

Energy Markets Financing Scheme Update

News story

An update providing further details on the Energy Markets Financing Scheme.



Together with the Bank of England, HMT is today providing further details of the £40 billion Energy Markets Financing Scheme, to address extraordinary liquidity requirements faced by energy firms from high and volatile energy prices.

The Energy Markets Financing Scheme will improve resilience in energy markets, and the economy. To deliver the scheme, there will be a 100% guarantee to commercial banks covering additional lending extended to firms. The scheme will open to applications on 17th October. The scheme will provide short term financial support and will be designed to be used as a last resort, with pricing and conditions reflecting this.

The scheme will ensure that energy firms can continue to operate and manage risk in a cost-effective way in the face of unprecedented volatility. This helps to reduce the eventual cost that businesses and consumers face.

The EMFS will only be available to firms who are able to meet eligibility requirements, for example that they are otherwise in sound financial health and make a material contribution to the liquidity of UK energy markets. Firms will need to undergo solvency checks.

HMT will convene an advisory committee as part of standing up a robust assessment process.

Further details will be published in due course. To register interest in the scheme, please email EMFS@bankofengland.co.uk.

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