

Business Energy Tracker 2023

The voice of UK business



**Business
Solutions**

powered by **e-on**

Contents

| | | |
|-----------|--|-----------|
| | Introduction | 3 |
| | The top five takeaways | 4 |
| 1 | How confident are UK businesses? | 5 |
| 2. | Intervening in a crisis..... | 11 |
| 3. | Taking control | 17 |
| 4. | Is net zero in the balance? | 21 |
| | Five actions to take now..... | 25 |
| | Why the voice of business is important..... | 26 |

Introduction



Anthony Ainsworth
Chief Operating Officer (COO)
npower Business Solutions (nBS)

Last year, we conducted our [Business Energy Tracker](#) for the first time to understand the impact of the energy market and policy decisions on businesses' attitudes to energy, risk and their potential investment plans. The results showed that more than three quarters (77%) of businesses felt that energy was their top risk.

Since then, the volatile wholesale energy market has continued to bring uncertainty and high costs to UK businesses. Gloomy forecasts resulted in an unprecedented intervention from the government in the form of the Energy Bill Relief Scheme (EBRS) to help businesses navigate the winter. This will be replaced by the Energy Bills Discount Scheme (EBDS) from 1 April 2023, a lower form of support for most businesses. In addition, we had the publication of Chris Skidmore, MP's 'Net Zero Review' which highlighted the immediate need for action if the UK is to hit its 2050 target.

During all of this, we have also experienced an unstable political and economic situation, which has naturally had an impact on businesses. However, the creation of the Department for Energy Security and Net Zero (DESNZ) brings a new focus to these crucial pillars for the UK's economic and environmental future.

The Business Energy Tracker was always designed to be an annual look at business energy users' concerns to help us understand the impact of the energy market on their confidence. The past year - where energy and sustainability have taken centre stage - means that the voice of business is more important than ever.

So, what does the 2023 survey of 100 large energy users show us? The key headline is that energy remains the top risk to businesses, with sustainability and net zero in second place. In addition, it reveals what businesses would like to see from the government - and DESNZ - over the next 12 months. We would like to thank the members of the Major Energy Users Council (MEUC) and Energy Intensive Users Group (EIUG) for their contribution to the research.

The report also helps to inform how nBS works with its customers to help them navigate the energy market, and how to manage risk. For example, last year this saw us launch our [Net Zero Calculator](#), which helps businesses make informed data-based decisions about where to best invest to get the most significant results.

Once again, the findings of this report will be presented to the government to ensure the voice of UK businesses are heard during this crucial year for action.

Thank you for reading; we look forward to hearing your views.

Business Energy Tracker 2023: the top five takeaways




Energy remains the top risk for 64%
of businesses in 2023.



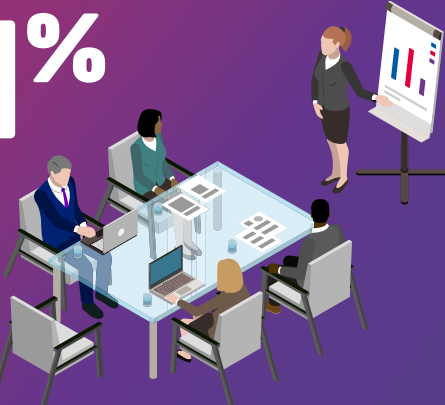
Sustainability and net zero measures are now the top investment priority for UK businesses, although cost for delivering net zero remains a major concern.

87%
of businesses are concerned about the real benefit of the Energy Bills Discount Scheme (EBDS), due to replace the Energy Bill Relief Scheme (EBRS) on 1 April 2023.



Energy is now a bigger board-level concern than in 2022.

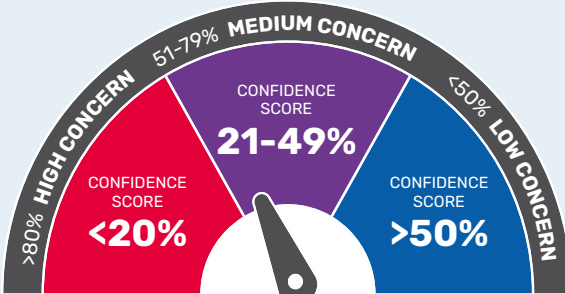
91%
said their board was either very or quite concerned about energy, compared to 80% last year.




Providing more support to help businesses reduce energy demand needs to be the top priority for the new Department for Energy Security and Net Zero (DESNZ).

How has this impacted business confidence?

Our research shows that there has been little change in business confidence since our 2022 survey, when the overall score was 27%. However, while there is high concern around energy risks, costs increasing over the next 12 months and the potential impact of the EBDS, the research also showed that businesses are still planning to proactively invest in sustainability measures, and they are clearer on the role they will play in the net zero transition.

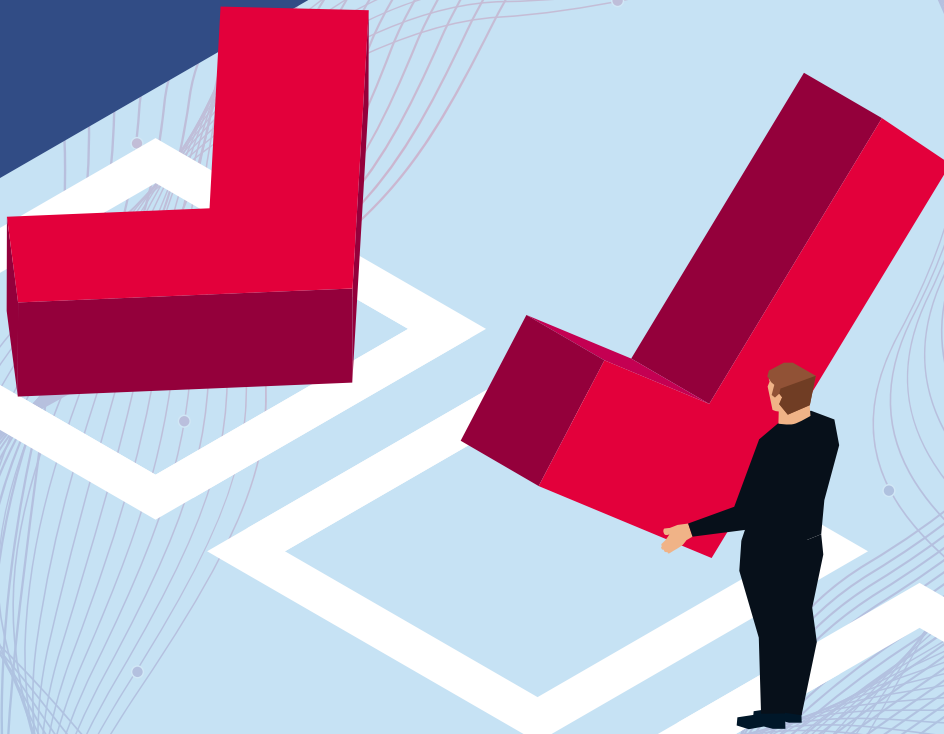


Our 2023 research¹ has given businesses a confidence score of: **28%**
MEDIUM/LOW

¹ The Business Energy Tracker assumes a correlation between business concern and optimism. Confidence numbers below 20% indicate pessimism about near-future business energy and numbers above 50% indicate optimism towards near-future business energy performance.

Section 1

How confident are UK businesses compared to 2022?



**Business
Solutions**

powered by **e-on**

How confident are UK businesses compared to 2022?

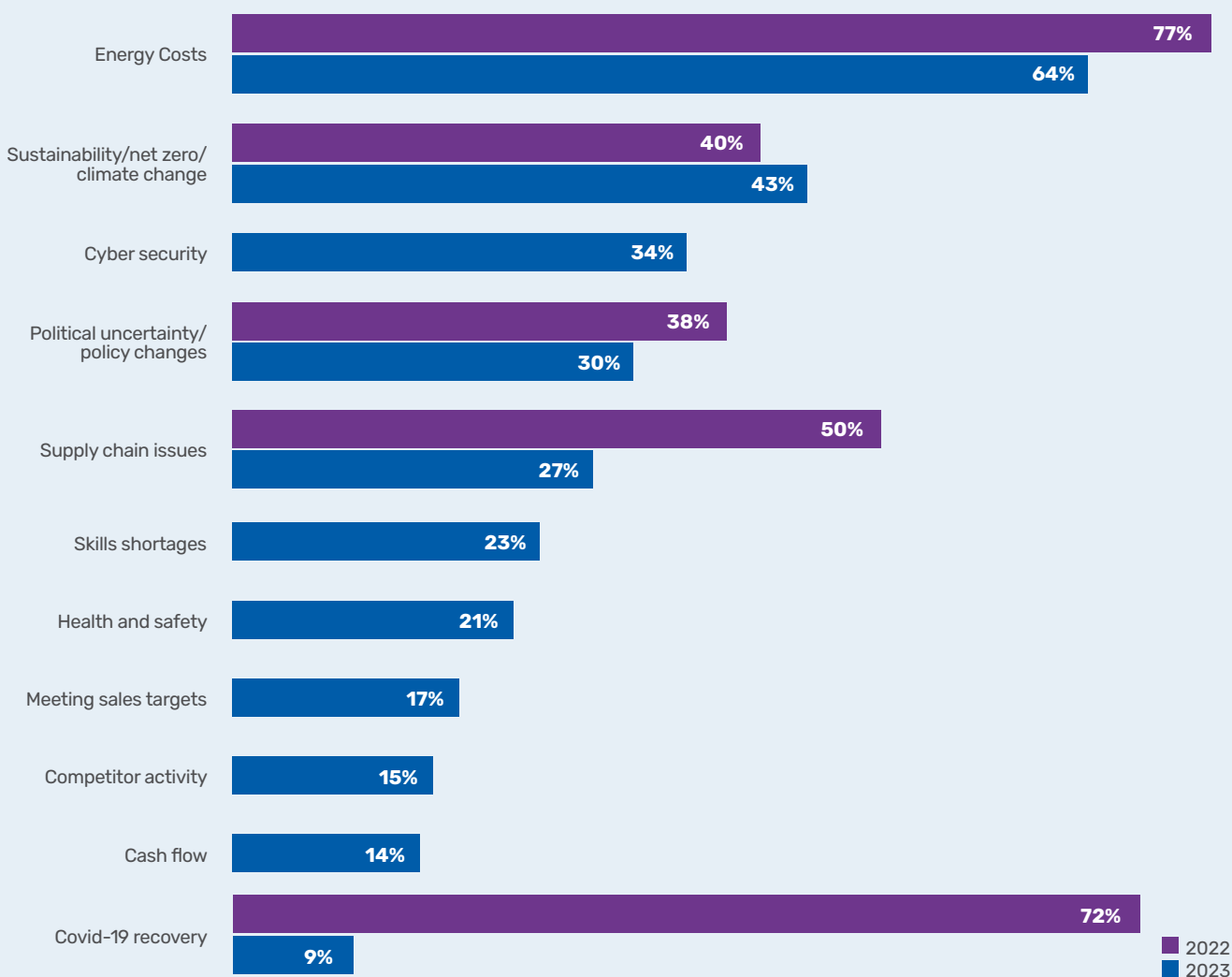
When we conducted this research in 2022, the after-effects of the Covid-19 pandemic were still being felt. As a result, a significant number of the companies we surveyed still said it would be one of the top risks - second to energy costs - their business would face over the next 12 months.

