the difference between the government supported price and the relevant wholesale price for the day the contract was agreed. If the contract was fixed when wholesale prices were lower than the government supported price, the customer will not be eligible for a discount.
- For customers on a **variable, deemed or other contract**, the discount reflects the difference between the government supported price and the relevant wholesale price. Customers on these contracts are subject to a maximum discount of £345 per MWh for electricity and £91 per MWh for gas.

³³ BEIS, [Energy Bill Relief Scheme: help for businesses and other non-domestic customers](#), GOV.UK, 10 October 2022

³⁴ The Library briefing [Domestic energy prices](#) has more information on the components of energy prices.

The Government has published [reference wholesale prices used to calculate the discount for each day](#) from 1 December 2021 to the present. It will publish weekly updates on this until the end of the scheme.³⁵

The BEIS guidance, [Energy Bill Relief Scheme: help for businesses and other non-domestic customers](#), has more information on how the discount will be calculated for customers in different circumstances, including illustrative examples.

The [Energy Bill Relief Scheme Guidance: Great Britain and Northern Ireland](#) (PDF) has more detailed information on how the scheme will be delivered. This includes: treatment of multi-rate meters; how different contracts will be classified; and treatment of customers who have a higher or lower exposure to wholesale prices because of wider arrangements (such as financial hedging, balancing services or electricity generation).³⁶

3.2 How will customers who buy energy from a third-party benefit from the EBRS?

Some households, businesses, charities and public sector organisations pay a third-party intermediary (such as a landlord or heat network) for their energy. The intermediary may receive the EBRS if they have a non-domestic electricity and/or gas supply. The [pass-through regulations](#) require intermediaries to pass on benefits received under the EBRS to end users (such as tenants). For more information see section 4.

3.3 Northern Ireland Energy Bill Relief Scheme

The Northern Ireland EBRS will in general function in a very similar way to the EBRS in Great Britain. The guidance [Energy Bill Relief Scheme: help for businesses and other non-domestic customers \(Northern Ireland\)](#) provides information on the scheme.³⁷

The technical guidance [Energy Bill Relief Scheme Guidance: Great Britain and Northern Ireland](#) (PDF) provides more technical information about the EBRS. Chapter 9 sets out guidance specific to the Northern Ireland EBRS for the two areas where this will differ to the GB scheme. These are:

³⁵ BEIS, [Energy Bill Relief Scheme: help for businesses and other non-domestic customers](#), GOV.UK, 10 October 2022

³⁶ BEIS, [Energy Bill Relief Scheme Guidance: Great Britain and Northern Ireland](#) [PDF], GOV.UK, 1 November 2022

³⁷ BEIS, [Guidance: Energy Bill Relief Scheme: help for businesses and other non-domestic customers \(Northern Ireland\)](#), GOV.UK, 10 October 2022

- differences in how energy supply contracts are classified;
- provisions to limit the discount available to a customer in Northern Ireland if they are passing it on to an end user outside Northern Ireland.³⁸

³⁸ BEIS, [Energy Bill Relief Scheme Guidance: Great Britain and Northern Ireland](#) [PDF], GOV.UK, 1 November 2022

4 Pass through requirements for the EBSS, EPG and EBRS

The Government introduced the **pass through regulations** in November 2022, which in combination cover the whole of the UK.³⁹ These require “relevant intermediaries” (such as landlords) to pass on benefits received under the Energy Bills Support Scheme, Energy Price Guarantee and Energy Bills Relief Scheme to end users (such as tenants). Intermediaries must also pass on any benefits received before the regulations came into force.⁴⁰

“Relevant intermediaries” are any individual or organisation that holds an electricity and/or gas contract and passes on the costs of the energy supplied under this contract to an end user of the energy supplied. This covers intermediaries supplying products and services where contractually a component of the price relates directly to the cost of electricity and/or gas. For example, this may include heating, cooling and hot water.

End users can include domestic and non-domestic customers (such as businesses, charities and public sector organisations), as well as park home residents and motorists using electric vehicle charging facilities.⁴¹

There are specific requirements for heat networks. For more information see section 4.3.

4.1 How will benefits be passed through to end users?

The [guidance on the pass through requirements](#) explains that intermediaries are required to pass on the discounts in a “just and reasonable” way:

³⁹ The “pass through regulations” refers to a package of regulations setting out pass through requirements: [Energy Bills Support Scheme and Energy Price Guarantee Pass-through Requirement \(England and Wales and Scotland\) Regulations 2022](#); [Energy Bill Relief Scheme Pass-through Requirement Regulations \(England and Wales and Scotland\) \(2022\)](#); [Energy Bills Support Scheme and Energy Price Guarantee Pass-through Requirement \(Heat Suppliers\) \(Northern Ireland\) Regulations 2022](#); [Energy Bill Relief Scheme and Energy Price Guarantee Pass-through Requirement and Miscellaneous Amendments Regulations 2022](#).

⁴⁰ There are some exemptions to this rule. For more information see [Guidance on the pass-through requirements for energy price support provided to intermediaries](#).

