




# Fixed + Peace of Mind

Electricity supply contracts explained  
for large business customers

20 July 2020



# How do our fixed price contracts compare?

		 Fixed + Peace of Mind	 Fixed + Standard	 Fixed + Reflective
<b>ENERGY COSTS</b>				
	Wholesale cost	Fixed	Fixed	Fixed
	Volume tolerance	Unlimited	Unlimited as standard**	Unlimited
<b>THIRD PARTY COSTS</b>				
Delivery	AAHEDC	Fixed	Fixed	Fixed
	Elexon	Fixed	Fixed	Fixed
	BSUoS + RCRC	Fixed	Fixed at forecast*	Pass-through
	DUoS	Fixed	Fixed at forecast*	Pass-through
	TNUoS	Fixed	Fixed at forecast*	Pass-through
	Tloss	Fixed	Fixed	Fixed
New generation incentives	Dloss	Fixed	Fixed	Pass-through
	RO	Fixed	Fixed at forecast*	Pass-through
	FITs	Fixed	Fixed at forecast*	Pass-through
	CfD	Fixed	Fixed at forecast*	Pass-through
	CM	Fixed	Fixed at forecast*	Pass-through
<b>AVAILABLE FOR</b>				
	HH Meters	Yes	Yes	Yes
	NHH Meters	Yes	Yes	No
	Duration	Up to 24 months	Up to 36 months	Up to 36 months
	Start date	Any	Any	Any
	Volume	0-50GWh	0-50GWh	2-50GWh

\*Fixed at point of contract signing. Can be varied for unforeseen events.

\*\* Contracts over 20GWh may have volume tolerance.



# Fixed + Peace of Mind explained

This contract guarantees your unit price will stay fixed in all but exceptional circumstances - no matter how much electricity you use.

## What makes this product different to most other fixed contracts?

Unlike our Fixed + Standard and most other fixed contracts, Fixed + Peace of Mind will fully fix all third party costs as well as the wholesale energy costs.

This protects you from any additional surcharges as a result of our forecasts being incorrect. There is also no volume tolerance restriction.

Fixed + Peace of Mind is fully inclusive of COVID-19 impacts. In addition, our fixed price commitment will stay fixed for both Ofgem's Targeted Charging Review (TCR) changes as well as the impact of the CMP308 modification on BSUoS for contracts signed after 20th July 2020.

## The advantages of Fixed + Peace of Mind

- EDF Energy purchases your wholesale energy when you sign your contract. So if the wholesale energy market rises you will be safe in the knowledge that these costs won't change.
- We've included both COVID-19 impacts and TCR changes in our contracts and promise not to pass on any related costs.
- With unlimited volume tolerance you can use energy as you need to without worrying about a surcharge cost for exceeding a volume tolerance threshold.
- The unit rate is fully fixed. We stand by the assumptions we make when we calculate all your third party costs including RO, FITs, DUoS, TNUoS, CfD, CM and EII. If we get our assumptions wrong, we'll swallow the cost.

- You can reduce your carbon emissions from your electricity purchases to zero by choosing one of our low-carbon supply options: Blue for Business and Renewable for Business.

## Our "it's fixed" commitment

When we say an element of your price is fixed, we're making a commitment to you that we will not use our Terms and Conditions to recover additional costs arising from our forecasting errors.

But we can't plan for absolutely everything.

In the case of force majeure events, or in exceptional circumstances such as a change in law relating to your energy use, we may have to pass on the costs. But we'll always try to avoid taking that action.

Please refer to the 'Variation' provision of the specific Peace of Mind contract Terms and Conditions for more information.

## What impact has COVID-19 had on the energy industry?

COVID-19 has caused a huge reduction in energy consumption causing the price of power to fall which has significantly impacted fixed prices. As businesses aren't using as much energy, suppliers are having to sell back the unused energy at much lower prices. At the same time, a lower national demand has led to non-energy costs being shared among a smaller pool, increasing the average cost.

We have included these impacts in Fixed + Peace of Mind so your price will be fully fixed from COVID-19 impacts.

## Ofgem's Targeted Charging Review (TCR) explained

Ofgem's Targeted Charging Review or TCR is a big change to third party costs. Ofgem are changing the way transmission and distribution charges are calculated and recovered, to make them fairer for all network users. These changes are built into all contracts signed from 20th July 2020, so you have price certainty and avoid unexpected claw-backs and reconciliations.

## What to look out for in the Fixed + Peace of Mind Terms & Conditions

You should always read your Terms and Conditions before signing a contract. Please refer to provision 9.1 of the specific Peace of Mind contract Terms and Conditions for more information.

## What are Blue for Business and Renewable for Business?

**Blue for Business** guarantees your electricity supply is backed by low-carbon nuclear generation\* for the same price as our standard electricity. You can now choose Blue as part of your fixed price contract, which means you can report zero carbon emissions from your electricity use and benefit from low-carbon credentials without paying a penny more.

Make a positive change to your organisation's sustainability credentials and achieve your environment goals with **Renewable for Business**. For a full range of renewable energy options, including Power Purchase Agreements (PPAs), contact EDF on 0800 328 9030.

## What are third party costs?

Your electricity bill is made up of two main elements; the cost of electricity purchased on the wholesale market, which can be fixed by buying volume at a specific point in time, and third party costs.

