

The government has announced plans to introduce a cap on wholesale energy bills for businesses.

Energy Bill Relief Scheme full announcement: [Link](#)

Key Points:

The government have today announced the unveiling of The Energy Bill Relief Scheme which will see wholesale energy prices for all firms capped for six months from 1 October

Officials have not yet put an overall price tag on the latest subsidy to firms as the ultimate cost will depend on what happens to the wholesale market price between October and April when the support expires.

Under the scheme, revealed by the Department for Business, Energy and Industry (BEIS), wholesale prices are expected **to be fixed for all non-domestic energy customers at £211 per MWh for electricity and £75 per MWh for gas**. It will apply to energy usage from **1 October 2022 to 31 March 2023**. Firms do not need to contact suppliers as this will be automatically applied to them.

The scheme will also apply to fixed contracts agreed on or after **1 April** and variable and flexible tariffs and contracts.

More details:

The level of price reduction for each business will vary depending on their contract type and circumstances:

- **Non-domestic customers on existing fixed price** - will be eligible for support as long as the contract was agreed on or after **1 April 2022**. Provided that the wholesale element of the price the customer is paying is above the Government Supported Price, their per unit energy costs will automatically be reduced by the relevant p/kWh for the duration of the Scheme. Customers entering new fixed price contracts after **1 October** will receive support on the same basis.
- **Default, deemed or variable tariffs** - will receive a per-unit discount on energy costs, up to a maximum of the difference between the Supported Price and the average expected wholesale price over the period of the Scheme. The amount of this Maximum Discount is likely to be around **£405/MWh for electricity and £115/MWh for gas**, subject to wholesale market developments. Non-domestic customers on default or variable tariffs will therefore pay reduced bills, but these will still change over time and may still be subject to price increases. This is why the Government is working with suppliers to ensure all their customers in England, Scotland and Wales are given the opportunity to switch to a fixed contract/tariff for the duration of the scheme if they wish, underpinned by the Government's Energy Bill Relief Scheme support.
- **Businesses on flexible purchase contracts** - typically some of the largest energy-using businesses, the level of reduction offered will be calculated by suppliers according to the specifics of that company's contract and will also be subject to the Maximum Discount.