

New research: Energy is top business risk in 2025 Business Energy Tracker

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Businesses are facing a wave of new costs to help finance the clean power transition, with a huge number of organisations concerned about the impact on confidence and competitiveness, according to the latest [Business Energy Tracker](#) from npower Business Solutions (nBS).

The report – The cost of clean power: will your business pay the price? – gathered the views of more than 130 large energy users across the UK, which revealed that, while many businesses (41%) understand the longer-term benefits of clean power, 97% are concerned about the cost impact of delivering the low-carbon transition.

An increase in ‘non-commodity’ charges, which include network, system and policy costs, are set to hit business energy invoices over the next five years as new infrastructure is built to deliver the government’s Clean Power 2030 Action Plan. nBS is predicting these will make up 75% of a customer’s total invoice by the start of the next decade, and will see an average total increase of 55%.

As a result, energy remains the top business risk for the fourth year in a row, with 79% of businesses predicting their energy costs will rise over the next 12 months and more than half (54%) saying they are having a negative impact on business confidence.

That said, more than half (57%) of businesses also understand that they will need to bear some of the costs for the low-carbon transition, although 43% believe that the government should be the primary funder.

However, a significant minority (33%) disagree, and half (50%) also believe that the number of charges and levies that businesses are expected to pay are unfair.

The government has outlined plans to reduce the amount of levies that many of the most energy intensive industries pay through the proposed British Industrial Competitiveness Scheme, announced as part of its Modern Industrial Strategy.

However, while nearly half of businesses (46%) surveyed in the Business Energy Tracker believe they will benefit, a third (31%) do not. This split can also be seen in how businesses view whether the measures will give them a commercial edge or not: 56% believe the strategy will help them remain competitive, while 27% disagree.

Anthony Ainsworth, Chief Operating Officer at nBS, said: “The drive towards clean power is an absolute necessity. It will provide a more stable, secure and sustainable energy system for businesses, reducing our reliance on the wholesale energy markets that have caused so much volatility over the past few years.

“However, building the necessary infrastructure comes at a significant cost. As a result, all businesses will see an increase in their non-commodity charges to help fund the transition.

“Is this a price that businesses are willing to pay? The results of this year’s Business Energy Tracker reveal the conflict being faced by many large organisations. They support the clean power ambition, understand the benefits it will bring, and many appreciate that businesses have a responsibility to bear some of these costs.

“On the other side of the argument, a significant minority don’t believe this should be the case, and want more of the funding to sit at government-level. While many will benefit from the measures outlined in the Modern Industrial Strategy, the Business Energy Tracker has shown that a large number operate outside of the directly supported industries, and will continue to face rising energy costs with no additional support.

“UK businesses are already dealing with the highest industrial energy prices out of 24 countries reporting to the International Energy Association (IEA). So, while we build a cleaner and more stable energy future, it is important that businesses receive the right support to ensure they remain competitive now and in the future.”

Government asks from businesses

When asked whether enough was being done by the government to protect them from energy price volatility, many respondents felt more support was needed. While over half (57%) acknowledged that something was being done, they said that it wasn’t enough. More significantly, almost a quarter (23%) stated they hadn’t seen any government plans and believed that nothing was being done at all. This means that only 18% felt the government was doing enough to protect businesses.

The top five asks for government from businesses are:

1. Develop the Corporate Power Purchase Agreement market: 47% of businesses want the government to develop the CPPA market to provide more options for buying and selling power.
2. Provide direct financial support: 43% are calling for a new scheme of direct financial support to help businesses struggling with energy costs.
3. Offer on-site generation financing: 39% want finance packages to help them invest in on-site energy generation.

4. Support energy efficiency: 38% are asking for support to reduce overall energy demand, such as grants or tax breaks for installing energy management and efficiency measures.
5. Subsidise renewable electricity: 37% want support to switch to renewable electricity, to help reduce their reliance on volatile fossil fuel prices.

[Business Energy Tracker 2025 - The cost of clean power: will your business pay the price?](#) is available to download now.