Fast-forward almost a year, and the picture looks very different. The cost-of-living crisis, rising inflation and political upheaval have all had an impact on business confidence.

With global wholesale energy volatility resulting in rising prices for both businesses and consumers, the 2023 research shows the top risk - energy - hasn't changed, with nearly two thirds (64%) saying it was their biggest concern.

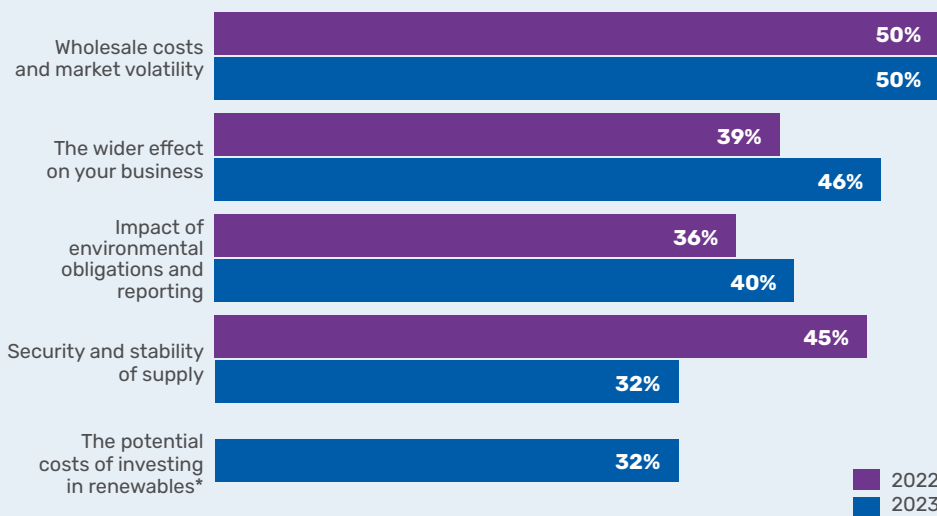
Although this is down from 77% in 2022, sustainability and net zero - which is clearly linked to energy - is now in second place, up from fourth in 2022. Covid-19 is now ranked the lowest risk, behind cyber security, supply chain issues and skills shortages. **(Figure 1).**

Figure 1: Top risk for businesses over the next 12 months



When it comes to specific concerns around energy, wholesale costs and market volatility is the biggest concern for half of respondents (50%), followed by the overall impact on their business (46%), and the impact of environmental obligations and reporting (40%). **(Figure 2).**

Figure 2: Greatest energy concerns (ranked 1-3)



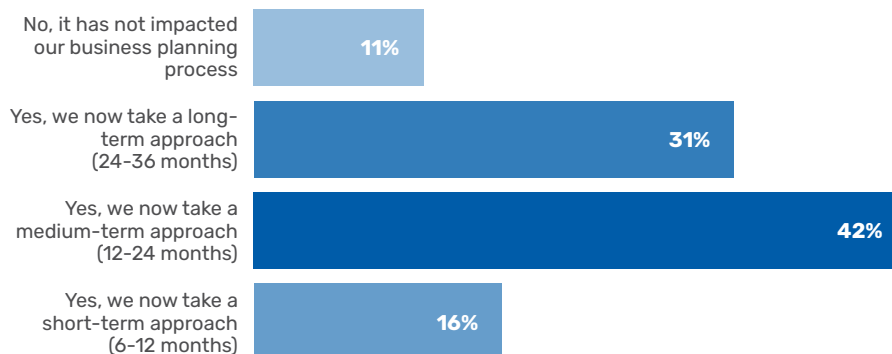
*The potential costs of investing in renewables is a new option for 2023, so no result for 2022 is shown

89% of businesses say the energy crisis has impacted how they approach business and investment planning

Business planning moves from long to short term

The uncertainty around energy prices has also had a continued effect on how businesses plan. The research revealed that 89% of businesses say the energy crisis has impacted how they approach business and investment planning, with one in six (16%) only able to plan 6-12 months in advance. Only 11% said it hadn't changed how they plan, suggesting business confidence is low. **(Figure 3).**

Figure 3: Has the energy crisis impacted how you approach business and investment planning?

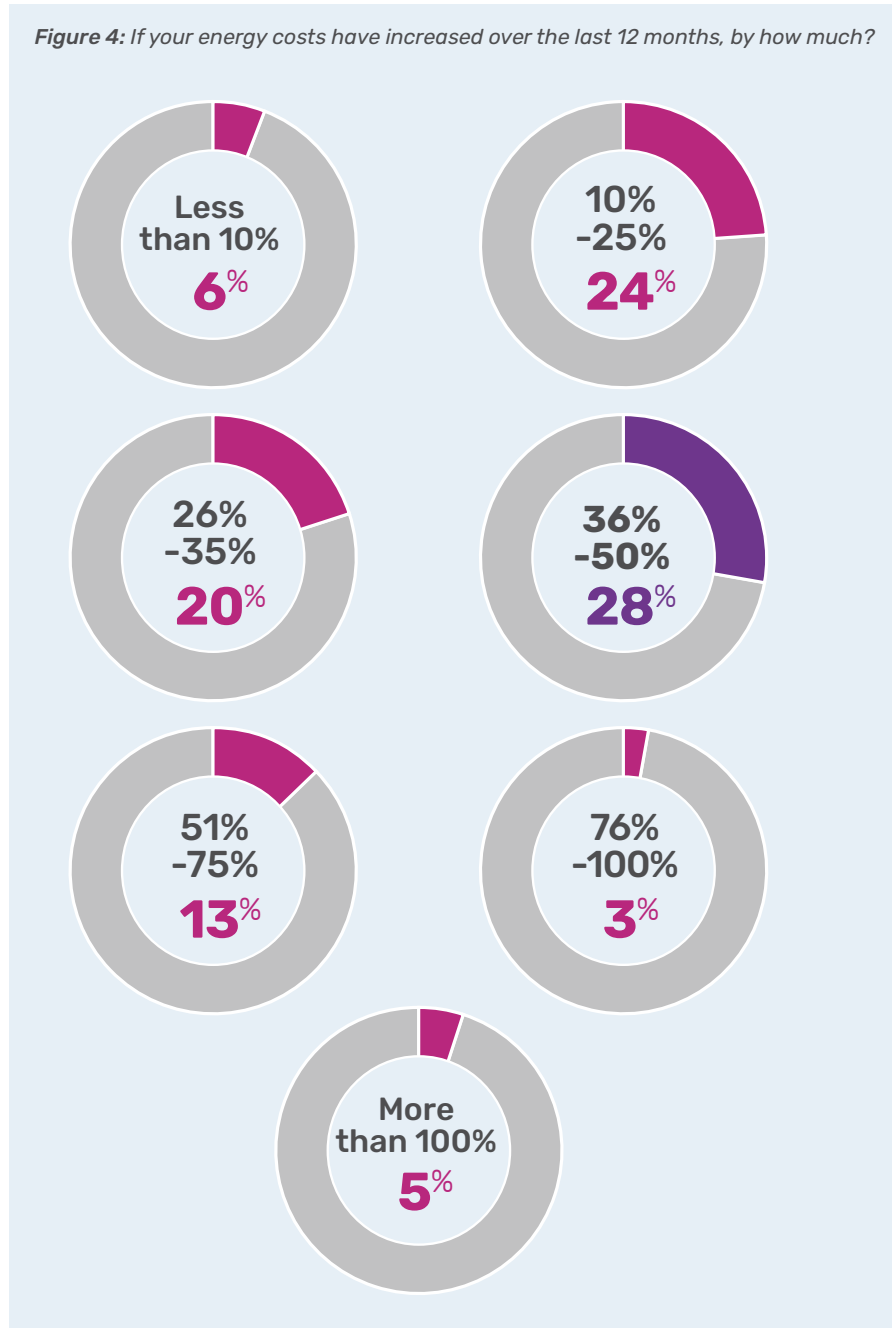




Boards are on high alert as rising prices impact confidence

Looking back over the past year, 86% of businesses said that the percentage of business costs they spend on energy had increased, with over half (52%) saying that this increase had been significant. More than one in five (21%) said that they had seen the cost of energy for their business rise by more than 50%, with one in 20 reporting a rise of more than 100%. (Figure 4).

