




Fixed + Reflective

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
ENERGY COSTS				
	Wholesale cost	Fixed	Fixed	Fixed
	Volume tolerance	Unlimited	Unlimited as standard**	Unlimited
THIRD PARTY COSTS				
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
AVAILABLE FOR:				
	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 + Reflective explained

We fix your electricity price, with unlimited volume tolerance to avoid a surcharge cost - no matter how much electricity you use.

You pay the actual costs of the major delivery charges and low-carbon and secure energy incentives, so they may change during your contract. The chart on the next page shows which third party costs are fixed or charged at cost.

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

What 'pay the actual costs' means to my contract

Many third party costs are unknown at the time you sign your contract. Unlike our Fixed + Peace of Mind contract which use EDF Energy's forecasts for these unknown costs, Fixed + Reflective ensures you will pay the actual costs, rather than our forecast.

The advantages of Fixed + Reflective

- EDF Energy will purchase your wholesale energy when you sign your contract. So if the wholesale energy market rises you will be safe in the knowledge these costs won't change.
- As you are taking on most of the price certainty risk on your third party costs, the unit rate will be lower than our Fixed + Peace of Mind contract.
- It gives you greater transparency of your energy costs which may help your wider business stakeholders.

- With unlimited volume tolerance you can use energy as you need to without worrying about a surcharge cost for exceeding a volume tolerance threshold.
- 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 + Reflective

- As your third party costs will be reflective of the final cost, you could end up paying more for these charges than you anticipated at the start of your contract.
- It may be more difficult to budget for your annual energy bill.

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

Reflective contract Terms and Conditions for more information.

What to look out for in the Fixed + Reflective Terms & Conditions

For specific details on the Fixed + Reflective pass through charges please refer to provision 8.1.5 of our specific Reflective 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 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.

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 328 9012 or email edfenergybusinesssales@edfenergy.com.



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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 2019 to March 2020. 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	CO ² g/kWh	Radioactive waste g/kWh
EDF Energy's fuel mix	3.50%	9.30%	66.60%	20.50%	0.10%	70	0.0047
Contribution to our carbon emissions	49.00%	49.30%	0.00%	0.00%	1.70%		
UK average fuel mix	3.90%	39.40%	16.60%	37.90%	2.20%	198	0.0012

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

EDF Energy's fuel mix per tariff or product	Coal	Gas	Nuclear	Renewable	Other	CO ² g/kWh	Radioactive waste g/kWh
Blue (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)	9.10%	24.40%	55.30%	10.90%	0.30%	183	0.0039

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

⁽²⁾ All renewable tariffs and products (includes EV tariff)

⁽³⁾ 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://www.edfenergy.com/largebusiness)

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

EDF Energy Customers Ltd with registered number 2228297. EDF Energy 1 Limited with registered number 3986835.
Registered offices at 90 Whitfield Street, London, W1T 4EZ Incorporated in England and Wales. EDF Energy 1 Limited acts as agent of EDF Energy Customers Ltd for the purposes of collecting all payments in connection with its supply contracts. The responsibility for performance of supply obligations rests with EDF Energy Customers Ltd.

