



FLEXIBLE ELECTRICITY CONTRACTS FROM EDF ENERGY

6 STEPS TO ULTIMATE FLEXIBILITY.

As flexible contracts have become a more popular tool to manage risk in electricity purchasing, the range of available contract features has exploded.

So how do you strike the perfect balance between over-engineering your contract with costly features you really won't need or use in practice, and specifying an underpowered contract that will hamstring your ability to manage risk?

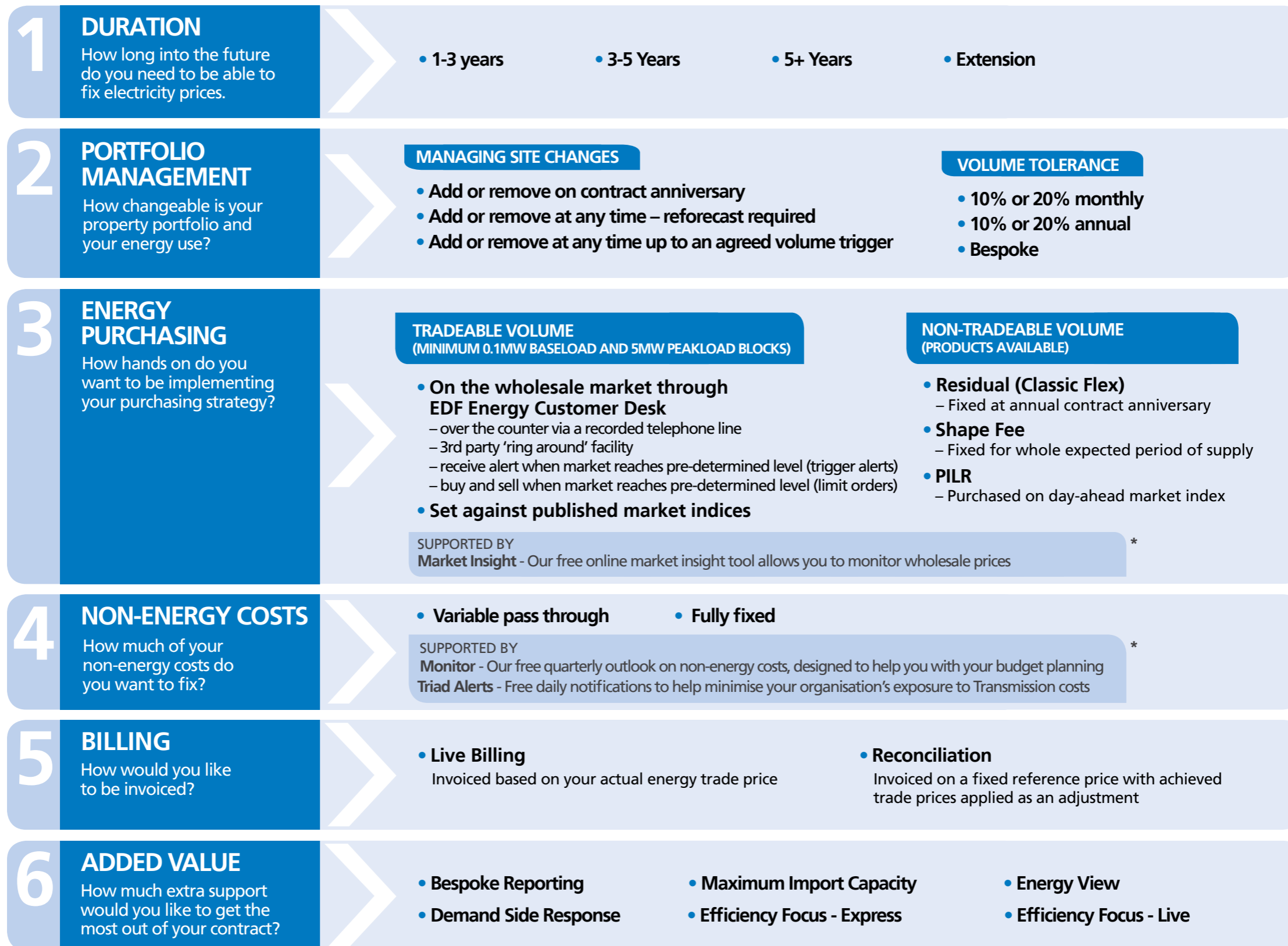
The answer is to follow the path laid out in this factsheet. It simplifies the process into six key decisions – helping you choose only the options that are relevant to how your business uses energy and how it wants to manage the associated risks.