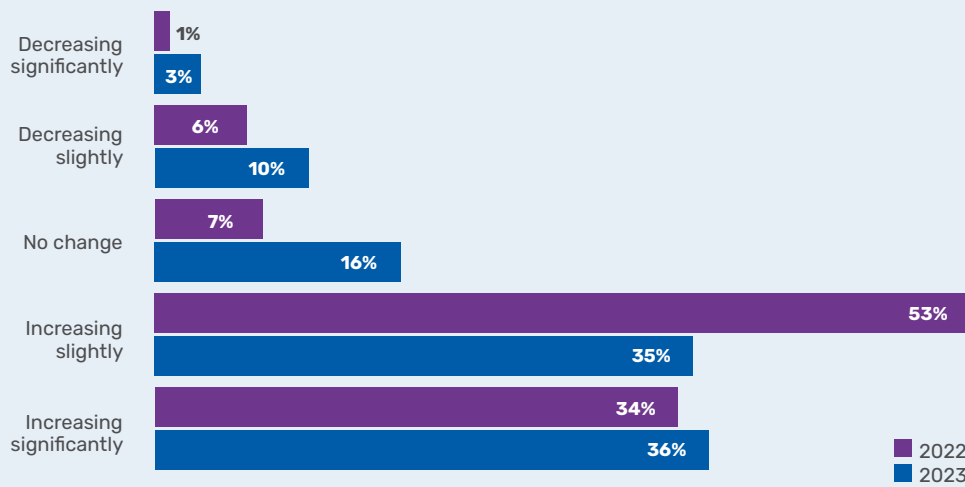
Figure 4: If your energy costs have increased over the last 12 months, by how much?



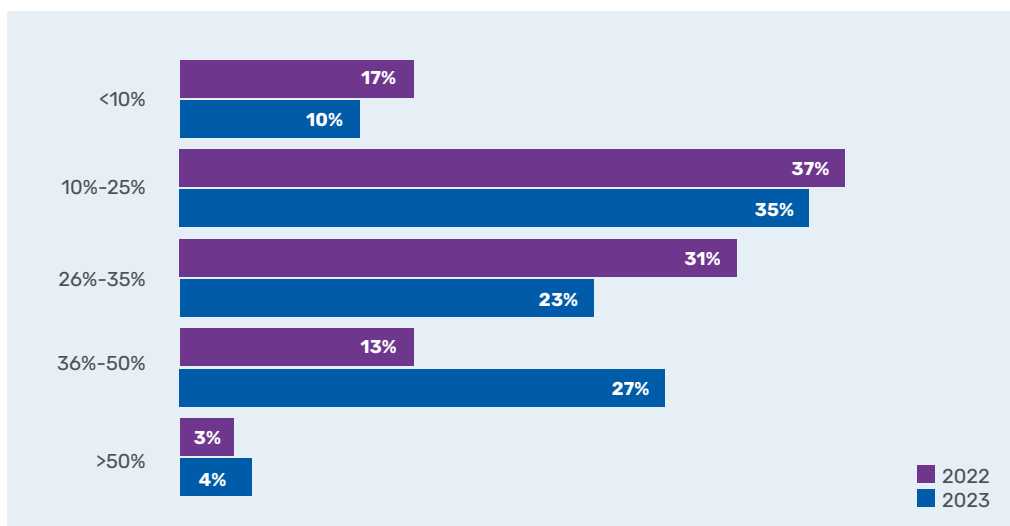
When it comes to forecasting the next 12 months, almost three quarters (72%) of businesses anticipate the cost of energy to keep rising, with one third (36%) saying they believe it will increase significantly. **(Figure 5).**

Energy is a board-level concern for 91% of businesses, up from 80% in 2022

Figure 5: Thinking about the next 12 months, do you see your energy costs increasing or decreasing?



When you take into account that almost one quarter (23%) said that energy now accounted for 26-35% of their business costs, and 27% said it accounted for 36-50% of their costs, the ongoing challenges for businesses become clear.



As a result, a significant number of businesses reported that energy is now a bigger board-level concern than in 2022. 91% said their board was either very or quite concerned about energy at the moment, compared to 80% a year ago.

In summary:



Energy remains the top concern for businesses for the second year in a row



Energy is now a board-level concern for 91% of businesses - up from 80% in 2022



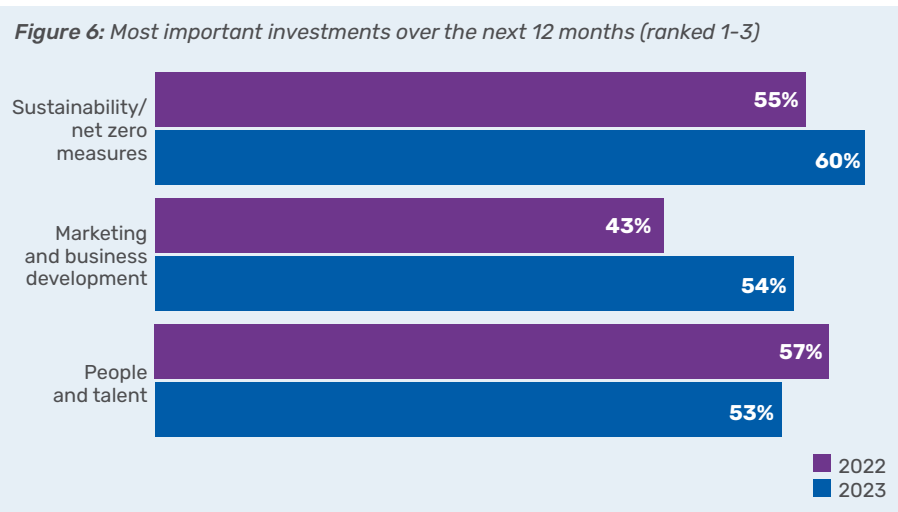
The energy crisis has resulted in many businesses taking a short-term (6-12 months) approach to planning

Need for greater resiliency means sustainability investments are now the top priority

With energy and sustainability being ranked as the top two concerns facing business in 2023, it is encouraging to see that this is driving investment priorities for the coming year.

Sustainability measures are now the top choice for business investment this year, up from second place in 2022. Almost two thirds (60%) of respondents said it would be their number one priority in 2023, recognising that, as well as helping them reach their net zero targets, a key benefit is greater long-term operational resiliency. *(Figure 6).*

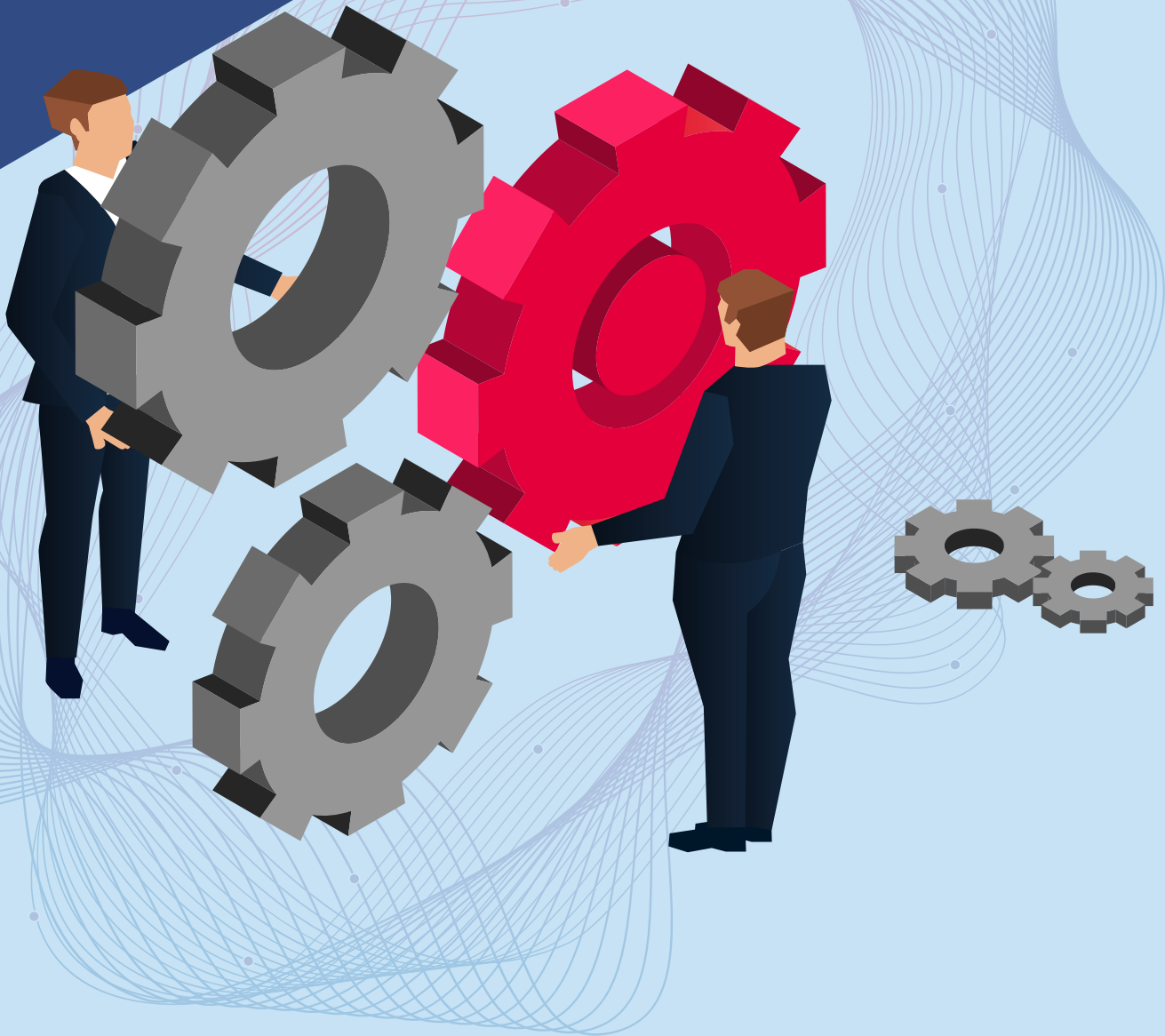
The data also indicates that these measures are particularly important in sectors such as construction (70%) and retail and wholesale trade (89%).



