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Amanda Solloway MP Parliamentary Under Secretary of State at the Department for Energy Security & Net Zero

Department for Energy Security & Net Zero

www.gov.uk

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2 March 2023

Dear Chris,

Thank you for your email of 30 January addressed to Kevin Hollinrake, on behalf of UK Sustain, regarding energy support for manufacturers of bread, pastries and cakes under the Energy Bills Discount Scheme (EBDS).

Firms with primary operations in the list of Standard Industrial Classification (SIC) sectors published <a href="here">here</a> will be eligible for support under the Energy and Trade Intensive Industry (ETII) scheme:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/1128021/230104\_ETII\_List\_for\_gov.uk.pdf.

We recognise that some businesses are highly exposed to both energy prices and international competition that means they are unable to pass through or absorb these costs. Following a review on the operation of the current Energy Bill Relief Scheme (EBRS) the government has decided to target additional support beyond April 2023 at the most Energy and Trade Intensive Industry (ETII) sectors — which are primarily manufacturing businesses.

The firms eligible for the ETII scheme are those operating within sectors that fall above the 80th percentile for energy intensity and 60th percentile for trade intensity, and those within sectors eligible for the existing Energy Intensive Industries compensations and exemption schemes. Both thresholds need to be met to warrant inclusion, meaning that some energy intensive sectors, which are not significantly trade intensive will not be eligible for support.

These thresholds were set to balance our goals of delivering targeted support at lower overall cost, while capturing a broad enough share of affected companies.

Thank you again for taking the time to write. I hope this information is useful.

Amanda Solloway MP

Parliamentary Under Secretary of State at the Department for Energy Security & Net Zero