It's just one way we can help you build a contract that gives you all the sophistication you're after, without needless cost and complexity.

Let's build your ideal flexible contract together.

FLEXIBLE CONTRACT FRAMEWORK

(THE SIX KEY DECISIONS)



DURATION OPTIONS

| 1 DURATION Contracts to suit a range of planning horizons and organisation's needs. | | |
|--|--|--|
| | WHAT YOU GET | WHAT THIS MEANS FOR YOUR ORGANISATION |
| 1-3 YEARS Short to medium-term | <ul style="list-style-type: none"> ✓ Fully flexible product for all meter types, HH, NHH and combined | <ul style="list-style-type: none"> ✓ Experience the benefits of our flexible contract and develop your risk management function |
| 3-5 YEARS Medium to long-term | <ul style="list-style-type: none"> ✓ Fully flexible product for all meter types, HH, NHH and combined | <ul style="list-style-type: none"> ✓ Gives you the flexibility to align energy purchasing with your organisation's medium to long-term planning horizon |
| 5 YEARS+ Long-term | <ul style="list-style-type: none"> ✓ Fully flexible product for all meter types, HH, NHH and combined ✓ A means to hedge long-term energy price risk | <ul style="list-style-type: none"> ✓ Provides you with longer-term price security ✓ Aligns with longer operational budget review cycles ✓ Fits with longer-term energy saving investment cycles |
| EXTENSION | <ul style="list-style-type: none"> ✓ Fully flexible product for all meter types, HH, NHH and combined ✓ Available for all contract durations | <ul style="list-style-type: none"> ✓ Easy renewal of your contract ✓ Allows you to extend your contract to match your changing needs without re-tendering |

PORTFOLIO MANAGEMENT OPTIONS

2 PORTFOLIO MANAGEMENT

Options to add and remove sites within pre-set energy volume risk management levels.

| SITE CHANGES | WHAT YOU GET | WHAT THIS MEANS FOR YOUR ORGANISATION |
|---|---|---|
| <p>ADD OR REMOVE ON CONTRACT ANNIVERSARY</p>  | <ul style="list-style-type: none"> ✓ Add or remove any new or planned sites annually on contract anniversary ✓ All meter types eligible | <ul style="list-style-type: none"> ✓ Allows you to reforecast consumption annually on contract anniversary with no administration fee ✓ Add additional sites to a standard fixed contract on an interim basis. These can then be consolidated into your flexible contract at contract anniversary with no need for a reforecast within year |
| <p>ADD OR REMOVE AT ANY TIME</p>  | <ul style="list-style-type: none"> ✓ Add and remove sites at any time ✓ Reforecasting required ✓ Suitable for portfolios with a smaller number of HH metered sites | <ul style="list-style-type: none"> ✓ This allows you to amend your forecast, ensuring your portfolio is up-to-date and fully reflective of your organisation ✓ The ability to reforecast may allow you to benefit from a narrower volume tolerance range |
| <p>ADD OR REMOVE ANY TIME UP TO AN AGREED VOLUME TRIGGER</p>  | <ul style="list-style-type: none"> ✓ Add or remove sites any time up to an agreed volume trigger ✓ Reforecast only required for volume changes outside the agreed volume trigger ✓ Suitable for portfolios with: <ul style="list-style-type: none"> - Large number of low consuming sites - HH and NHH metered sites | <ul style="list-style-type: none"> ✓ You can add or remove sites at anytime up to an agreed volume trigger without the need to reforecast ✓ Once the volume trigger is breached a reforecast is carried out to ensure that any risks associated with the site changes can be managed accordingly |

PORTFOLIO MANAGEMENT OPTIONS

2 PORTFOLIO MANAGEMENT

Protect your organisation from significant changes in future consumption with a volume tolerance.

