

Get the BICS Advantage: How to secure maximum savings

2026

BICS, the British Industrial Competitiveness Scheme, is designed to give relief for electricity costs for UK manufacturers. It is part of the UK Government's Modern Industrial Strategy which paves the way for targeted support in the UK's highest potential growth sectors.

Between 2008 and 2020, UK electricity prices rose by nearly 50%, contributing to reduced investment in manufacturing and job losses.

For electricity-intensive sectors, BICS represents a significant opportunity to lower operating costs, improve international competitiveness and reinvest in productivity and sustainability initiatives.

The purpose of this guide

BICS is good news, but it also brings an additional administrative challenge to businesses already under pressure. That's why we've written this short guide to ensure you have all the information you need to fully take advantage of the benefits that BICS can bring to your business.

How much can I save through BICS?

BICS offers discounts of up to 4p/kWh through exemptions from the Renewables Obligation (RO), Feed-in Tariff (FiT), and Capacity Market (CM) levies.

A one-off backdated payment will also be made in 2027, to reflect the support that eligible businesses would have received had the scheme been in operation from April 2026. The combined value of the forward exemption and the backdated payment is substantial, and early assessment is critical to securing it in full.

The opportunity to save through BICS is tied to a single two-month application window, from 1st October to 30th November 2026. Businesses that submit successfully within this round secure the backdated payment through their energy supplier, covering April 2026 to March 2027, together with five years of forward exemption from April 2027 to March 2032, before a full reassessment of eligibility is required. It is expected that failure to submit within this short application window results in the loss of both the backdated payment and the first year of forward exemption, neither of which can be recovered through subsequent application rounds.

The next entry point is expected to be April 2028, meaning up to two years of available savings would be forgone before any exemption begins.

1. Navigating eligibility

As outlined in the government's April consultation response, "to be eligible for BICS, a business must operate in an eligible sector and manufacture at least one eligible product."

On the face of it, whether you qualify for BICS appears to be clear cut. But when you look more closely at the details of the scheme it is evident that for many manufacturers it is far from straightforward.

This is especially true for companies who make a variety of products spanning multiple sectors.

Determining whether you fall in an eligible sector is not straightforward and the list has been revised in the recent consultations.

The eligible HS product codes for BICS run into the hundreds and identifying the relevant code can be both time-consuming and unclear. Businesses applying for BICS will need to provide evidence of the eligible products that they manufacture, and to be registered under a relevant SIC code at Companies House.

2. Securing maximum compensation

The level of exemption granted to a site is determined by the proportion of electricity used to manufacture those eligible products, applied through banded thresholds:

- **Less than 25% : No exemption**
- **25% to 50% : 50% exemption**
- **More than 50% : 100% exemption**

Because the bands are stepped rather than sliding, falling just below a threshold can materially reduce savings.

Accurately scoping and evidencing the proportion of electricity used to manufacture eligible products is therefore one of the most commercially important parts of the application.

You must be able to provide evidence your eligible energy through submetering, or justifiable engineering calculations. So, if your business intends to work with external consultants to support your BICS application, it's important that your chosen partner has the specialist engineering knowledge to secure the highest defensible banding. This is a niche area of expertise and working with a generalist consultancy could see you miss out on the maximum possible savings for your organisation.

Backdated bonus up for grabs

To secure both the live exemption from April 2027 and the backdated payment for the 2026 to 2027 period, applications must be submitted between 1st October and 30th November 2026.



