



Department for  
Business, Energy  
& Industrial Strategy

**Lord Callanan**  
Minister for Business, Energy and Corporate  
Responsibility

**Department for Business, Energy &  
Industrial Strategy**  
1 Victoria Street  
London  
SW1H 0ET

Munira Wilson MP and Sarah Olney MP  
House of Commons  
London  
SW1A 0AA

[www.gov.uk](http://www.gov.uk)

Our ref: MCB2023/00929

27 January 2023

Dear Munira and Sarah,

Thank you for your joint letter of 10 January addressed to Rt Hon Graham Stuart MP, regarding support for households on heat networks. I am responding as this matter falls under my ministerial portfolio.

I note your request for clarification regarding the implications for heat network consumers of the Energy Bills Discount Scheme (EBDS), which will apply from 1 April 2023. I can confirm that the Government is developing options to ensure these consumers will receive support in line with other domestic users after 31 March. We will release more information on the EBDS in relation to the heat network sector in due course.

You have also asked about plans to communicate these impacts. We have engaged with the sector regularly on the winter support package, including email updates to key stakeholders and publishing guidance on GOV.UK. We will continue to do this for the EBDS. The Energy Ombudsman and the General Consumer Council for Northern Ireland, whom we have appointed to act as Alternative Dispute Resolution bodies for heat network customers, will also provide their own communications.

Also you have asked for clarification of how support for heat network consumers will be equivalent to the £3000 cap offered to other households through the Energy Price Guarantee from April 2023. As noted above, the Government is developing options to ensure that support is equivalent, with more details to be announced in due course. I would also point to the work done to support heat network customers currently via the Energy Bill Relief Scheme (EBRS) pass-through. We have introduced limits to the price that at which heat networks buy energy, which is a much more targeted approach to limiting heat network customer bills. We do not consider that a heat tariff cap would be an effective tool, given the diversity of this nascent sector. Regulations introduced in November 2022 require heat networks to pass on the benefit of the EBRS to end consumers.

Heat network domestic and micro business customers can submit a complaint to their supplier if:

- The supplier has not notified the customer, in writing, when they (the supplier) have received the EBRS.
- The supplier has not notified the customer, in writing of when and how it will affect the pass-through of the EBRS benefit.
- The supplier does not pass through the benefit in the next bill or has not complied with any other part of the pass-through requirement as laid out in the Regulations.

If the supplier does not address a complaint in a satisfactory manner, the consumer can approach the Consumer Council (in Northern Ireland) or the Energy Ombudsman (in Great Britain). This system will support customers in receiving the pass-through they are entitled to, meaning they receive support equivalent to that given to other consumers.

I also noted your query about what support is available for those heat network consumers who are in doubt over the level of passthrough they should have received from their heat supplier and are in need of general advice. As noted above, if a consumer has not received sufficient information on the passthrough they can complain first to their supplier, and then to the Energy Ombudsman or Consumer Council as appropriate. Under the Regulations, a heat supplier must include, in the consumer's next bill, calculations and reasoning for the amount of passthrough they are providing to a consumer. We have published guidance on the calculation of the pass-through at:

[www.gov.uk/government/publications/pass-through-requirements-for-energy-price-support-provided-to-intermediaries/guidance-on-the-energy-bill-relief-scheme-pass-through-requirements-for-heat-networks](http://www.gov.uk/government/publications/pass-through-requirements-for-energy-price-support-provided-to-intermediaries/guidance-on-the-energy-bill-relief-scheme-pass-through-requirements-for-heat-networks).

Heat network consumers with a domestic electricity supply are also eligible for the £400 Energy Bills Support Scheme (EBSS) or, for those without a domestic electricity meter, will receive the same level of support via the EBSS Alternative Funding. Many heat network consumers will also benefit from the EBDS on their electricity bills from 1 April 2023.

You also asked for confirmation that the benefits of the EBDS are passed through to heat network consumers. We will introduce more details on the mechanism by which heat network customers will benefit from EBDS for their heating and hot water bills in due course.

In relation to general advice, we will be publishing further information resources for consumers in due course.

Finally, you mention your written question, submitted 19 December 2022. I see a response was provided on 12 January 2023. I have provided a link to said answer here for ease of access:

[questions-statements.parliament.uk/written-questions/detail/2022-12-19/113430/](https://questions-statements.parliament.uk/written-questions/detail/2022-12-19/113430/)

Thank you again for sharing your concerns. I trust this information will be helpful.

A handwritten signature in blue ink, appearing to read 'Martin Callanan', is written over a light blue horizontal line.

**Lord Callanan**