

# Fixed + Protect

Electricity supply contracts explained for large business customers

# How do our fixed price contracts compare?

		 Fixed + Peace of Mind	 Fixed + Standard	 Fixed + Protect	 Fixed + Reflective
<b>ENERGY COSTS</b>					
	Wholesale cost	Fixed	Fixed	Fixed	Fixed
	Volume tolerance	Unlimited	Unlimited	20% limit	10% limit
<b>THIRD PARTY COSTS</b>					
Delivery	AAHEDC	Fixed	Fixed	Fixed	Fixed
	Elexon	Fixed	Fixed	Fixed	Fixed
	BSUoS + RCRC	Fixed	Fixed	Fixed	Fixed
	DUoS	Fixed	Fixed	Fixed	Pass-through
	TNUoS	Fixed	Fixed	Fixed	Pass-through
	Tloss	Fixed	Fixed	Fixed	Fixed
New generation incentives	Dloss	Fixed	Fixed	Fixed	Pass-through
	RO	Fixed	Fixed	Fixed with 40% tolerance	Pass-through
	FITs	Fixed	Fixed	Fixed with 40% tolerance	Pass-through
	CfD	Fixed	Fixed	Fixed with 40% tolerance	Pass-through
	CM	Fixed	Fixed	Fixed with 40% tolerance	Pass-through
	EII	Fixed	Excluded	Fixed	Pass-through
<b>AVAILABLE FOR:</b>					
	HH Meters	Yes	Yes	Yes	Yes
	NHH Meters	Yes	Yes	Yes	No
	Duration	Up to 36 months	Up to 36 months	Up to 36 months	Up to 36 months
	Start date	Any	Any	Any	Any
	Volume	0-50GWh	0-50GWh	0-50GWh	10-50GWh



## Fixed + Protect explained

We fix your unit price, with a generous tolerance on how much your electricity use can vary from forecast.

We protect you from big rises (up to 40%) in the cost of new generation incentives.

You benefit from a lower unit price than our Fixed + Peace of Mind contract.

### What is your protection?

EDF Energy forecasts the costs of new generation incentives for the period of your contract. This includes Renewable Obligations (RO), Feed In Tariffs (FITs), Contract for Difference (CfD), Capacity Market (CM) and the new Energy Intensive Industries exemption (EII) costs. More information about these charges can be found in the glossary section of this factsheet.

During your contract, the actual costs could rise by more than we had calculated. These forecasts are based on our best estimate of what the final RO, FITs, CfD, CM and EII costs will be.

If these costs rise by more than 40%, we reserve the right to recover the difference. For example, if they rise by 45% we could recover 5% of the cost from you.

### The advantages of Fixed + Protect

- 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 your energy prices won't change.

- As you take some price certainty risk for RO, FITs, CfD, CM and EII the unit rate will be lower than our Fixed + Peace of Mind contract where EDF Energy takes all the risk.
- You will be shown the RO, FITs, CfD, CM and EII forecasts at the start of your contract so you can track any change.
- Electricity backed by low-carbon generation can be added to your fixed price contract, at no extra premium by choosing Blue for Business.

### The risks of Fixed + Protect

- There is a 20% volume tolerance threshold. So if you use 20% more or 20% less energy than you thought you would, EDF Energy may add a surcharge.
- If the final RO, CfD, FITs, CM and EII costs are more than 40% higher than our forecast, your business may face additional charges. Please refer to provision 8.1.5 of our specific Protect Terms and Conditions for more information.

### 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 Protect contract Terms and Conditions for more information.

### **What to look out for in the Fixed + Protect Terms & Conditions**

You should always read your Terms and Conditions before signing a contract. For specific details on the Fixed + Protect charges with a tolerance, please refer to provision 8.1.5 of our specific Protect contract Terms and Conditions.

### **What is Blue for Business?**

Blue for Business guarantees your electricity supply is backed by low-carbon 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.

### **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 explain 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 charge 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.

### Third party costs for the delivery of electricity (continued)

**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.

**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 scheme (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 Energy on 0800 404 6008 or email [3D@edfenergy.com](mailto:3D@edfenergy.com).



[3D@edfenergy.com](mailto:3D@edfenergy.com)

0800 404 6008

## 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 plc for the period from April 2015 to March 2016. 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	14.5%	8.6%	64.3%	12.3%	0.3%	167	0.0045
Contribution to our carbon emissions	79.2%	20.1%	0.0%	0.0%	0.7%		
UK average fuel mix	17.1%	32.3%	23.7%	24.3%	2.5%	290	0.0017

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/fuel-mix](http://edfenergy.com/fuel-mix)

EDF Energy's fuel mix per tariff or product	Coal	Gas	Nuclear	Renewable	Other	CO2 g/kWh	Radioactive waste g/kWh
Blue (1)	0.0%	0.0%	100.0%	0.0%	0.0%	0	0.0070
Renewable (2)	0.0%	0.0%	0.0%	100.0%	0.0%	0	0.0000
All other (3)	18.7%	11.1%	59.5%	10.4%	0.4%	214	0.0042

The low-carbon electricity that we buy for 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.

(1) Blue tariffs and products - all residential Blue+ tariffs and Blue for Business

(2) Renewable tariffs and product - Renewable for Business

(3) All other tariffs and products - tariffs not referred to as Blue or Renewable



## e-factsheet - a better way of working

Why an e-factsheet? At EDF Energy 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](http://edfenergy.com/largebusiness)**

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

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