These third party costs are related to the delivery of your electricity and investment in future generation. They sit outside your energy supplier's control. In recent years these costs have been rising and also becoming increasingly more difficult to predict.

The following sections briefly explains what these costs cover.

### Third party costs for the delivery of electricity

**Distribution Loss (Dloss)** - These represent the electricity normally lost as heat in conductors and transformers as power runs through the distribution network.

**Distribution Use of System (DUoS) costs** - The costs charged by the distribution network companies for transporting electricity from the transmission system, and some directly connected generators, to customers.

**Transmission Loss (Tloss)** - These represent the electricity normally lost as heat in conductors and transformers as power runs through the transmission network.

**Transmission Network Use of System (TNUoS)** - The costs charged by the transmission network companies for transporting electricity across the transmission system to the distribution networks, directly connected generators and customers.

**Balancing Services Use of System (BSUoS)** - BSUoS allows National Grid to recover the money it spends to balance the electricity system, which it needs to do for every second of the day. This maintains the quality and security of your electricity supply.

**Residual Cashflow Reallocation Cashflow (RCRC)**

- RCRC is a debit or credit to all suppliers and generators ensuring that the total imbalance charge, set out by the Balancing and Settlement Code (BSC), is zero across all parties.

**Assistance for Areas with High Electricity Distribution Costs (AAHEDC)** - AAHEDC, previously referred to as the Hydro Levy, is a charge levied on all supply customers to subsidise the cost of distributing electricity in sparsely populated areas of the UK.

**Elexon** - This covers Elexon's costs for administering the wholesale electricity balancing and settlement arrangements and the associated documentation to comply with the Balancing and Settlement Code (BSC) for Great Britain.

**Third party costs for investment in future electricity generation**

**Renewables Obligation (RO)** - A charge for supporting commercial scale renewable electricity projects in the UK.

**Feed in Tariff (FITs)** - A charge for the government programme designed to promote the uptake of a range of small-scale renewable and low carbon electricity generation technologies.

**Contracts for Difference (CfD)** - A charge for the government initiative that encourages new investment in low-carbon generation by providing investors a guaranteed income for the electricity they generate.

**Capacity Market (CM)** - A charge for supporting both generators, who invest and agree to generate electricity, and large users, who agree to reduce electricity consumption, to ensure there is enough capacity at times when demand is high and the network needs it the most.

**Energy Intensive Industries Exemption (EII)** - A cost related to the new 85% exemption from RO and FITs for businesses in energy intensive industries.

**Like to know more?**

If you would like more information about this contract, please contact EDF on 0800 328 9012 or email [edfenergybusinesssales@edfenergy.com](mailto:edfenergybusinesssales@edfenergy.com).

## We're proud to be a low carbon supplier

Every year we must publish details of the fuel sources that have been used to generate the electricity we supply to our customers. The information in the table below covers our supply licence for EDF Energy Customers Ltd for the period from April 2018 to March 2019. Our customers' electricity is sourced from our own UK power stations, the wholesale energy market and other independent power generators. We are a major supporter of independent renewable generators.

	Coal	Gas	Nuclear	Renewable	Other	CO2 g/kWh	Radioactive waste g/kWh
EDF Energy's fuel mix	5.20%	10.84%	72.07%	11.73%	0.16%	87	0.0050
Contribution to our carbon emissions	55.00%	43.50%	0.00%	0.00%	1.50%		
UK average fuel mix	5.20%	41.40%	18.70%	32.80%	1.90%	208	0.0013

The figures for UK average fuel mix are provided by the Department for Business, Energy & Industrial Strategy (BEIS). Depending on the tariff you are on, the fuel source and carbon emissions associated with the generation of your electricity may vary. For more information on our fuel mix, visit [edfenergy.com/fuelmix](https://edfenergy.com/fuelmix)

EDF Energy's fuel mix per tariff or product	Coal	Gas	Nuclear	Renewable	Other	CO2 g/kWh	Radioactive waste g/kWh
Low Carbon (1)	0.00%	0.00%	100.0%	0.00%	0.00%	0	0.0070
Renewable (2)	0.00%	0.00%	0.00%	100.0%	0.00%	0	0.0000
All other (3)	9.15%	19.07%	71.50%	0.00%	0.28%	153	0.0050

<sup>(1)</sup> Low Carbon tariffs and products – includes residential tariffs sold since 7th June 2019, Blue+ tariffs and Blue for Business.

<sup>(2)</sup> All renewable tariffs and products (includes EV tariff)

<sup>(3)</sup> All other tariffs and products - tariffs not referred to as Low Carbon or Renewable

The low-carbon electricity that we buy for Residential, Blue or Renewable tariffs and products is supplied into the National Grid. Customers receive that electricity through the National Grid, not directly from low-carbon generators.



## e-factsheet - a better way of working

Why an e-factsheet? At EDF we are committed to using the most sustainable working practices wherever possible and this includes when delivering communications to our customers.

E-factsheets significantly reduce the volume of printed material we need, reducing our carbon footprint.

Our customers appreciate e-factsheets because they offer timely delivery of easy to access information in an ideal format for the modern screen based working environment.

**[edfenergy.com/largebusiness](https://edfenergy.com/largebusiness)**

To view our fuel mix visit [edfenergy.com/fuel-mix](https://edfenergy.com/fuel-mix)