We will explore the specific ways businesses are protecting themselves from energy risk later in this report.

Section 2

Intervening in a crisis: has policy protected UK business?



**Business
Solutions**

powered by **e-on**

Intervening in a crisis: has policy protected UK business?

Since our 2022 Business Energy Tracker, we have seen three Prime Ministers, four Chancellors of the Exchequer and three Secretaries of State for Business, Energy and Industrial Strategy

In our 2022 Business Energy Tracker, 82% of businesses felt that the government could be doing more to protect them from energy market volatility.

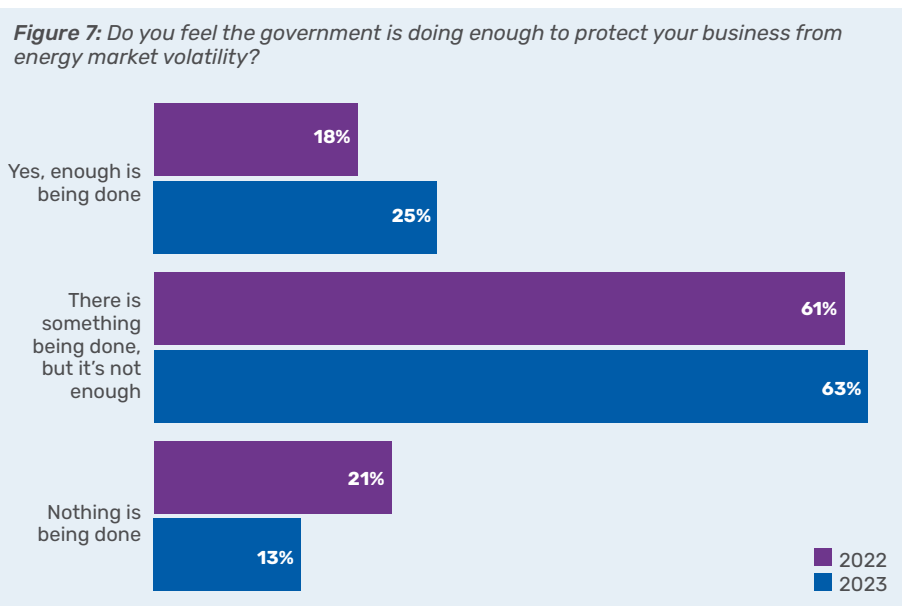
Since then, we have seen three Prime Ministers, four Chancellors of the Exchequer and three Secretaries of State for Business, Energy and Industrial Strategy.

We also now have a new governmental department - DESNZ - following the move to split the former Department for Business, Energy and Industrial Strategy (BEIS) into more focussed offices.

The government also introduced the EBRS in October 2022 to limit businesses' exposure to rising energy costs. However, this support will end on 31 March 2023, and will be replaced by the EBDS, which, for most businesses, will mean a much lower level of support.

So, following these interventions, has business confidence in government policy improved?

The results from the 2023 survey show that it has, slightly. This year, three quarters (75%) still believe that more could be done, with one in seven (13%) believing nothing is being done - down from one in five (21%) in 2022. **(Figure 7).**





Reduced support from April 2023 means confidence is fragile

This year, we also wanted to gauge business opinion specifically on the measures introduced to support businesses last year - the EBRS and the new EBDS - and whether they have felt the benefit in terms of reduced costs.

The EBRS set a 'Supported Wholesale Price', which was billed by BEIS as less than half the wholesale prices seen at the time. It was set to run for six months until 31 March 2023.

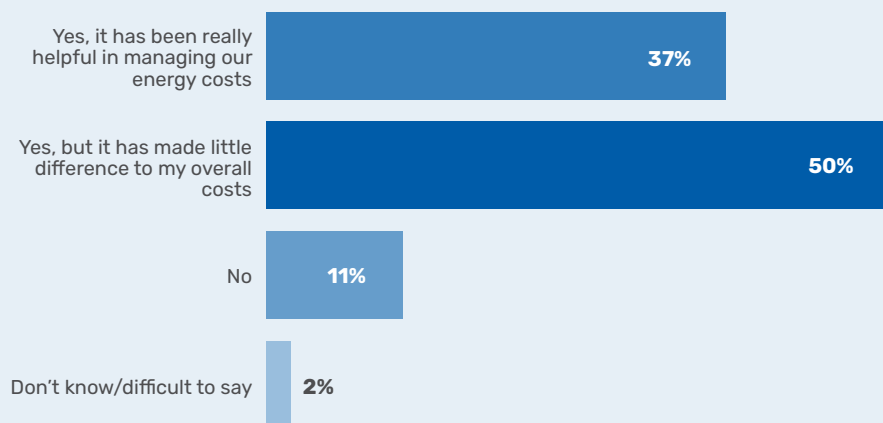
An extension to energy invoice support for businesses beyond this - the EBDS - was announced by HM Treasury in January 2023. The main difference with this scheme is that the support will be applied as a per-unit discount to business energy invoices, subject to a maximum discount, and the relative discount will only be applied if wholesale prices are above a certain price threshold.

For many businesses, this will mean they will receive a much lower level of support than they have seen since 1 October 2022; Energy and Trade Intensive Industries (ETII) will receive a higher level of support - but they will need to apply for it. At the time of writing, the government has yet to outline how this will work.

The EBRS has helped, but there are concerns about the real benefit of the EBDS

Of the businesses we spoke to, 87% had been able to access the EBRS, and over a third (37%) said it had been very helpful in managing their energy costs. However, half (50%) felt it made little difference.

Figure 8: Has your business been able to access the government's EBRS?

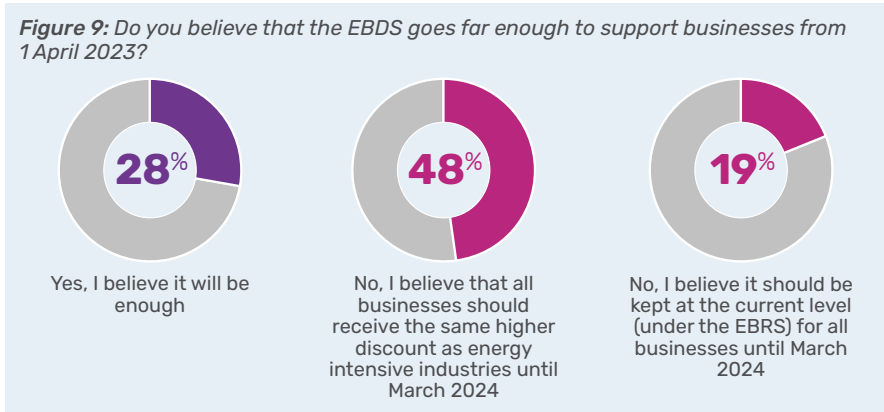


This is reflected in the levels of worry about the change in support to the EBDS on 1 April 2023, where 87% said they were very or quite concerned about what will happen over the next 12 months.

Almost half (48%) of respondents believe that all businesses should receive the same higher discount as ETIIs

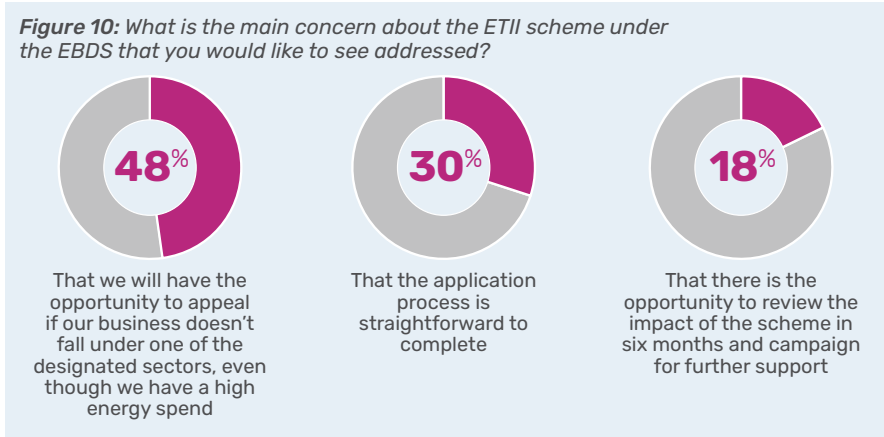
Almost half (48%) of respondents believe that all businesses should receive the same higher discount as ETII, while one in five (19%) believe it should be kept at the current level under the EBRS until March 2024. (Figure 9).

