

22 March, 2023

Dear Secretary of State

Firstly, we would like to welcome you to the role as the head of the new Department for Energy Security and Net Zero. It is fantastic to see that the government recognises that these vital areas for the UK economy need specific focus when it comes to policy.

Secondly, we would like to share the findings of the 2023 edition of the **Business Energy Tracker**, conducted by npower Business Solutions (nBS), with support from the Major Energy Users Council (MEUC) and the Energy Intensive Users Group (EIUG). This report has gathered the views of 100 large businesses to understand the impact of the energy market and policy decisions on their attitudes to energy, risk and their potential investment plans.

In our 2022 report, the results showed that more than three quarters of businesses (77%) felt that energy was their top risk and 82% felt that the government could be doing more to support them.

This year, we have conducted the research again to see if the policy interventions introduced during 2022 - including the Energy Bill Relief Scheme - have had an impact on business confidence.

The 2023 Business Energy Tracker reveals that:

- **Two thirds (67%) of businesses believe the Energy Bills Discount Scheme - due to come into force on 1 April 2023 - won't go far enough to support them**
- **Energy remains the top risk for 64% of businesses in 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**
- **That said, almost half (44%) of businesses believe the energy crisis will help net zero progress.**
- **Sustainability and net zero measures are now the top investment priority for UK businesses, although cost for delivering net zero remains a major concern**

It also asked what businesses would like to see from DESNZ over the next 12 months. In order of priority, they told us:

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**
2. **Support to switch from fossil fuels to renewable electricity to help reduce reliance on volatile fossil fuel prices**
3. **Continued financial support for businesses that need help with energy costs**
4. **Implementation of a more simplified and transparent carbon reporting mechanism**
5. **Reduction in 'red tape' to help renewables schemes successfully meet local planning procedures.**

At nBS, we are committed to giving businesses energy users a voice on the issues that matter to them. This report is designed to provide guidance for you and your colleagues at DESNZ to ensure the views of UK businesses are heard when it comes to shaping future strategies and policy.

We look forward to hearing your views.

Signed



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Chair, MEUC



Arjan Geveke,
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