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IN THE EVENT OF A POWER CUT CALL 105

## Energy Intensive Industries Exemption

### About

The government has put in place the Contracts for Difference (CFD) and Renewables Obligation (RO) schemes and the Small-Scale Feed-In-Tariff (FIT), amongst others, to incentivise low carbon and renewable electricity deployment. The costs of funding these renewable policies are recovered through levies or an obligation on suppliers and these are ultimately passed on to domestic and non-domestic electricity consumers' bills.

Recognising that certain electricity intensive businesses operating in international markets may be competitively disadvantaged by such policies, the Government has allowed for certain exceptions. In such cases a business which meets the Energy Intensive Industries (EII) requirement could qualify for 85% exemption from Government policy costs associated with generating electricity from renewable sources.

A business that successfully applies for the exemption will be issued with a **certificate** (an "EII certificate") confirming their eligibility for the CFD, RO and FIT exemption. The certificate will set out the proportion of electricity that is exempt from the indirect costs of funding the CFD, RO and FIT exemption schemes for each individual meter. Certificates are valid for one year. To ensure continuous exemption, businesses will need to apply for a new certificate before their existing certificate expires.

**As an EII you will need to provide us with your certificate so that you can receive the benefit of the exemption. Please let us know if you are EII exempt** by sending your certificate in electronic format to [hello@crowngas.co.uk](mailto:hello@crowngas.co.uk).

### Government Guidance and Application

ENNZ guidance and Application forms can be found at:

<https://www.gov.uk/government/publications/renewables-obligation-and-small-scale-feed-in-tariffs-apply-for-compensation>

Completed forms should be emailed directly to [energyintensiveindustries@beis.gov.uk](mailto:energyintensiveindustries@beis.gov.uk).

### 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 five key requirements:

- 1) The business must manufacture a product in the UK within an eligible sector (defined by a 4-digit NACE Code) – the "sector level test"
- 2) The business must pass a 20% electricity intensity test – the "business level test".
- 3) The business must not be an Ailing or Insolvent Economic Actor (AIEA)
- 4) The business must have at least two quarters of financial data.
- 5) The application must contain evidence of the proportion of electricity used to manufacture the product for a period of at least three months.

If an agent is applying for an exemption on behalf of a client, they must submit a Letter of Authority with the completed application which confirms they are acting on behalf of the applicant for this purpose.

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