| VOLUME TOLERANCE | WHAT YOU GET | WHAT THIS MEANS FOR YOUR ORGANISATION |
|---|--|--|
| MONTHLY  | <ul style="list-style-type: none"> ✓ 10% monthly as standard ✓ 20% option available | <ul style="list-style-type: none"> ✓ Gives you monthly volume tolerance choices of 10% or 20% to suit your organisation's needs – reducing costs and complexity. Requires a good understanding and visibility of your monthly energy requirements |
| ANNUALLY  | <ul style="list-style-type: none"> ✓ Options of 10% or 20% | <ul style="list-style-type: none"> ✓ More flexibility to stay within the agreed tolerance level if you are unable to predict future consumption in detail |
| BESPOKE  | <ul style="list-style-type: none"> ✓ Ability to tailor your volume tolerance to a level that closely matches your organisation's requirements | <ul style="list-style-type: none"> ✓ Gives you the ability to choose a level you can easily achieve – reducing costs and complexity |

ENERGY PURCHASING OPTIONS

3 ENERGY PURCHASING

Access to the wholesale power markets via the EDF Energy Customer Desk, offering flexible strategies to manage all your energy purchasing risk.

TRADEABLE VOLUME (MINIMUM 0.1MW BASELOAD BLOCKS & 5MW PEAKLOAD BLOCKS)

| | WHAT YOU GET | WHAT THIS MEANS FOR YOUR ORGANISATION |
|--|--|---|
| ON THE WHOLESALE MARKETS THROUGH EDF ENERGY CUSTOMER DESK | <ul style="list-style-type: none"> ✓ Buy and sell blocks of energy on the wholesale market ✓ By phone, via experienced energy traders ✓ Buy over the counter or against an index ✓ Access to our online Market Insight service, providing quality data and expert analysis of the commodity markets | <ul style="list-style-type: none"> ✓ Gives you a market reflective price at time of purchase ✓ Provides the flexibility to purchase Day-ahead, Months, Quarters and Seasons |
| OVER THE COUNTER | <ul style="list-style-type: none"> ✓ Buy and sell blocks of energy via experienced traders over the phone | <ul style="list-style-type: none"> ✓ Access to experienced traders 08:30 to 17:00 Monday to Friday ✓ Buy and sell without any additional administration fees |
| MARKET PRICE ALERTS (LIMIT ORDERS / TRIGGER ALERT) | <ul style="list-style-type: none"> ✓ Manage market triggers and limits via our EDF Energy Customer Desk ✓ Limit orders - automatic transaction by EDF Energy's Customer Desk when the market reaches a pre-agreed price level ✓ Trigger alert - receive an email when the market price breaches your pre-agreed level | <ul style="list-style-type: none"> ✓ Allows you to focus on your organisation, not on wholesale market movements ✓ Gives you a greater degree of control on your budget ✓ Gives you peace of mind to set the limits that meet your risk appetite or budget ✓ Enables you to buy and sell without any additional administration fees |
| THIRD PARTY PURCHASING (RING AROUND) | <ul style="list-style-type: none"> ✓ Ability for you to find a price via other market participants ✓ Trading desk will buy and sell from your identified counterparty at the agreed price | <ul style="list-style-type: none"> ✓ The assurance of your own researched market price ✓ Buy and sell without any additional administration fees |
| MARKET INDICES | <ul style="list-style-type: none"> ✓ Purchase on spot and forward price indices to address any transparency or liquidity issues | <ul style="list-style-type: none"> ✓ Fully transparent market reflective price ✓ Allows you to buy near-term energy requirements on spot market indices providing transparency and addressing any liquidity issues |

ENERGY PURCHASING OPTIONS

3 ENERGY PURCHASING

Access to the wholesale power markets via the EDF Energy Customer Desk, offering flexible strategies to manage all your energy purchasing risk.

NON-TRADEABLE VOLUME

There are various product options available to manage your non-tradeable volume – Residual (Classic Flex), Shape Fee and PILR.