Figure 9: Do you believe that the EBDS goes far enough to support businesses from 1 April 2023?



When it comes to the ETII scheme, we asked those businesses who spend more than £1 million on energy per year whether they had any concerns. The main priority for these organisations was to have the opportunity to appeal if their business didn't fall under one of the government's specified sectors, despite them having a high energy spend. (Figure 10).

Figure 10: What is the main concern about the ETII scheme under the EBDS that you would like to see addressed?



We also wanted to understand levels of awareness about other government schemes to support businesses. One of these is the Alternative Fuel Payment, which is available to businesses that use an alternative fuel to gas, such as heating oil.

While there were good levels of awareness, with more than two thirds (69%) of respondents having heard of it, views were split about whether the £150 payment was sufficient, with 53% saying it was, but 46% disagreeing.

More support to reduce energy demand and increase revenue opportunities are top of the business wish list

When asked what they would like to see from government in terms of energy policy in 2023, businesses told us, in order of priority:

1. Support to help them reduce overall energy demand, as well as greater opportunity for revenue generation through measures such as flexibility or Demand Side Response (DSR) (75%).
2. Support to switch from fossil fuels to renewable electricity to help reduce reliance on volatile fossil fuel prices (61%).
3. Continued financial support for businesses that need help with energy costs (52%).
4. Implementation of a transparent carbon reporting mechanism (50%).
5. Reduction in 'red tape' to help renewables schemes successfully meet local planning procedures (46%).

These results demonstrate that businesses would welcome more than just straight financial support for energy invoices. They recognise the benefits of reducing energy demand through greater energy efficiency, so this has to be a priority for DESNZ moving forwards.



The EIUG and MEUC added:

"MEUC members generally feel the transition to a secure, affordable and decarbonised supply of power by 2035 requires a lot more investment by the private sector. Many members argue that government needs to do more to increase its planning and coordination of the power system to increase both the pace at which new generating capacity is built and the rate of decarbonising power.

"There is a fear from many large energy consumers that the current lack of a delivery plan leaves DESNZ susceptible to numerous challenges that may risk its ambition to decarbonise power by 2035. Indeed, recently published responses to the government's Review of Electricity Market Arrangements showed clearly the concerns of members that the current market arrangements were not fit for purpose, by expressing strong support for energy market reform that prioritises decarbonisation, security of supply and cost effectiveness."

Peter Roper
Chairman
MEUC



MAJOR
ENERGY
USERS'
COUNCIL


"I urge the government to get the Energy Bills Discount Scheme ready by 1 April, in case energy prices start to escalate again next financial year. I also call on government to respond to its consultation from last summer to increase the relief from the indirect cost of renewable policies, introduce an exemption from the Capacity Market supplier charge and explore reductions in network charges for energy intensive industries, as announced in February."


Arjan Geveke
Director
EIUG




Energy Intensive Users' Group

In summary:

 Three quarters of businesses believe the government could do more to protect them from energy market volatility

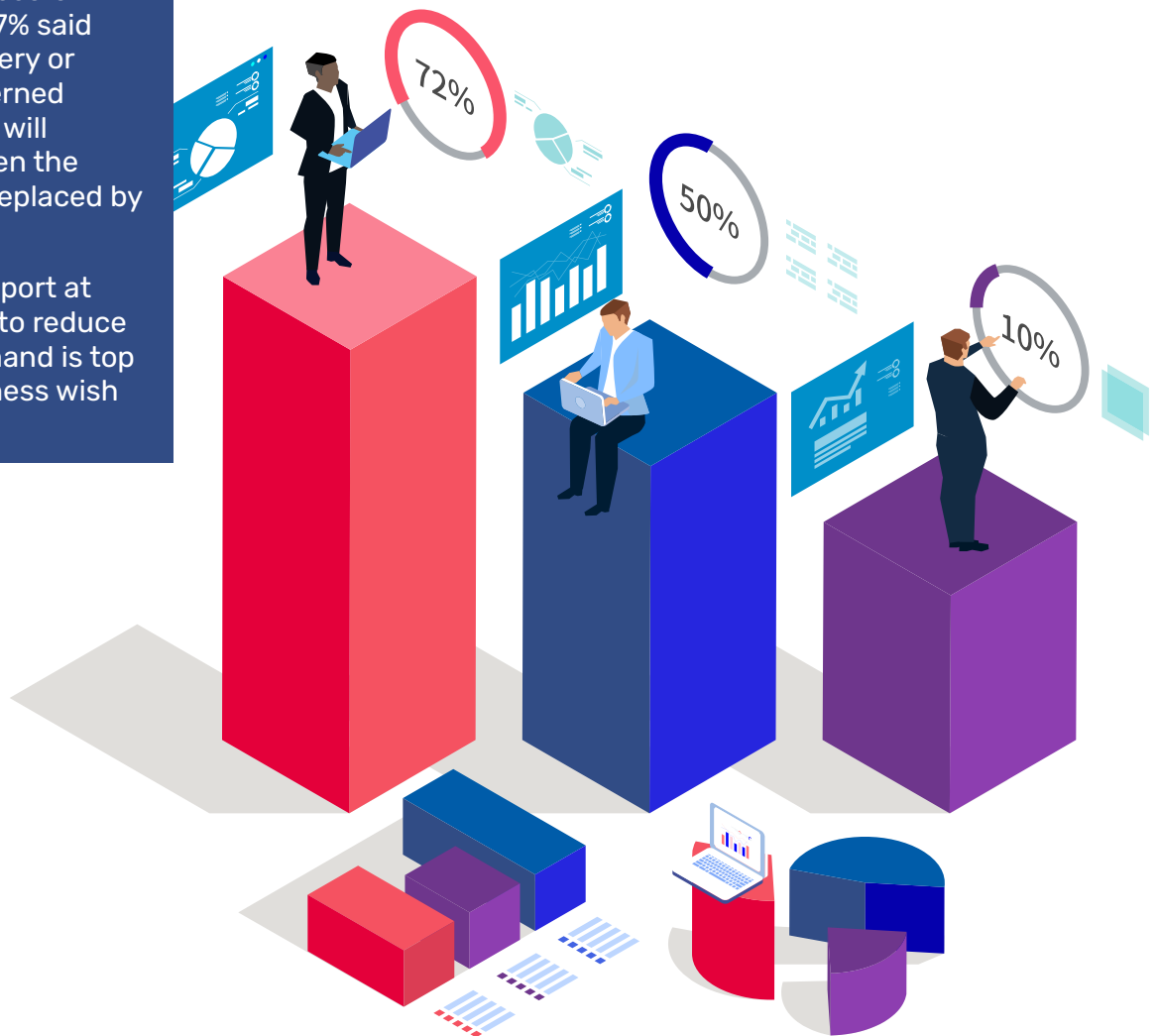
 A third of businesses felt the EBRS had been very helpful to manage costs. However, 87% said they were very or quite concerned about what will happen when the scheme is replaced by the EBDS

 Greater support at policy level to reduce energy demand is top of the business wish list

A longer-term strategy to support business and encourage investment is needed

These findings are a clear call to DESNZ: while the emergency policies introduced in 2022 went some way to improve confidence, more longer-term strategies including support around energy efficiency and incentives to invest in technology, are needed to protect businesses and help them plan for the future.

It is our intention to present these findings to DESNZ to ensure the voice of business is heard when future policy and strategy is being drafted.



Section 3

Taking control: how businesses are managing energy risk in volatile times



**Business
Solutions**

powered by **e-on**

Taking control: how businesses are managing energy risk in volatile times



With the percentage of business costs being spent on energy on the rise, a third (34%) of businesses also reported that they had found themselves in energy arrears over the last 12 months, although nearly two thirds (62%) felt that their energy supplier would support them with credit terms.

So, how are businesses choosing to manage their energy risk? As mentioned earlier in this report, it is encouraging that sustainability and net zero measures are now the top priority for business investment in 2023. This will help them both reduce their energy consumption and carbon emissions.

We also wanted to better understand the specific areas where they are either already investing, or planning to invest, during 2023 and whether these have changed since 2022.