⁴¹ BEIS, [Guidance on the pass-through requirements for energy price support provided to intermediaries](#), GOV.UK, 4 November 2022

Intermediaries must pass on the discount irrespective of how the end user pays for their energy use. They can adjust the amount they pass on based on their charges to end users and must demonstrate to end users that this amount is just and reasonable.

Intermediaries can take into account the extent to which they have increased their charges to end users as a result of the energy crisis. For example, if the intermediary has shielded its end users from the impact of increased energy prices it may be just and reasonable for it to retain some or all of the scheme benefit.

If the intermediary charges an “all inclusive” rent incorporating a fixed charge for energy use, the intermediary must pass the discount in a just and reasonable way.

[...]

Where a relevant intermediary uses energy to provide common services, they are entitled to include the costs of this within the calculation of what is just and reasonable to pass through to the extent that the cost of such energy is or will not be borne by the end user.⁴²

The intermediary must pass on the benefits “as soon as reasonably practicable”.⁴³ It should pass them on in the same proportions as it charges end-users for energy, for example based on the amount of energy used, or based on some other division of costs between end users.

The intermediary must also share information with end users on how much of the benefit will be passed through, including their justification for this. This information must be provided within 30 days of the intermediary receiving the benefit.

The [Guidance on the pass-through requirements for energy price support provided to intermediaries](#) has more information, including exemptions, ways that benefits can be passed to customers and illustrative examples of how the pass-through requirement is calculated for customers in different circumstances.

Maximum resale price rules

Intermediaries must continue to comply with the maximum resale price rules. These say that if an intermediary resells electricity or gas to end-users, based on their usage, then the intermediary must not make a profit on the resale. For more information see [Ofgem’s guidance on the maximum resale price rules](#).⁴⁴

⁴² BEIS, [Guidance on the pass-through requirements for energy price support provided to intermediaries](#), GOV.UK, 4 November 2022

⁴³ BEIS, [Guidance on the pass-through requirements for energy price support provided to intermediaries](#), GOV.UK, 4 November 2022

⁴⁴ Ofgem, [The resale of gas and electricity: Guidance on maximum resale price \(updated October 2005\)](#), 13 October 2005

4.2

What can end users do if benefits are not passed through?

If an end user believes they have not been passed through a benefit (or enough benefit), or if reasonable steps were not taken to inform them of their eligibility to benefit, they should raise this with the intermediary in the first instance.⁴⁵

If the intermediary fails to pass on the payment or to provide necessary information to the end user, the end user may bring civil proceedings and seek to recover the sums due as a civil debt.

The [Guidance on the pass-through requirements for energy price support provided to intermediaries](#) has more information, including a [template letter to help end users to communicate with intermediaries](#).

Government guidance on how to [make a court claim for money](#) has more information on making money claims of £10,000 or less. The Government's [Money Claim Online \(MCOL\) user guide](#) details how to claim for sums between £10,001 and £100,000.

4.3

Pass through requirements for heat networks

The Government has published specific [guidance on the pass-through requirements for heat networks](#).⁴⁶ These are generally similar to those for other intermediaries. Key differences include:

- A heat supplier must pass on benefits “as soon as reasonably practicable” after the supplier has received the benefit, and no later than the next time it bills the customer.
- All [heat suppliers in Great Britain are required to join the Energy Ombudsman’s consumer redress scheme](#).
- If an end user believes they are not being passed through (enough) benefit, or if reasonable steps were not taken to inform them of their eligibility to benefit, they should raise this with the heat supplier in the first instance.
 - If the end user is unable to reach an agreement with the heat supplier, they can complain to the [Energy Ombudsman](#) (for

⁴⁵ BEIS, [Guidance on the Energy Bill Relief Scheme pass-through requirements for heat networks in the UK](#), GOV.UK, 4 November 2022

⁴⁶ BEIS, [Guidance on the Energy Bill Relief Scheme pass-through requirements for heat networks in the UK](#), GOV.UK, 4 November 2022

customers in Great Britain) or the [Consumer Council](#) (for customers in Northern Ireland).

- If the Energy Ombudsman makes a decision that involves the customer receiving a remedy (such as compensation) and the supplier does not comply with this, or, if a complaint made to the Consumer Council does not lead to a resolution, then the consumer can commence civil proceedings to recover the EBRS benefit from the heat supplier.⁴⁷

The [guidance on the pass-through requirements for heat networks](#) has more information. There is also accompanying legal guidance for heat networks that use Combined Heat and Power.⁴⁸

⁴⁷ There is an exemption to this if the supplier receives the EBRS benefit and bills the customer within 30 days of the regulation coming into force.

⁴⁸ BEIS, Chapter 2 of Part 4: Arrangements for Customer to deliver electricity to the grid (Great Britain and NI Schemes) in [Energy Bill Relief Scheme Guidance: Great Britain and Northern Ireland](#) [PDF], GOV.UK, 1 November 2022

5

Alternative Fuel Payments

The Alternative Fuel Payments (AFP) domestic scheme will provide a one-off payment of £200 to domestic consumers across the UK who are not on the mains gas grid and therefore use an alternative fuel to heat their homes.⁴⁹ This includes, for example, heating oil, coal, liquid petroleum gas and biomass.