WHAT YOU GET

WHAT THIS MEANS FOR YOUR ORGANISATION

RESIDUAL (CLASSIC FLEX)

FIXED ANNUALLY AT CONTRACT ANNIVERSARY



✓ EDF Energy will aggregate the non-tradeable residual parts of your annual requirement and offer you an optimised fixed price

✓ Enables you to buy all the non-tradeable residual energy you need, fixed at a single price, securing **budget certainty for a whole year**

SHAPE FEE

FIXED FOR WHOLE EXPECTED PERIOD OF SUPPLY



✓ EDF Energy will take declared contracted volume (i.e. the total volume requirement for the contract) which covers the non-tradeable volume and offer an optimised fixed price

✓ Enables you to buy all the non-tradeable residual energy you need, fixed at a single price, securing **budget certainty over the whole period of supply**

PILR

PURCHASED ON DAY-AHEAD MARKET INDEX



✓ EDF Energy will not lock the non-tradeable volume, but instead will purchase your non-tradeable residual energy by tracking a spot market price on the day ahead index

✓ You benefit from obtaining a market reflective price for the residual volume on a daily basis, avoiding the risk of locking the residual volume when market prices are high



BESPOKE

✓ You will benefit from expert guidance to help you formulate a strategy for purchasing your non-tradeable residual energy that suits your specific risk strategy

NON-ENERGY COST OPTIONS

4 NON-ENERGY COSTS



Helping you manage regulated third party charges to fit your overall price risk strategy.

| | WHAT YOU GET | WHAT THIS MEANS FOR YOUR ORGANISATION |
|--|--|--|
| VARIABLE PASS THROUGH  | <ul style="list-style-type: none"> ✓ For HH - ELEXON, Hydro Levy and Transmission losses are always fixed on an annual basis. Other charges can be fixed or passed through at cost ✓ For NHH - all charges except RO and FIT are always fixed on an annual basis. RO and FIT can be fixed or passed through at cost ✓ Access to Monitor, our quarterly report on non-energy costs ✓ Triad Alerts to help minimise exposure to Transmission costs | <ul style="list-style-type: none"> ✓ Allows you to balance risks in line with your risk management strategy |
| FULLY FIXED  | <ul style="list-style-type: none"> ✓ All third party charges are fixed annually at contract start | <ul style="list-style-type: none"> ✓ Offers you easier management and greater budget certainty |

BILLING OPTIONS

5 BILLING

Billing options to suit your organisation's needs.

| | WHAT YOU GET | WHAT THIS MEANS FOR YOUR ORGANISATION |
|--|---|--|
| <p>LIVE BILLING</p>  | <ul style="list-style-type: none"> ✓ Your monthly billing rate includes your achieved trade prices for that month ✓ Your trade price, monthly consumption and monthly energy cost will be displayed on the invoice <p>How is the energy supply price calculated?</p> <p>Monthly consumption (MWh) x average achieved trade price (£/MWh)</p> <ul style="list-style-type: none"> ✓ Live billing is available for Shape Fee and PILR | <ul style="list-style-type: none"> ✓ Allows you to balance risks in line with your risk management strategy |
| <p>RECONCILIATION BILLING</p>  | <ul style="list-style-type: none"> ✓ Billing rates are fixed for a year based on the reference price for your blocks ✓ Your achieved trade prices will be accounted for via a monthly energy reconciliation. <p>How is the energy supply price calculated?</p> <p>Monthly consumption (MWh) x reference price (£/MWh)</p> <p>+</p> <p>(Block trade price (£/MWh) – block reference price (£/MWh)) x volume of the block in MWh</p> <ul style="list-style-type: none"> ✓ Reconciliation billing is available for Shape Fee and Classic Flex | <ul style="list-style-type: none"> ✓ Offers you easier management and greater budget certainty |

ADDED VALUE OPTIONS

6 ADDED VALUE

Maximum Import Capacity Review

Maximum Import Capacity review is designed to ensure your import capacity is set at the right level by the Distribution Network for your business needs, helping to identify potential savings if your current Maximum Import Capacity is set too high or too low.

If set too high, you may be paying for available capacity that you do not need. If it is too low, you may be in danger of incurring Excess Capacity charges which are increasing dramatically from April 2018.

EDF Energy will provide full analysis on your existing Maximum Import Capacity, and if you would like to make any updates, will work directly with the relevant Distribution Networks to make the changes for you.

Bespoke Reporting

We can produce bespoke reports to match your own internal reporting requirements, helping to save you time.

Demand Side Response

EDF Energy can support customers to reduce or shift their energy consumption when UK electricity demand from the Grid threatens to exceed supply. Businesses who can be flexible with their consumption are rewarded for shifting or reducing demand, or by making capacity available through onsite generation, when needed.

