

BICS: British Industrial Competitiveness Scheme

What the scheme is, who qualifies, what it is worth, and the evidence you need to apply before the first window closes.

West Yorkshire Manufacturing Services (WYMS) is a charity built by manufacturers, for manufacturers, supporting the future of manufacturing and engineering through workforce development, industry collaboration and business support. This session was delivered at Junction25 at WYMS, Brighouse.

What BICS is

The British Industrial Competitiveness Scheme (BICS) is a government scheme that exempts eligible manufacturers from the indirect costs of three electricity policy schemes: the Renewables Obligation, the Feed-in Tariffs and the Capacity Market. Those policy costs are currently recovered through electricity bills, so the exemption removes a layer of cost that manufacturers pay whether or not they contract directly with the underlying schemes.

The first application window opened on 1 October 2026 and closes on 30 November 2026 at 11:59pm. Applications are made through apply-for-bics.service.gov.uk, and eligibility decisions follow in early 2027.

Worth around: £35 to £40 per MWh of exempted electricity (GOV.UK, 15 April 2026 announcement)

Bills cut by up to: 25% for over 10,000 manufacturers

Scheme value: Up to £600 million per year across the scheme from April 2027

Backdated: A one-off additional payment in 2027 covers support firms would have received if BICS had been in place from April 2026

RO and FiT exemptions: From April 2027 **Capacity Market exemptions:** From October 2027

BICS is not the British Industry Supercharger

BICS is distinct from the British Industry Supercharger, which is the network-charges discount scheme for eligible energy-intensive industries. They are separate schemes with separate eligibility. Qualifying for one does not imply qualifying for the other.

Eligibility: four criteria, all of them must be met

- Registered on Companies House.
- Operate within an eligible sector. Manufacturing frontier industries within the Industrial Strategy IS-8 growth-driving sectors, plus manufacturing foundational industries, defined by SIC 2007 codes.
- Manufacture eligible products in Great Britain. Eligible products are defined by 6-digit HS codes. Goods sold or transferred between manufacturing sites count; import or export is not required.
- Use at least 33 MWh of grid-supplied electricity per year, assessed per manufacturing site, and evidenced by that site's most recent 6 consecutive months of bills within the last 12 showing more than 16.5 MWh in total.

Site-by-site pro-rating

Exemptions apply site by site, based on the share of electricity used to manufacture eligible products at that site:

Share of eligible electricity	Exemption band
25% or less	0% band: no exemption
More than 25% but less than 50%	50% band
50% or more	100% band

Under the official mechanics, the band percentage applies to the whole site's grid electricity consumption, not just the eligible share. The official shared-meter example in the guidance annexes confirms this: an applicant with a 68.75% eligible share on the 100% band had the exemption apply to their entire electricity consumption.

THE CAVEAT THAT MATTERS

Eligibility share is the deciding factor, not business size. Both large businesses and SMEs are eligible, and support is not prioritised by size. A small site with a high eligible share can secure a full exemption while a much larger site with a low eligible share secures none.

What might it be worth?

The examples below are illustrations, not quotes. The calculation is simple: the site's annual grid electricity × the exemption band percentage × £35 to £40 per MWh. The band applies to the site's whole consumption, not only the eligible share. Each example states its assumptions.

1. Small manufacturer. Site uses 200 MWh/year of grid electricity, 100% of it for eligible production, so the 100% band applies. $200 \times £35 \text{ to } £40 = £7,000 \text{ to } £8,000$ per year once exemptions fully apply. Assumption: whole site output qualifies as eligible products.

2. Mid-size manufacturer. Site uses 2,000 MWh/year, 60% of it for eligible production, so the 100% band applies. The whole site's 2,000 MWh is exempt. $2,000 \times £35 \text{ to } £40 = £70,000 \text{ to } £80,000$ per year once exemptions fully apply. Assumption: eligible share measured against the site's total grid supply.

3. Larger mixed site. Site uses 10,000 MWh/year, 40% eligible, so the 50% band applies. 50% of the site's 10,000 MWh, which is 5,000 MWh, is exempt. $5,000 \times £35 \text{ to } £40 = £175,000 \text{ to } £200,000$ per year once exemptions fully apply. Assumption: the 40% eligible share sits above 25% but below 50%, triggering the half band rather than the full one.

4. Below the band. Site uses 40 MWh/year, which clears the 33 MWh minimum, but only 20% is for eligible production. 20% is 25% or less, so the 0% band applies and there is no exemption. The same scheme could mean nothing for a site whose eligible share is too low, which is why the evidence and measurement work matters.

These figures are illustrative only. The £35 to £40 per MWh range is the government's published average saving; actual relief depends on the Renewables Obligation, Feed-in Tariff and Capacity Market cost components of each site's electricity bill, the site's pro-rating tier and the evidence accepted by BIST. BICS relief applies only to these policy costs and not to other charges on the bill. Exemptions phase in from April 2027 (Renewables Obligation and Feed-in Tariffs) and October 2027 (Capacity Market). These are illustrations of the mechanics, not quotations or commitments.

Checklist: what you need to apply

- Companies House registration details for the applying business.
- SIC code check to confirm the site's activity sits within an eligible sector under the SIC 2007 definitions.
- HS code check for the products manufactured, against the 6-digit eligible product definitions.
- Six consecutive months of bills within the last 12, showing more than 16.5 MWh in total at the site.
- Site share of eligible production, the electricity split that decides the exemption band.
- Evidence pack bringing all of the above together before submission through apply-for-bics.service.gov.uk.

Source of truth: GOV.UK BICS guidance for applicants, gov.uk/government/publications/british-industrial-competitiveness-scheme-business-guidance. Check it before relying on any detail here.

Next step

BICS eligibility is evidence work: bills, SIC and HS codes, and the share of electricity behind eligible production. If you would rather hand that over, Hawley Energy can run the eligibility check and assemble the evidence pack for you. Email hello@hawleyenergy.co.uk to talk it through.

Scan for the full WYMS resource hub

Guides, spreadsheets and templates, no account needed

www.hawleyenergy.co.uk/wyms · 01484 958761



Scheme details verified against current official guidance before reliance. Last verified: 16 October 2026 against GOV.UK BICS guidance (12 Oct 2026) and the 15 April 2026 DBT/HM Treasury announcement.

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hello@hawleyenergy.co.uk

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