

THE CERTAINTY TEST

FOR SURE



Ten questions that help you understand what's fixed – and what's not.

For greater certainty about your budget, it's important to be sure which elements of your price are fixed. Here's a checklist to help you do just that.

The good news is, EDF Energy's Fixed + Peace of Mind ticks every box.

EDF Energy
Fixed + Peace of Mind

Wholesale costs

Are the **wholesale electricity costs** fixed for the duration of the contract?



Non-energy costs

can be as much as **55%** of your total spend

Low carbon

Is the **Capacity Market Supplier charge** fixed for the duration of the contract?



Is the **Contracts for Difference charge** fixed for the duration of the contract?



Is the **Renewable Obligation charge** fixed for the duration of the contract?



Is the **Feed in Tariff charge** fixed for the duration of the contract?



Is the **charge due to Energy Intensive Industries (EII)** included and fixed for the duration of the contract?



Network Delivery & Balancing

Is the **Transmission charge (TNUoS)** fixed for the duration of the contract?



Is the **Distribution charge (DUoS)** fixed for the duration of the contract?



Is the **Balancing charge (BSUoS)** fixed for the duration of the contract?



Charges

Volume Tolerance Charges

Are there **charges** for using more or less electricity than you contract for?

None

Tip: Make sure that the costs are fixed for the duration of your contract, not just at the point at which you sign.



Some helpful definitions

Non-energy costs*	This is the cost of government initiatives that help incentivise the low-carbon economy, as well as the cost of delivering the electricity to you through the National Grid. These costs now make up about 55% of your bill. All of the following definitions relate to the main non-energy costs.
Capacity Market Supplier charge	The Capacity Market is a government initiative to support new investment in energy generation and smarter management of electricity demand in the UK. To pay for the investment, the Government passes the cost on to suppliers, who are obliged to charge their customers for electricity consumed between 4pm and 7pm weekdays in winter months when demand for electricity is at its highest.
Contracts for Difference charge	Contracts for Difference is a government initiative to incentivise more generation from low-carbon sources. Money is paid to low-carbon generators based on how much electricity they generate. On a daily basis the money paid to generators under the CfD contracts is divided by the total number of MWhs considered to have been consumed by all electricity users each day. The charge to customers is then determined by multiplying that rate with the volume the user consumed that day. The CfD payments made to generators are based on settlement volumes and therefore the final charge cannot be known until after the date of delivery.
Renewable Obligation charge	The Renewable Obligation is an initiative to incentivise more generation from renewable sources such as wind and solar. From April 2017, no more generators will be able to join the scheme. But generators who are already on the scheme will continue to benefit until 2037. The charge to energy users is determined by multiplying together two values published by Government: the size of the obligation on supply companies (and therefore the support available to generators) and a baseline price. These two numbers are issued in November and February, respectively, before the start of each regulatory year.
Feed in Tariff (FIT)	The Feed in Tariff is a government initiative to fund and promote the uptake of small-scale renewable electricity generator projects in the UK, such as solar panels on people's houses. Each year, the Government calculates how much support is needed and passes it on to suppliers based on their market share. Suppliers then pass this cost on to their customers. Each additional generator that joins the scheme increases the charge to electricity users.
Energy Intensive Industries charge (EII)	The Government is working on changes to a support scheme that helps the UK's energy intensive industries compete with companies in countries with lower energy costs. This will push up electricity prices a little for all other businesses. Most businesses won't qualify for any rebate and the cost of this scheme will effectively be paid for by all non EII exempt electricity users across the UK rather than by the Government.
Transmission charge (TNUoS)	Transmission charges are levied by transmission companies to carry electricity from power stations through overhead high voltage lines to the local distribution networks. The charges are used to fund the maintenance and upgrading of the transmission network. They vary by region and are controlled through price controls administered by Ofgem.
Distribution charge (DUoS)	Distribution charges cover the cost of transporting electricity from the transmission network through the local area distribution networks to business and domestic properties. Charges vary considerably by region.
Balancing charge (BSUoS)	National Grid needs to balance the electricity system every second of the day, ensuring the total amount of electricity generated matches the demand for electricity. To do this, National Grid, pays generators and/ or business energy users to increase or decrease power at certain times. National Grid passes this cost to suppliers, who pass it on to customers.
Volume tolerance charges	If you use much more or much less electricity than you sign up for in your contract, then a supplier might enforce a charge.

Our fixed commitment

When we say an element of your price is fixed, we're making a commitment to you that we will not look 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. These circumstances are set out in our Peace of Mind Electricity Terms and Conditions for Business Customers.

*Please note that this list of non-energy costs is not exhaustive. Due to the ever-changing energy landscape, new costs can be introduced and removed from time to time.

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