EDF Energy can support the following DSR schemes:

- **Triad Management** – Helps avoid high network charges during winter peaks months.
- **Capacity Market** – Earn revenue by helping the Grid stay balanced.
- **Firm Frequency Response** – Earn revenue by helping manage sudden surges or dips in supply or demand on the Grid.

EDF Energy will assess the suitability of your site and assets for DSR, and once the T&Cs have been signed we'll get you set up with the appropriate technology to be DSR ready. From here you can start earning.

ADDED VALUE OPTIONS

6 ADDED VALUE

PowerReport

Our remote energy monitoring tool PowerReport is an analysis of your business' energy efficiency. A rapid solution that gives you the quickest overview of all your sites. Its analysis is based on your energy consumption data, crossed with external data about the building such as weather or building type.

This is non-intrusive with no sensors or site visits required, meaning there is little contribution needed from you if you are on supply with us. We'll provide insight into your energy profile, savings recommendations and estimated cost savings.

PowerNow

PowerNow is a live energy monitoring solution, giving you visibility of your consumption at an asset level. Using hardware onsite, we take continuous energy readings and transmit them to a cloud-based platform where you can stream data in real time. You can access this online platform from various devices including computer, tablet or smartphone.

This is a detailed solution that gives you live insights into individual energy assets for ongoing improvement, working together with EDF Energy to implement energy-saving measures for your business.

Energy View®

Energy View® is EDF Energy's online energy monitoring and targeting service - designed to help you identify areas for improvement quickly and easily. Energy View® will allow you to monitor energy usage per site or across your whole portfolio, helping to identify anomalies and potential savings. Features include:

- ✓ In-depth consumption reporting and environmental analysis.
- ✓ Target setting for energy optimisation.
- ✓ Greater support with legislative obligations (CRC).
- ✓ View energy consumption instantly and conveniently online.
- ✓ Quickly identify areas of excess consumption enabling prompt action to be taken.
- ✓ Set up energy targets and alerts helping to eliminate energy wastage.
- ✓ On-demand interactive reports that make energy analysis simple and easy to understand.

Energy View® is enhanced on a regular basis to improve the functionality available and to ensure suitability for today's industry requirements.

SUPPORT OPTIONS

SUPPORT

Market Insight

Market Insight is EDF Energy's online information portal designed to help keep you informed, providing quality data and expert analysis to help you navigate the complex commodity markets that drive power prices. Features include:

- ✓ Daily wholesale prices
- ✓ Forward price curves
- ✓ Daily commodity market report
- ✓ Weekly market brief
- ✓ Monthly market broadcast
- ✓ Triad status reports

Monitor

Non-energy costs now account for around 40% of your final bill and can be difficult to predict. Monitor, our non-energy report provides you with quarterly updates giving you the latest information to help keep you up-to-date on the impact to your budget of these costs.

Triad Alerts (HH meters only)

Our market experts use a range of complex factors to predict when Triads are most likely to occur, enabling you to significantly reduce your transmission costs. Triad status reports are issued Monday to Friday during the period November to February, excluding the Christmas holidays. They are issued either via SMS or email and are assigned a risk category:

- **Low Risk:** A Triad is not predicted for the day
- **Medium Risk:** Based on the information available there is some risk that a Triad may occur
- **High Risk:** Based on the informations available there is a significant likelihood that a Triad will occur.

Account Manager

Please contact your **dedicated EDF Energy Account Manager** to discuss any of these exciting products and for support on which option may be best for you.

GLOSSARY

Volume Management

Reforecasting

Your consumption level and pattern can change for a number of reasons. Reforecasting provides a better prediction of future energy use allowing you to buy or sell energy to match the new demand.

Volume Tolerance

An agreed percentage variation to your forecasted consumption designed to cover you against unexpected variations of consumption and prevent you from being exposed to prices related to imbalance mechanisms within the wholesale market.

Energy Purchasing

Tradeable Volume

Tradeable elements are shaped using 5MW or 1MW blocks of energy. These blocks are in the form of baseload and peakload energy and cover different hours across a day.

Baseload Blocks

A baseload block is the delivery of power, 24 hours a day, 7 days a week for the duration of the month. It can be in multiples of 5MW or 1MW.

- Micro Clips

For baseload power you can trade in 0.1MW, 0.25MW and 0.5MW micro clips subject to a restriction of 10 micro-clips per tradeable period. Micro clips will be added up to 1MW blocks.