Energy efficiency remains the top way to manage risk

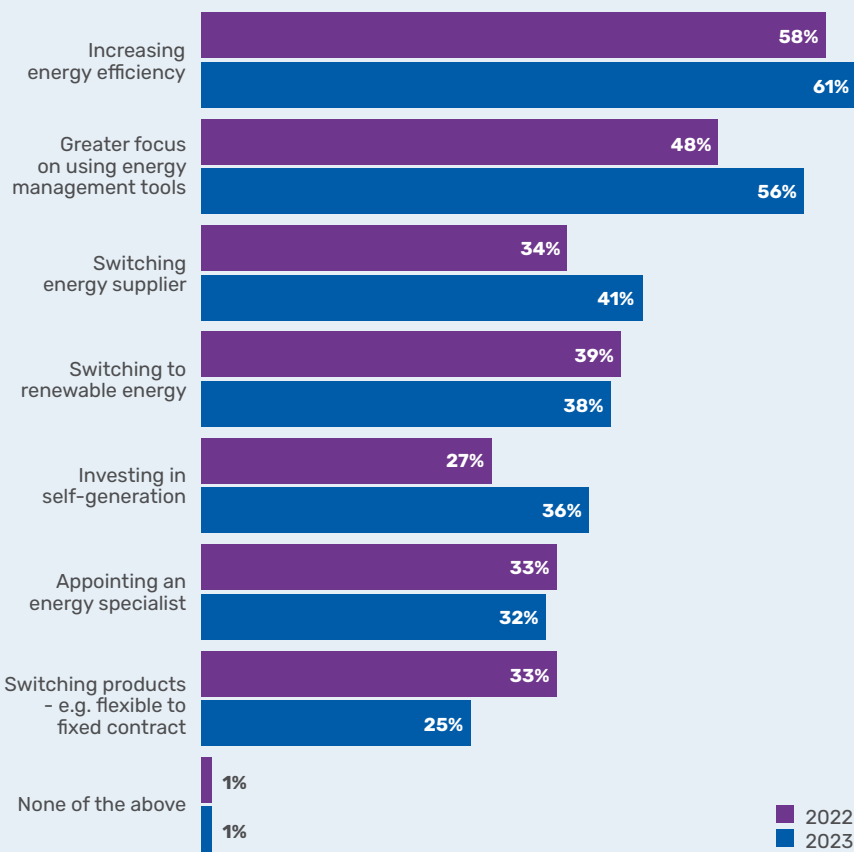
In 2022, energy efficiency was considered to be the best and most effective way to reduce energy risk. It has retained its top position in 2023, with nearly two thirds (61%) of businesses saying they were implementing this measure, up from 58% last year.

This rises significantly to 90% among those businesses with an annual energy spend of £50,000-£399,999, indicating that mid-market businesses believe this to be the simplest route to managing energy costs.

There was also a rise in businesses using energy management tools, which was up to 56% compared to 48% in 2022. Just over a third (38%) said they were switching to renewable energy.

A third (32%) also said that they have appointed an internal energy specialist, recognising the importance of having a dedicated internal resource to help analyse energy consumption and take proactive steps to manage it. (Figure 11).

Figure 11: What measures are your business taking to combat energy risk?



Businesses are turning to sustainable on-site generation to increase resiliency

One notable increase from the 2022 report is the number of businesses choosing to invest in sustainable on-site generation. Last year, just over one in four (27%) businesses said this was in their plans - this year sees it rise to over a third (36%).

Sustainable on-site generation has multiple benefits. Not only does it help businesses reduce their carbon impact, it also makes them less reliant on the grid for their energy, lowering the impact of the high wholesale energy prices we have seen over the past 18 months.

In addition, businesses with on-site assets can provide a much needed source of renewable power to the grid during times of high demand - a win-win situation for both the organisation and the UK energy system.

When looking at specific technologies, as in 2022, solar photovoltaic (PV) is most popular, and there was also a notable increase in the number of businesses that had already invested in it. In 2022, 27% of businesses said they had already made an investment, compared to 36% in this year's report.

Many businesses are also investing, or are planning to invest, in wind, combined heat and power (CHP) and biomass.

Waste heat recovery is also seen as an important emissions reduction technology, with 23% having already invested and 39% planning to invest, while a third (34%) of businesses reported an investment in energy storage technology.

Corporate electric vehicle (EV) use is also set to increase, with 54% of businesses saying they had already invested in electric fleets, up from 40% in 2022.

Businesses are also seeing the value in using smart energy management technologies, with 37% already using them, and a further 46% planning to install them.




Corporate Power Purchase Agreements (CPPAs) are also on the rise, with a third (32%) of businesses planning to use one to hit their sustainability targets. (Figure 12).

Figure 12: Which carbon reduction technologies have you either already invested in, or are planning to invest in?

| Already invested | | | | |
|---|-------------------------------------|------------------------------------|--|----------------------------|
| On-site renewable generation - solar PV | On-site renewable generation - wind | On-site renewable generation - CHP | On-site renewable generation - biomass | Waste heat recovery |
| 27% | 17% | 16% | 17% | 23% |
| 36% | 28% | 15% | 22% | 23% |
| +9% | +11% | -1% | +5% | 0 |
| Energy storage e.g. batteries | EVs | CPPA from renewable energy sources | Smart energy management technology | Energy efficiency measures |
| 24% | 40% | 18% | 40% | N/A |
| 34% | 54% | 19% | 37% | 63% |
| +10% | +14% | +1% | -3% | 0 |
| Planning to invest | | | | |
| On-site renewable generation - solar PV | On-site renewable generation - wind | On-site renewable generation - CHP | On-site renewable generation - biomass | Waste heat recovery |
| 43% | 31% | 33% | 31% | 33% |
| 39% | 37% | 40% | 36% | 39% |
| -4% | +6% | +7% | +5% | +6% |
| Energy storage e.g. batteries | EVs | CPPA from renewable energy sources | Smart energy management technology | Energy efficiency measures |
| 34% | 38% | 32% | 39% | N/A |
| 25% | 26% | 32% | 46% | 23% |
| -9% | -12% | 0 | +7% | 0 |

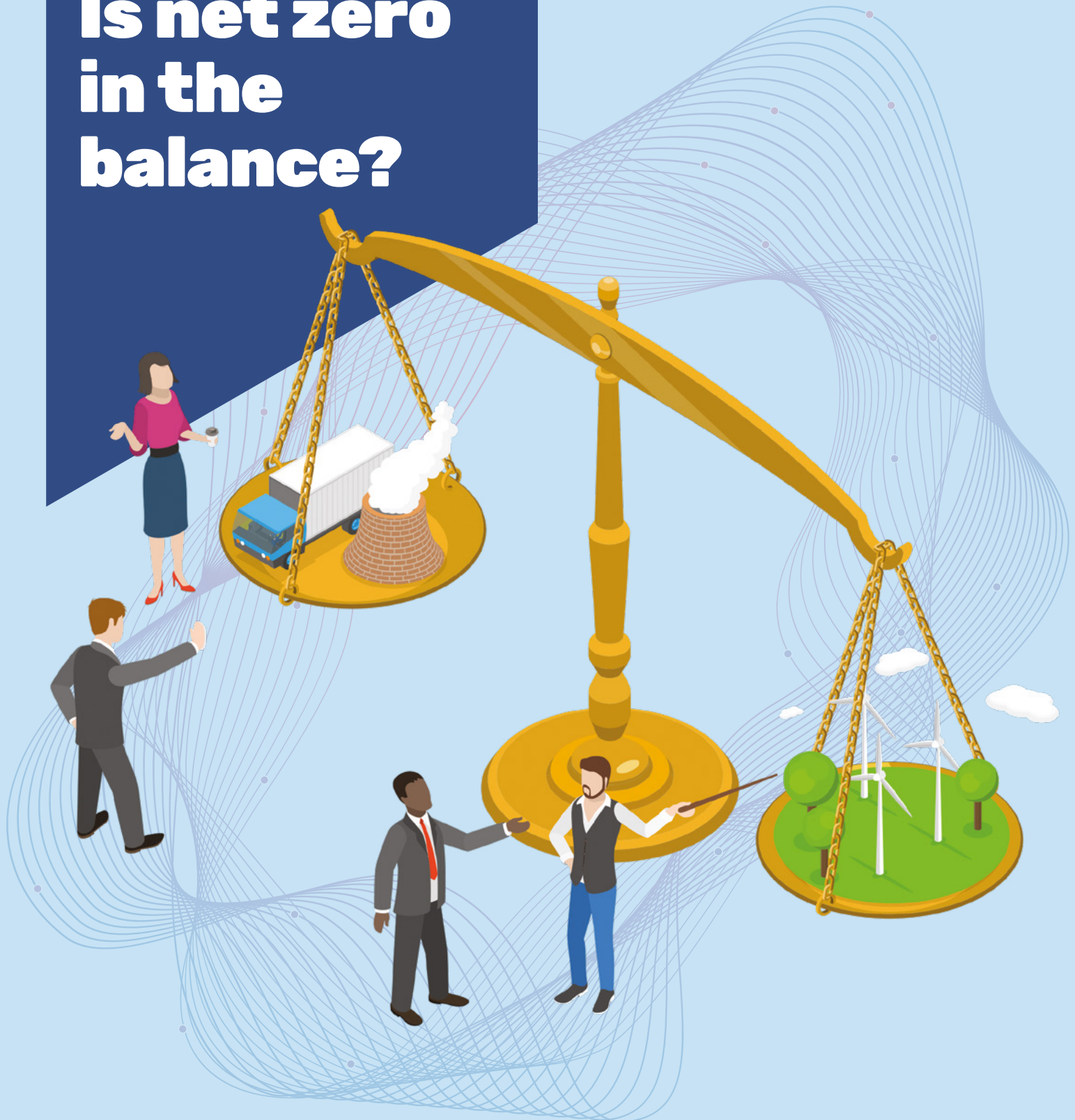


In summary:

-  Energy efficiency remains the top way to manage risk
-  There has been a notable increase in businesses investing in on-site generation to help them become more energy resilient
-  The use of smart energy management tools and deploying electric fleets also saw increases compared to 2022

One of the criticisms of the recent measures introduced by the government to support businesses was the lack of additional incentives to increase energy efficiency. The results of the 2023 survey show that helping businesses reduce energy consumption through more innovative efficiency solutions is a real 'no regrets' action that can be taken. These can be implemented quickly and would result in immediate savings both in terms of their bottom line and decarbonisation efforts.

Is net zero in the balance?



Is net zero in the balance?

In our 2022 Business Energy Tracker, we started to see signs that business confidence and support for net zero was stalling. While many businesses understand the commercial, environmental and reputational benefits it can bring, responding to the economic challenges of the here and now became the primary focus.

