



Report on Temporary Business Energy Support Scheme

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Temporary Business Energy Support Scheme (TBESS)

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Temporary Business Energy Support Scheme (TBESS)

Overview of the scheme

Announced as a measure of the cost-of-living budget was the Temporary Business Energy Support Scheme (TBESS). This is a new support for businesses facing rising energy bills. The TBESS will assist businesses with their electricity or natural gas (energy) costs during the winter months.

The scheme is subject to State aid approval under the European Commission's Temporary Crisis Framework (TCF).

The scheme will be administered by Revenue through Revenue Online Services (ROS) and provides for a cash payment to qualifying businesses.

Sections 87 to 89 of the Finance Bill 2022 make provision for the Temporary Business Energy Support Scheme (TBESS).

Key features of the scheme

- The scheme will operate in respect of electricity and natural gas costs relating to the **period from 1 September 2022 to 31 December 2022** or, if the end date of the TCF is extended, to 28 February 2023.
- Claims may be made in respect of each calendar month (referred to as a 'claim period') within this period.
- The scheme operates by reference to bills for the metered supply of electricity and natural gas through electricity accounts or gas connections identified by its own Meter Point Reference Number (MPRN) or Gas Point Reference Number (GPRN).
- Publication of the names of claimants will be available on the Revenue website.
- When registering for the TBESS, it will be necessary to tick a box **declaring that the qualifying business has completed a carbon footprint exercise and is taking steps to reduce its energy use and environmental impact**. This can be carried out using the 'Climate Toolkit 4 Business'. The Climate Toolkit 4 Business [www.climatetoolkit4business.gov.ie] is an easy-to-use, online tool which allows businesses calculate their estimated carbon footprint and provides a targeted action plan to reduce environmental impact. The recommended actions cover 4 key areas – energy, travel, materials use and water. In order to enter the information into the tool kit, your energy bills will be required. Some methods of reducing your carbon footprint would be switching to led light bulbs, turning down the thermostat by 1 or 2 degrees, using electric vehicles over petrol or diesel vehicles.

Who can claim TBESS

- The scheme will be open to businesses that carry on a Case I trade or Case II profession (including certain charities and approved sporting bodies in relation to certain income). A business will be considered an 'eligible business' and therefore within the scope of the TBESS, where it is a company, self-employed individual or partnership carrying on a trade or profession for the profits of which are chargeable to tax under Case I or Case II of Schedule D by virtue of section 18(2) of the Taxes Consolidation Act, 1997 (TCA).
- are tax compliant including:
 - compliant with all obligations in relation to tax registration, tax payments and filing of returns
 - are eligible for a tax clearance certificate throughout the claim period

and

- have experienced a significant increase of 50% or higher in their natural gas and electricity costs average unit price arising during a claim period between September 2022 and December 2022 when compared with the corresponding period in 2021.

Where a business has debt warehoused under the Debt Warehousing Scheme, the business will be treated as compliant for the purposes of the TBESS provided it continues to be eligible for the Debt Warehousing Scheme.

Public bodies and businesses engaged in passive activities, for example, rental income taxable under Case V, or investment income, are outside the scope of the TBESS.

Determining eligible claim period

- Where an electricity or natural gas bill covers only part of a claim period then it will be compared with a proportionate amount of the electricity or natural gas costs for the reference period in determining the eligible cost amount.
- Provision is made for businesses to assess their eligibility and, where appropriate, to make a claim in respect of an electricity or natural gas bill for a particular electricity account or gas connection for which the business does not have a bill for the reference period. This is relevant where the business started after the end of the relevant reference period but had commenced before or during the claim period.
- In such circumstances, a deemed monthly reference unit price in respect of electricity or natural gas must be used for the purpose of determining whether the energy costs threshold has been met. If the unit price on a relevant electricity or natural gas bill is at least 50% higher than the deemed monthly reference unit price, then the business will pass the energy costs threshold.

Determining the energy cost threshold

- The energy costs threshold test is based on an **increase of 50% or more in the average unit price** of an electricity or gas bill as compared to the average unit price in a 'reference period'.
- The 'reference period' is a calendar month that is 12 months prior to the claim period (calendar month) to which the relevant bill (in respect of which the eligible business wishes to make a claim) relates. For example, a claim in respect of an electricity or gas bill with a billing period covering September 2022 will be compared to the September 2021 reference period.