All households in Northern Ireland will receive the £200 support, whatever fuel they use for heating.⁵⁰ In Northern Ireland 68% of households have central heating provided by oil: in the UK as a whole the figure is 4%.⁵¹

Support will also be provided through the AFP for non-domestic consumers who are not able to receive support for their heating costs through the **Energy Bill Relief Scheme**. Non-domestic consumers who are off the gas grid and use alternative fuels will receive at least £150 as a fixed payment. The Government has stated that there will also be “additional ‘top-up’ payments for large users of heating oil based on actual usage”.⁵² Further details on “top-up payments” have not been announced.

The AFP payments will mainly be delivered through electricity suppliers. They will also be available to domestic and non-domestic users who do not have a relationship with an electricity supplier.⁵³

A date for paying the AFP has not been announced. The Government said on 17 November 2022 that this will be delivered “as soon as possible this winter”.⁵⁴

5.1

How has the value of the AFP been set?

The Government has said the payment will ensure that a typical customer using heating oil does not face a higher rate of growth in their heating costs since winter 2021/22, in comparison to those using mains gas who are supported by the Energy Price Guarantee.

⁴⁹ HMT, [Autumn Statement 2022](#), Gov.uk, 17 November 2022, para 5.3

⁵⁰ Policy changed to provide £200 to all NI households announced in Autumn Statement. HMT, [Autumn Statement 2022: Cost of living support Factsheet](#), Gov.uk, 17 November 2022

⁵¹ NISRA, [Energy in Northern Ireland 2022](#), chapter 6, June 2022

⁵² HMT, [Autumn Statement 2022](#), Gov.uk, 17 November 2022, para 5.3

⁵³ BEIS, [How households and businesses will be supported by the Energy Prices Bill](#), Gov.uk, 21 October 2022

⁵⁴ HMT, [Autumn Statement 2022](#), Gov.uk, 17 November 2022, para 5.3

The Government has also stated it will continue to monitor the prices of alternative fuels, such as heating oil, and will consider further intervention if required.⁵⁵ The support offered was originally set at £100 for each consumer but it was increased to £200 in the Government Autumn Statement on 17 November 2022.⁵⁶

5.2 How will eligible consumers be identified?

It is not currently clear how eligible consumers will be identified. The Government has stated that there is no central register of people who do not use the gas grid for their heating. However, it estimates that there are around two million UK households who use fuels other than gas or electricity for heating.⁵⁷ The Government is working with stakeholders on the best way to identify those who are eligible for support.⁵⁸

5.3 Why is the payment being mainly delivered by electricity suppliers?

On 12 October 2022, the trade body UK and Ireland Fuels Distribution Association (UKFIDA) said it would be difficult for fuel suppliers to deliver the payment to customers directly, but that it would help the Government to design the payment system:

Through multiple discussions with the government, it became clear that because of the highly competitive nature of the heating oil market, where customers hold multiple accounts across different distributors and outlets, a quick method of payment through these accounts without duplication was not possible.

We will continue to offer assistance to the government in the design of the payment system through electricity companies. This will take time, and customers should await further details from the government.⁵⁹

⁵⁵ BEIS, [How households and businesses will be supported by the Energy Prices Bill](#), Gov.uk, 21 October 2022.

⁵⁶ HMT, [Autumn Statement 2022](#), Gov.uk, 17 November 2022, para 5.3

⁵⁷ BEIS, [Energy Prices Bill: Impact assessment](#), 12 October 2022

⁵⁸ BEIS, Northern Ireland Office, The Rt Hon Grant Shapps MP and The Rt Hon Chris Heaton-Harris MP, [Energy bill support for Northern Ireland households launches](#), GOV.UK, 1 November 2022;

⁵⁹ UKFIDA, [Statement: UKFIDA notes the government's announcement regarding the £100 fixed payment to heating oil users](#), 12 October 2022

5.4

How will customers who don't have an electricity supply contract receive the Alternative Fuel Payment?

Customers who are eligible for the AFP but don't have a relationship with an electricity supplier, perhaps because they are off the electricity grid (such as canal boat residents), will receive the £200 via the Alternative Fuel Payment Alternative Fund which will be provided by a "designated body".

The [Explanatory Notes to the Energy Prices Bill](#) [PDF] suggested that designated bodies might be local authorities or other statutory bodies.⁶⁰ The Government stated on 1 November 2022 that it would confirm details of the Alternative Fund shortly.⁶¹

Some customers pay an intermediary (such as a landlord) for their energy. The intermediary may receive the AFP if they have a contract with an electricity supplier for the property. However, the AFP is not included in the [pass through regulations](#), which require intermediaries to pass on support to the end user.

⁶⁰ Energy Prices Bill, [Explanatory Notes](#), 12 October 2022, para 10

⁶¹ BEIS, [Energy bills support factsheet](#), GOV.UK, 1 November 2022

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