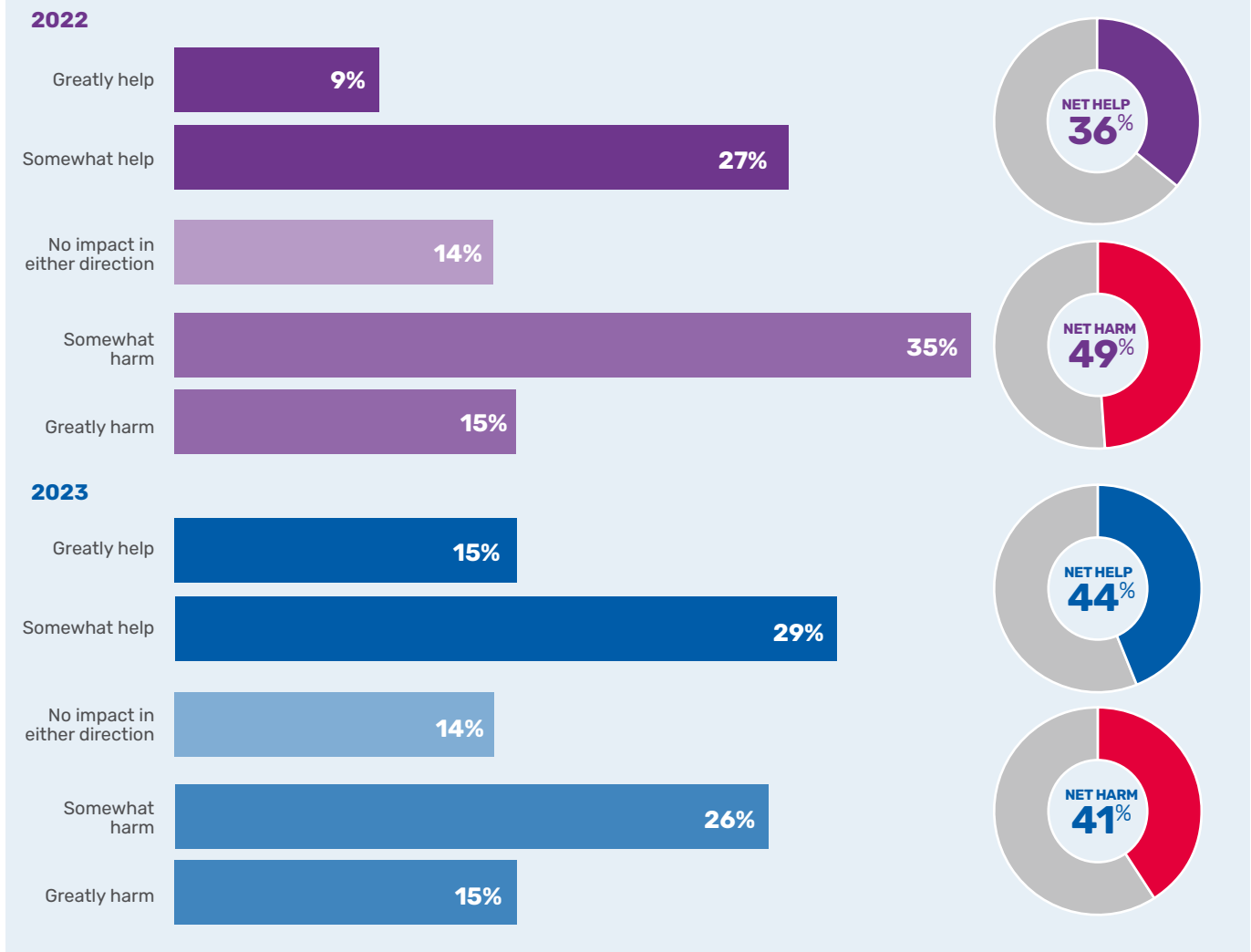
Has 2023 brought a renewed focus on net zero for businesses?

Businesses still believe in net zero and how it can benefit their organisation

The results of this year’s Business Energy Tracker showed that the majority of businesses (67%) still believe in the net zero goal, which is no change from last year.

Encouragingly, 44% also believed that the energy crisis would help net zero progress, which is up from 36% in 2022. A similar number - 41% - still felt it would harm progress, although this was down from 2022 (49%). *(Figure 13).*

Figure 13: Do you believe that the current energy crisis will help or harm the progress towards net zero?



Does this mean that net zero is in the balance? It shows a definite split in opinion between whether businesses believe the energy crisis will have a positive or negative impact.

While many recognise that the situation over the last 18 months has brought greater attention to implementing measures that reduce energy demand, and therefore emissions, for others, justifying the investment is just not possible during these challenging economic times. Businesses are also clearer on the role they can play in the low-carbon transition, with 82% stating this to be the case, an increase of 10% on 2022, when 72% said they felt clear.

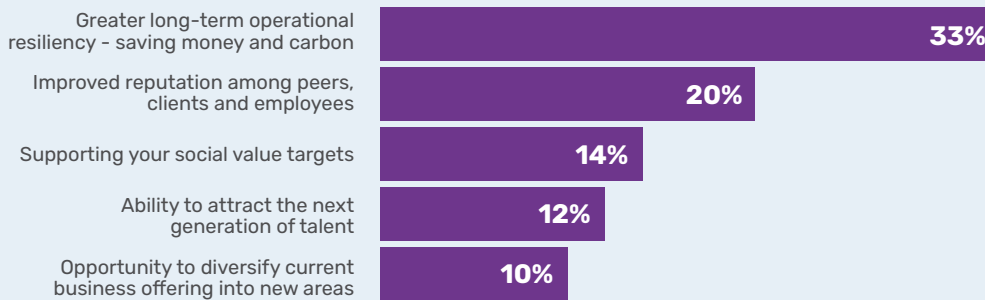
When asked about the main benefits to their business resulting from adopting a proactive approach to net zero, the 2023 picture revealed several major differences compared to 2022.

Greater resiliency through saving money and carbon retained the top position, with almost half (48%) of organisations saying this was the main benefit, up from 33% in 2022.

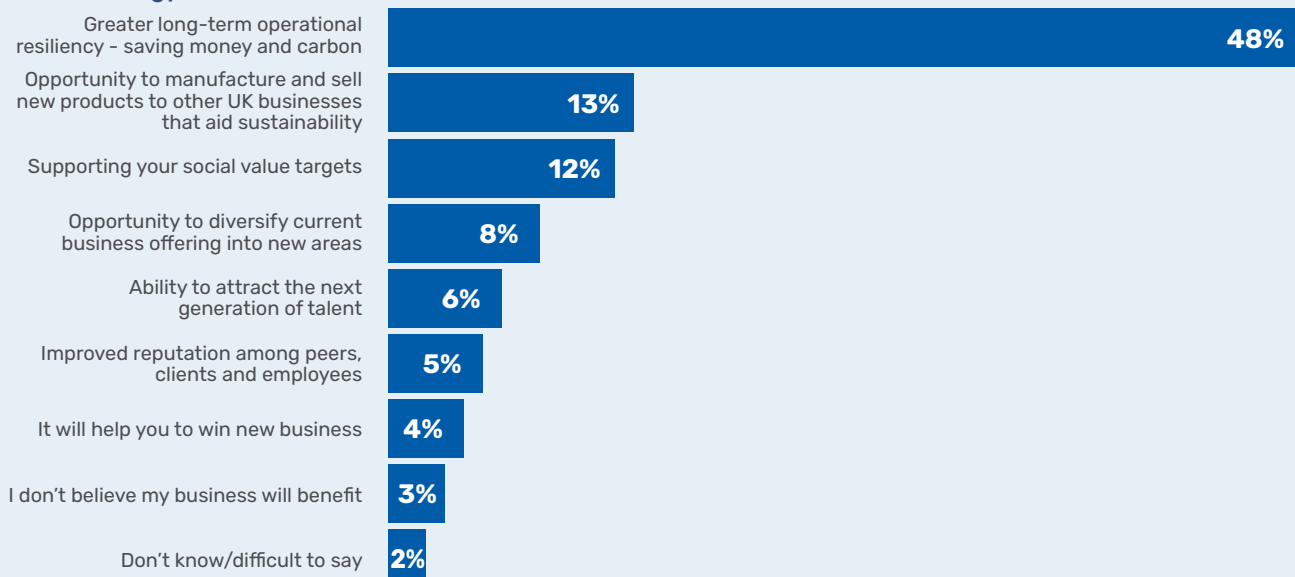
However, where an improved reputation was seen as a key positive in 2022, this is now a much lower driver, with just 5% saying this was the biggest benefit, compared to 20% in 2022. This year, the potential for additional revenue was seen as the second key benefit, closely followed by supporting social value targets. (Figure 14).

Figure 14: What will be the biggest benefits to your business as a result of the net zero transition?