Calculating the electricity or gas reference unit price

- A reference unit price must be determined in respect of each reference period separately. It must also be determined separately for both electricity and gas where a business has relevant bills relating to both electricity and gas.
- The electricity or gas reference unit price is calculated by dividing the electricity/gas cost for the period by the consumption for the period.
- Electricity and gas bills must be identified in separate calculations.

Energy bill covers entire reference month

- Where the eligible business has an electricity or gas bill with a billing period that covers the entire reference month, that electricity bill or gas bill will be the reference bill for that reference period.

Two or more energy bills cover reference month

- Where the eligible business has more than one bill with billing periods which cover the full reference month, those bills will be the reference bills. This may also be the case for the reference period.

Only part of the reference month covered by an energy bill

- Where the eligible business does not have a bill which covers the entire reference period but has a bill that covers part of the period, that bill will be the reference bill.

No bill in respect of reference month

- Where the eligible business does not have a reference electricity bill or reference gas bill for the reference period because the business had not commenced at that time or because the relevant electricity account or gas connection was not held by the business at the time, a deemed reference unit price must be used.
- The Sustainable Energy Authority of Ireland will provide a deemed reference unit price for each of the months from September 2021 to 31 December 2021.

Calculating the electricity or gas bill unit price - examples

- In relation to an electricity/gas bill for which a business wishes to make a claim, the unit price for that bill is calculated as being the total amount of charges on the electricity or gas bill exclusive of any value-added tax charged thereon, divided by the number of units of electricity or gas consumed during the billing period covered by the relevant electricity or gas bill.

- Example 1
 - Electricity usage charges of €330 (based on 1,000 units consumed at €0.33 price per unit) + Standing charge of €18+ PSO levy of €13 +VAT of €48 = €409

 - The total amount of charges for electricity on the bill, excluding VAT, is €361. The number of electricity units consumed during the billing period is 1,000 units. Therefore, the unit price in relation to this electricity bill for the purposes of the energy costs threshold is €361/1,000 units = €0.361.

- Example 2 – 1 bill covering 2 periods
 - Electricity bill excluding VAT is €175 for the period 1 October 2021 to 30 November 2021 (61 days). Based on 800 units

 - Cost October: €175/61 days x 31 days = €88.93

 - Units October: 800 units/61 days x 31 days = 406.55 units

 - Unit price October: €88.93/406.55 units = €0.218

- Example 3 – split billing period
 - Bill of €190 for the period 5 August 2021 to 4 October 2021 (61 days). Based on 900 units

 - Bill of €300 for the period 5 October 2021 to 5 December 2021 (62 days). Based on 1,100 units

 - Step 1: Calculate cost for October
 - $(€190/61 \text{ days} \times 4 \text{ days}) + (€300/62 \text{ days} \times 27 \text{ days}) = €143.10$

 - Step 2: Calculate units for October
 - $(900 \text{ units}/61 \text{ days} \times 4 \text{ days}) + (1,100 \text{ units}/62 \text{ days} \times 27 \text{ days}) = 538.04 \text{ units}$

 - Step 3: Calculate unit price
 - $€143.10/538.04 \text{ units} = €0.26$

In practice, Revenue's portal will calculate the relevant unit price for the bill once the business has entered in the relevant details from the bill on the portal.



Temporary Business Energy Support Scheme (TBESS)

How much will claimants be reimbursed?

Basic cap of €10,000

- The scheme will operate by comparing the average unit price for the relevant bill period in 2022 with the average unit price in the corresponding reference period in 2021.
- Claims will be able to be made by businesses **for up to 40% of the amount of the increase** in the bill.
- The amount of Value Added Tax charged on the bill cannot be included in the claim.
- The charges must relate to the particular billing period. For example, any arrears or balance brought forward from a previous billing period cannot be used for the purpose of determining the charges for the current billing period.
- The TBESS payment is capped at €10,000 per month for electricity and gas combined. The cap is per trade/profession.

