



Energy Intensive Industries Exemption

Energy Intensive Industries (EII) are currently compensated by the Department for Business, Energy and Industrial Strategy (BEIS) for 85% of indirect costs for the Renewable Obligation (RO), Feed in Tariff (FiT) and Contracts for Difference Feed in Tariff (CfD FiT) schemes.

The Chancellor announced in the 2015 Spending Review that we should move from compensation to an exemption for EIIs from the indirect costs of the RO, FiT and CfD FiT.

Relevant companies can now apply for an EII certificate which will (if successful) enable them to qualify for 85% exemption from the policy costs associated with generating electricity from renewable sources.

EII Exemption Timetable

Importantly, exemption from the costs will not apply until the relevant legislation has been passed relating to each support scheme. An indicative timetable is set out below:

- CfD FiT – Exemption took effect on 1 November 2017
- RO – Exemption takes effect from 1 April 2018
- FiT - Exemption to take effect in late 2018

CfD FiT

On 29 March 2017, BEIS announced that the exemption for CfD FiT costs had been approved by the European Commission and the draft regulation has now been submitted to Parliament.

BEIS has also published draft guidance for companies to apply for the CfD FiT exemption; however the exemption certificates will only be issued once the modification has been approved by Parliament.

BEIS expect the Parliamentary process to take around two and a half months, subject to their timetable.

RO and FiT

On the 19th July 2017, BEIS published confirmation of the exemption of RO up to 85%. BEIS have not published their decision yet for the FiT exemption, which will be announced in due course.

BEIS intends to bring in the RO exemption from 1 April 2018.

Customers can still start applying.



Eligibility Criteria:

In order to be eligible for the exemptions, businesses will need to demonstrate that a specific site is classed as an EII.

This is based on two main criteria:

- The energy expenditure is more than 20% of the total site costs, including staff costs and income; and
- That the business is one of over 50 industries listed by the government that qualify for the exemption. These businesses range from mining and quarrying to iron casting and chemical manufacturing. The full list of qualifying industries can be found [here](#)

Application Process:

- Businesses must apply to the Secretary of State for an exemption certificate, which must then be presented to their energy supplier before any exemption can be applied.
- The link to the CfD FiT application form is [here](#).
- The link to the RO and FiT application form is [here](#).
- Applications for an EII Certificate can be submitted at any point during the year. EII Certificates come into force on the day after they are issued.
- Certificates will be valid from the date they come into force until the end of the tax year in which that date falls. For example, certificates issued on 1 October 2017 would be valid until 31 March 2018.

For ENGIE customers who have been successful in their application, certificates should be sent in electronic format to customerdata@engie.com .

Further Information

Further details as to what information needs to be included in the application can be found in the links below.

CfD FiT application guidance document can be found [here](#)

Renewable Obligation (RO)/Feed in Tariff (FIT) application process can be found [here](#)

The Government helpline can be accessed [here](#)