Business Energy Tracker 2022



Business Energy Tracker 2023



In summary:

Businesses still believe in net zero, and recognise the benefits it can bring, particularly in terms of long-term operational resiliency



However, concerns remain about funding the transition for the majority of businesses

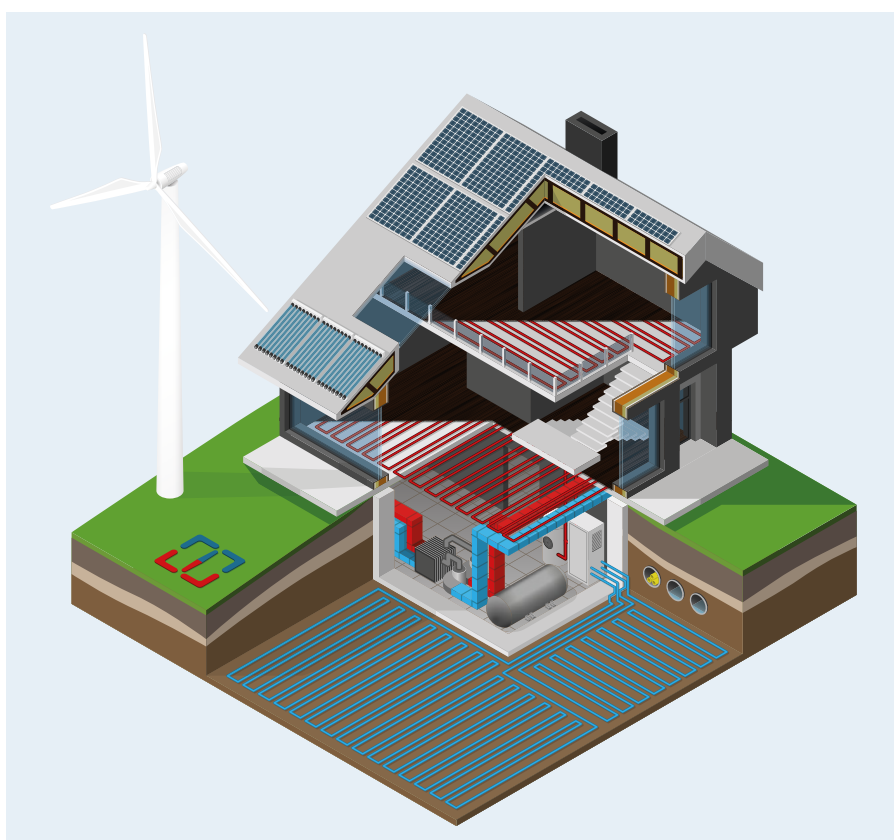


Organisations understand the role they can play, so the new Net Zero Strategy needs to be pro-business

Concerns about the cost of delivering net zero persist

However, the optimism around net zero comes with a word of caution as concerns around the cost of funding and delivering the transition remain high.

Last year, 93% said they were very or a little concerned about the potential economic impact on their business. This has increased slightly in this year's survey, with 95% saying they were concerned. Of these, 50% said they were 'very concerned'.

**Backing net zero for businesses**

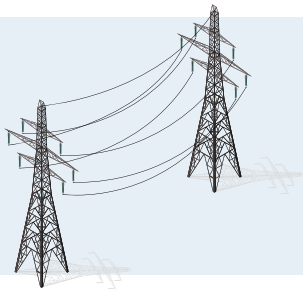
We know that businesses will play a crucial role in the net zero transition. However, the volatility in the energy market has knocked business confidence in the cost of delivering the ambition. That is why it was welcome that the Net Zero Review, published earlier this year by Chris Skidmore, MP, recognises that further incentives are needed to help businesses keep their green plans on track, and accelerate them further.

For example, the recommendation to review how policy incentivises investment in decarbonisation, including via the tax system and capital allowances or through loans and grants, is very encouraging, as is the recommendation that businesses need additional support with energy efficiency. It is important that the government department now implements these recommendations as part of a new Net Zero Strategy this year. Backing businesses and their net zero contribution is a real no regrets action to take.

Five actions to take now

During times of uncertainty, it pays to be proactive. That said, it is important that this proactivity is rooted in an informed approach to your energy strategy. Understanding how, why and where your energy is used will help you implement the most effective measures for your organisation.

For us, there are five key steps businesses can take to regain some control in a challenging market:



Understand how the energy market impacts your business

Understanding the wider factors that impact both commodity and non-commodity costs and how this ultimately affects what your business pays, has never been more important. We have developed two, simple-to-follow guides that can help you navigate the complex energy market, which can be accessed [here](#).



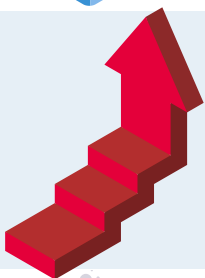
Investigate eligibility for relevant government benefits

While businesses have recently been able to access the EBRs to help protect them from rising wholesale energy prices, there are other schemes that they could be eligible for to help them reduce demand. For example, businesses can claim capital allowances when they buy energy efficient, or low or zero-carbon technology for their business, such as zero emissions vehicles. More information on these can be found on the government website [here](#).



Get to know your energy data

Understanding exactly where and how you are using energy is crucial to reducing both costs and carbon. To help assess the most suitable path to net zero for your organisation, we have launched a new [Net Zero Calculator](#). This easy-to-use, interactive tool provides businesses with insight into where and how they currently use energy, what impact their efficiency and sustainability projects are already having, and then the best measures for the future, so they can plan an effective and sustainable energy strategy.



Maximise energy efficiency

As this research has shown, businesses recognise the value of investing in energy efficiency. After all, the less energy you use, the less you will pay.

The capital that this ultimately saves you in reduced energy costs can be used to finance investment in further energy-saving or low-carbon technologies.



Become more self-reliant and energy resilient

The results of this year's Business Energy Tracker showed an increased willingness from businesses to invest in sustainable on-site generation, such as solar PV, wind or CHP. It's easy to see why - as well as making your organisation less exposed to the fluctuations of the wholesale energy market, it also helps your business to reduce carbon emissions, lower energy costs and provide an increased stability of supply.

Why the voice of business is more important than ever

It is so important that the views of businesses are taken into account when policy is shaped. If businesses are supported to increase energy efficiency and reduce demand, it will benefit the whole of the UK.

Businesses understand the benefits of implementing measures to reduce their energy demand - for them, this was the main area where they wanted additional support from the newly created DESNZ.

This year's Business Energy Tracker has once again provided us with an understanding of how the current climate is impacting business confidence, and attitudes to investing in the crucial measures that will support the UK's net zero goals.

Without doubt, the last 18 months have hit businesses hard, and will have a lasting impact. While measures such as the EBRS have gone some way to helping organisations reduce the financial impact of the volatile energy market, more still needs to be done.

Businesses understand the benefits of implementing measures to reduce their energy demand - for them, this was the main area where they wanted additional support from the newly created DESNZ.

This is why it is so important that the views of businesses are taken into account when policy is shaped. If businesses are supported to increase energy efficiency and reduce demand, it will benefit the whole of the UK.

For us, there are several key actions that all stakeholders, from government and industry organisations, through to energy partners like us, and the businesses themselves, should take from this research:



Future government support needs to focus on both supply and demand: while measures such as the EBRS and the EBDS were welcome interventions, a focused and long-term approach is needed to enable businesses to reduce energy demand and improve their energy efficiency. The announcement by the Chancellor in his 2022 Autumn Statement of a new target to reduce energy demand from buildings and industry by 15% by 2030 and an additional £6 billion of funding for energy efficiency from 2025 was welcome, but that is two years away. It is great to see the new Energy Efficiency Taskforce is now in place, but more support is needed now.



A new Net Zero Strategy must be pro-business: the launch of the government's Net Zero Review earlier this year clearly demonstrated that urgent action needs to be taken now if the UK is to hit its 2050 target. The Business Energy Tracker shows that businesses still back net zero, they just need additional support to ensure they can make the necessary investments to achieve it.



Proactivity can pay: for businesses, an informed and proactive approach to their energy strategy can pay dividends in terms of reduced costs and carbon emissions. Working with an energy partner to help you understand the best measures to lower energy demand, particularly with government support for energy invoices reducing, will be crucial this year.

At nBS, we are committed to ensuring that the voice of business is heard at the highest level. The insight from the Business Energy Tracker will give us the opportunity to present the findings to the government, as well as other influential stakeholders. Government and industry must continue to work together to drive forward these changes.

Your partner for a more resilient energy future

As well as helping to guide future policy, the Business Energy Tracker provides us with crucial insight on how we can support our customers during these uncertain times. We have created useful resources on current and future government schemes, such as the [EBRS](#) and [EBDS](#), as well as developing tools such as the [Net Zero Calculator](#) to help businesses make informed decisions about their energy strategies.

At nBS, we are committed to ensuring that the voice of business is heard at the highest level.

4

Appendix: Research sample and methodology



The research was carried out in January 2023 by an independent research agency. They conducted 100 quantitative surveys via an online panel, targeting the person responsible for energy in mid-market and large businesses.

By energy spend, the businesses included in this survey:

| | |
|---------------------|-----|
| £50,000-£399,000 | 20% |
| £400,000-£799,999 | 24% |
| £800,000-£1,999,999 | 28% |
| £2,000,000+ | 28% |

The research was also circulated to members of the MEUC and EIUG during January 2023.



Contact us:



0800 622 6966



npowerbusinesssolutions.com

Follow us:



[@npower_nbs](https://twitter.com/npower_nbs)



[npower Business Solutions](https://www.linkedin.com/company/npower-business-solutions)



[npower Business Solutions](https://www.youtube.com/npowerbusinesssolutions)

Phone calls: We may monitor and/or record calls for security, quality or training purposes. Call charges to numbers beginning with 0800 should be free if you are calling from a business mobile or landline but this will depend on your contract. Please check with your operator for exact charges.

npower and npower Business Solutions are the trading names of Npower Commercial Gas Limited (Registered No. 3768856). Registered Office: Westwood Way, Westwood Business Park, Coventry, CV4 8LG.

npm15833/MM22085/03.23



**Business
Solutions**

powered by **e-on**