Peakload Blocks

A peakload block is the delivery of power from 07:00 until 19:00 (Monday to Friday only) for the whole month. Peakload blocks are only available in multiples of 5MW.

Non-Tradeable Volume

The non-tradeable volume is the net sum of the forecast volume minus the tradeable blocks. There are various options to how this is priced:

- Classic Flex (Residual)

- Shape Fee

- PILR

Non-energy Costs

Non-energy costs are the costs associated with supplying the electricity itself, and the cost to the supplier of supporting overall delivery.

Ring-around

The ability to search for energy prices from other market participants and book that energy through EDF Energy's customer desk.

Limit Order

An option to instruct EDF Energy's customer desk to lock or unlock a block when the wholesale market reaches a pre-determined level.

Trigger Price

An option to instruct EDF Energy's customer desk to notify you when the wholesale market reaches a predetermined level.

Published Market Indices

The price of a block of energy is determined by publicly available information from energy industry establishments. EDF Energy currently use:

- **LEBA** London Energy Brokers Association is a trading house where energy is bought and sold. EDF Energy most commonly use the Day Ahead price which is the average price of electricity traded between 07:30 and 09:00 on the previous day
- **EDEM** European Daily Electricity Markets which is a reference price issued by Heren and based on each trading day's closing price, published after the end of the trading day.
- **N2EX** A market for the trading of UK power contracts run by NASDAQ OMX Commodities and Nord Pool Spot. Most commonly use: N2EX Day Ahead Auction Index which is the daily average of the relevant hourly reference prices from the day ahead auction market published prior to delivery by N2EX at www.N2EX.com

GLOSSARY

Non-energy costs

Assistance for Areas with High Electricity Distribution Costs (AAHEDC) / Hydro Levy

To help offset the high electricity prices in the North Scotland area, where distribution costs are significantly higher than in any other area of Britain; paid to National Grid.

Balancing Services Use of System (BSUoS)

Mechanism which National Grid uses to recover costs incurred in balancing electricity demand and generation; paid to National Grid.

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 most.

Contracts for Difference (CfD)

A charge for the government initiative that encourages investment in low-carbon generation by providing investors a guaranteed income for the electricity they generate.

Distribution Losses (Dlosses)

Losses incurred in the Distribution Network.

Distribution Use of System (DUoS)

Charged by the distribution network companies for carrying electricity from the National Grid through the distribution network.

ELEXON Settlement Charges

Funds for administering the wholesale electricity balancing and settlement arrangements and the associated documentation; paid to Elexon.

Feed-in-Tariffs (FiT)

Charges to incentivise customers to produce green energy, consist of Generation and Export Tariffs.

Renewable Obligation (RO)

An obligation on UK suppliers of electricity to source an increasing proportion of their electricity from renewable sources; paid to the UK government.

Residual Cash Flow Reallocation Cash Flow (RCRC)

Charges incurred when the National Grid network is not in balance and either needs to make up a shortfall or redistribute funds across all parties; paid to National Grid.

Transmission Losses (Tlosses)

Losses incurred in the Transmission Network.

Transmission Network Use of System (TNUoS):

charged by the transmission network for carrying electricity from power-stations.

Triads

The 3 peak Half Hourly periods of consumption across the National Grid during the winter period (November to February). Transmission Network Use of System Charges (TNUoS) are based on the average consumption of an organisation during the Triad periods.

OUR FUEL MIX

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 2017 to March 2018. 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 | 7.55% | 9.39% | 71.21% | 11.66% | 0.19% | 104 | 0.0050 |
| Contribution to our carbon emissions | 66.60% | 32.20% | 0.00% | 0.00% | 1.20% | | |
| UK average fuel mix | 7.64% | 41.24% | 20.01% | 29.04% | 2.07% | 225 | 0.0014 |

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% | 100.00% | 0.00% | 0.00% | 0 | 0.0070 |
| Renewable ² | 0.00% | 0.00% | 0.00% | 100.00% | 0.00% | 0 | 0.0000 |
| All other ³ | 12.69% | 15.77% | 69.89% | 1.35% | 0.32% | 175 | 0.0049 |

¹ Blue tariffs and products - all residential Blue+ tariffs and Blue for Business.

² All Renewable tariffs and products.

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

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.

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](https://www.edfenergy.com/largebusiness)

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