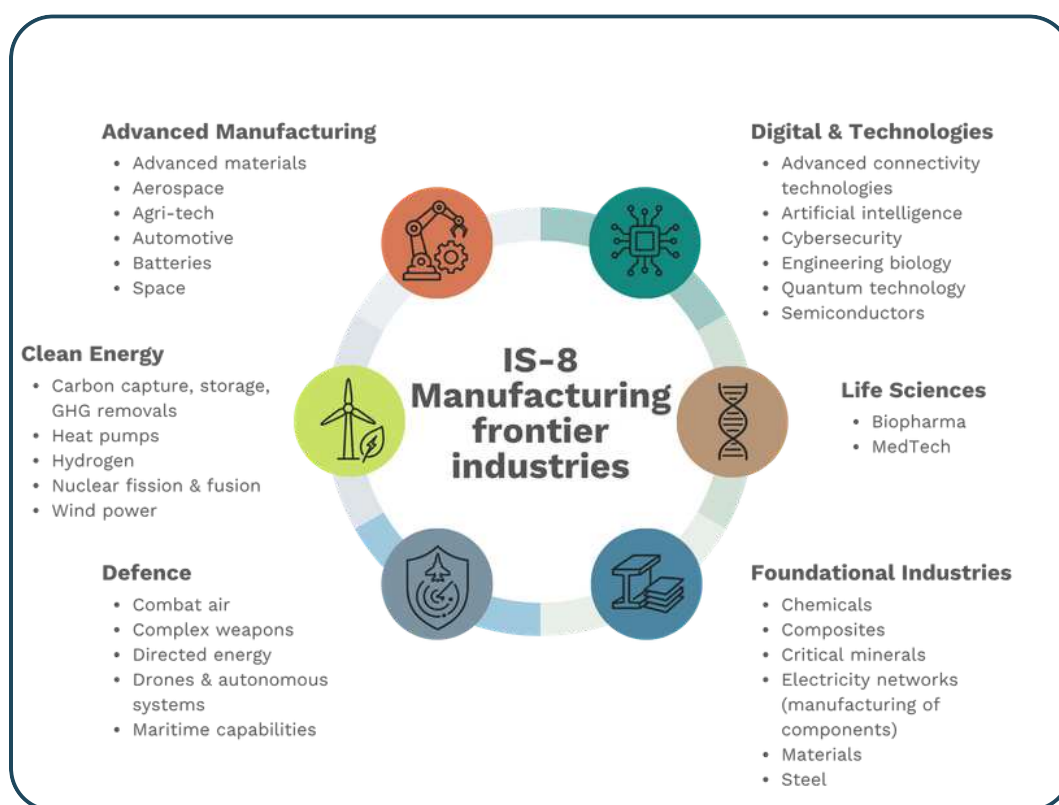
3. Ensuring compliance

Eligibility for BICS will be assessed at site, product and meter point level.

Your evidence pack will be key in justifying why your business is eligible for the scheme, which products and sites are in scope, and what proportion of a site's electricity is used in the manufacture of eligible products.

Building your Evidence Pack can be a complex exercise, and businesses need to have confidence in the accuracy of the data on which they are basing their evidence pack. This is especially the case for those who fall close to the margins of the banding thresholds because it will have a significant bearing on the level of discount they receive.

Once granted, certification for BICS demands ongoing reporting, validation, and compliance obligations, as well as maintenance of records used in your application, across the lifetime of the scheme. This means keeping up to six years' maintained records, including evidence of any changes to your process or company during the lifetime of your eligibility.



4. Getting in early

BICS deadlines are tight, and the application window for both the live exemption and the backdated payment is narrow. Being able to move quickly to scope, evidence and submit a comprehensive and accurate application is essential.

This is a brand-new scheme with potentially complex eligibility requirements, so it is important to get your application as close to the front of the approval queue as possible. Applying early gives you time to respond to any questions about your application and supporting evidence.

Leaving it too late could prove to be a costly mistake, especially when there are six years' worth of savings available in this first application window for BICS.



5. Take a joined-up approach

At Envantage, we always seek to join the dots between your carbon and energy challenges and your wider commercial goals. This approach serves to optimise efficiency, deliver the maximum benefits and reduce any duplication of resources.

When it comes to BICS, a big picture perspective is the route to bigger benefits for your business.

For example, let's start with how you buy your electricity. If your current purchasing strategy isn't right for the way BICS works, your savings might be absorbed into your fixed price deal and stay with your supplier. If your procurement contract can be reviewed soon, pause and check before signing a new contract that might prevent you from seeing your valuable BICS savings. Identifying this issue now gives you the chance to evaluate how an alternative procurement approach could deliver extra savings, as well as opening the door to the additional discounts available through BICS.

Too often, we see businesses working on different schemes in separate silos, where there is an excellent opportunity to take a co-ordinated approach and maximise resources. For example, the data that you need to compile for your BICS application crosses over into the information required for the Energy Savings Opportunity Scheme (ESOS). This means that a site visit could satisfy the needs of both your ESOS report and your BICS evidence.

Finally, the savings delivered through BICS can serve your business in many ways. Many manufacturers have ambitious decarbonisation plans that will deliver long-term efficiencies, but they simply don't have the capital to invest. The savings delivered through BICS can be significant and could be the catalyst for getting your decarbonisation projects up and running.

TOP TIP: Review the way you are purchasing your business energy now, as it could affect your ability to see BICS savings on your bottom line.

How can Envantage help?

We have been working with energy-intensive businesses for over 20 years, applying our expertise to join the dots on all their energy challenges. With our strong links to manufacturers and to the energy supply chain, we can make BICS work for your business.

To be kept updated about this important new scheme, **[join our BICS Forum today.](#)**

If you need to be sure that your BICS application gives your business the best chance of success, **[get in touch.](#)**



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