

# The British Industrial Competitiveness Scheme (BICS)

2026

Last year, the UK government announced its Modern Industrial Strategy, which paved the way for targeted actions for the UK's highest potential growth sectors.

One of these actions is the new British Industrial Competitiveness Scheme (BICS), which is designed to provide relief for electricity costs in these key growth areas.

## **What is BICS?**

BICS is a new support scheme offering discounts of up to £40/MWh through exemptions from the Renewables Obligation (RO), Feed-in Tariff (FiT), and Capacity Market (CM) levies.

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.

Unlike existing schemes, BICS is broader in scope and reaches sectors that may not previously have received government compensation or exemptions. It is expected that eligibility testing will be less stringent than current schemes, such as the Energy Intensive Industries (EII), opening support to businesses that may have previously missed out.

## **Other support**

BICS will launch in 2027, but for some businesses, they may already qualify for the Energy Intensive Industries (EII) exemption scheme.

EII allows eligible energy-intensive businesses to receive up to 100% exemption on eligible electricity costs across RO, FiT, CfD, CM, NCC (Network Charging Compensation charges) RAB (Regulated Asset Base charges) and the EII support levy. These exemptions apply immediately once approved. BICS presents a valuable future opportunity, but EII can deliver larger savings immediately.

As exemptions cannot be duplicated, businesses can only access one scheme. That makes it essential to assess current eligibility now, rather than waiting until 2027. For companies that will only qualify for BICS, early preparation will be key; ensure you are ready to secure savings as soon as the scheme opens. Envantage can support both routes, from identifying immediate EII opportunities to preparing clients for BICS compliance.

## Which sectors fall under IS-8?

Manufacturing frontier industries within industrial strategy growth sectors					
Advanced Manufacturing	Clean Energy Industries	Defence	Digital and Technologies	Life Sciences	Foundational industries
Advanced materials	Carbon capture, storage, GHG removals	Combat air	Advanced Connectivity Technologies	Biopharma	Chemicals
Aerospace	Heat pumps	Complex weapons	Artificial Intelligence	MedTech	Composites
Agri-tech	Hydrogen	Directed energy	Cybersecurity		Critical Minerals
Automotive	Nuclear Fission	Drones and Autonomous Systems	Engineering Biology		Electricity Networks (manufacturing of components)
Batteries	Nuclear Fusion	Maritime Capabilities	Quantum Technologies		Materials
Space	Offshore / Onshore Wind		Semiconductors		Steel

## Who will be eligible?

To be considered for BICS, a business must:

- Operate within an IS-8 frontier industry or a qualifying foundational industry
- Carry out manufacturing activity
- Meet the required electricity-intensity threshold (final levels will be consulted on)

## Timeline



## Next steps

The scheme is expected to launch from April 2027, following consultation on eligibility thresholds and final design. It is a good time for businesses in eligible sectors to start preparing and exploring their options.

If you would like support understanding the scheme and eligibility, please contact our team at [hello@envantage.co.uk](mailto:hello@envantage.co.uk)

We have also created a BICS Forum Group, which will allow members to receive the latest updates as the scheme progresses, as well as free eligibility checks for BICS and other schemes. You can sign up for free [here](#).