Increased cap of €30,000

- Where a business carries on its trade or profession from more than one location, as identified by the business having multiple electricity accounts/MPRNs in different locations, the cap may be increased by €10,000 per electricity account/MPRN, subject to an overall monthly cap of €30,000 per trade. (e.g. if a business holds two electricity accounts in different locations, the monthly cap will be increased to €20,000).
- For the purposes of determining whether an increased monthly cap of €10,000 applies for each electricity account/MPRN (up to a maximum of €30,000 per month), electricity accounts/MPRNs that have an electricity supply address (as identified on the relevant bills) that are located adjacent to each other will be counted as one electricity account.



Temporary Business Energy Support Scheme (TBESS)

Overall cap

- An overall cap on the amount of support that a business can claim in line with the Section 2.1 of the Temporary Crisis Framework will apply. The framework enables Member States to provide aid of up to €500,000 to an undertaking.
- There are limits to the aggregate amount of temporary business energy payments that may be claimed by a single undertaking carrying on one or more qualifying businesses.
- There are circumstances where two or more enterprises may be deemed to be a single undertaking.
- For the purpose of the TBESS, the term 'single undertaking' has the same meaning as set out in legislation under EU State aid rules. All entities which are controlled on a legal basis or on a de facto basis by the same entity are considered to be a single undertaking. This means that where there is a group with several affiliated entities, the entire group may be considered as one single undertaking. The limit on the monetary amount that can be claimed under the TBESS would then apply to the group as a whole.

Example of refund amount:

XYZ Retail Limited

September 2021 energy costs - €1,000

September 2022 energy costs - €4,750

The bill has increased in excess of 50%

Credit

Uplift in energy costs €4,750 - €1,000 = €3,750

40% TBESS Credit = €3,750 x 40% = €1,500 Credit

€10,000 monthly credit exceeded? No

How will claimants of the scheme be reimbursed?

- The scheme will be administered by the Revenue Commissioners and will operate on a self-assessment basis.
- it is expected that businesses will be able to make claims through the Revenue Online Service (ROS) by the end of November 2022.
- Claimants will receive a payment from the Revenue Commissioners directly to the business bank account for the claimant as per Revenue records.



Temporary Business Energy Support Scheme (TBESS)

[How to register for the TBESS and make a claim](#)

The application to register for the TBESS scheme can be done through ROS and the scheme registration opened on 26 November 2022.

To register for TBESS, a person will be required to provide details in respect of their business, trade or profession and electricity and/or natural gas account.

The first claim can be made on ROS from 5 December 2022. When making a claim, a business will supply details of the electricity or gas bills for the claim period and reference period to Revenue on ROS. The Revenue system will then calculate the reference unit price and the bill unit price, based on the information supplied. A business is simply required to input all details requested in the portal from the relevant bills from the 2021 reference periods. The Revenues TBESS calculator will determine the amount of the payment that you can claim.

[Time limit for making a claim](#)

The time limit for making a claim in relation to an electricity or gas bill is 4 months from the end of the claim period to which the electricity or gas bill relates. Set out below are the relevant time limits for making a claim in respect of each claim period:

Claim period	Time limit for making a claim
September 2022	31 January 2023
October 2022	28 February 2023
November 2022	31 March 2023
December 2022	30 April 2023

[How is the Temporary Business Energy Payment \(TBEP\) treated for tax purposes](#)

- Payment to be taken into account when calculating the taxable trading profits of a claimant by reducing the amount of expenditure that can be deducted in arriving at taxable trading profits.
- Payment will reduce the amount of trading expenses that are deductible in computing the taxable income of a business; hence, the payment may result in an additional tax liability where that business has trading profits for the year.



Temporary Business Energy Support Scheme (TBESS)

Withdrawal by Revenue of a Temporary Business Energy Payment (TBEP)

- Where a claim for a TBEP is subsequently found to be unauthorised or overclaimed, the implications are as follows:
 - Clawback of the amount claimed
 - Application of interest
 - Application of penalties
 - Possible publication

In the case of a partnership, amounts clawed back will be in respect of the portion of the payment attributed to each partner in accordance with the partnership profit sharing agreement.

Publication on the list of tax defaulters under section 1086A of the Taxes Consolidation Act 1997 may also apply, where the criteria in relation to tax, interest and penalties are met.