

Targeted Charging Review



Our hosts



Jon Perks
Head of Medium
Business Sales



Gemma Cutcliffe
Sales Team
Manager

Our experts



Pete Cork
Segment Lead,
Medium Business



Binoy Dharsi
Market Rules
Advisor

TCR today

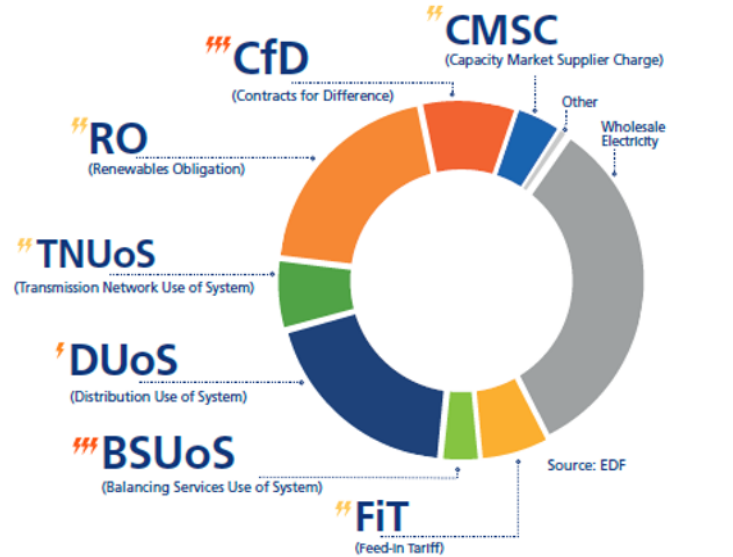
Panel discussion

Q&A session



What makes up your electricity price?

Non-energy costs
make up around
66%
of a typical bill



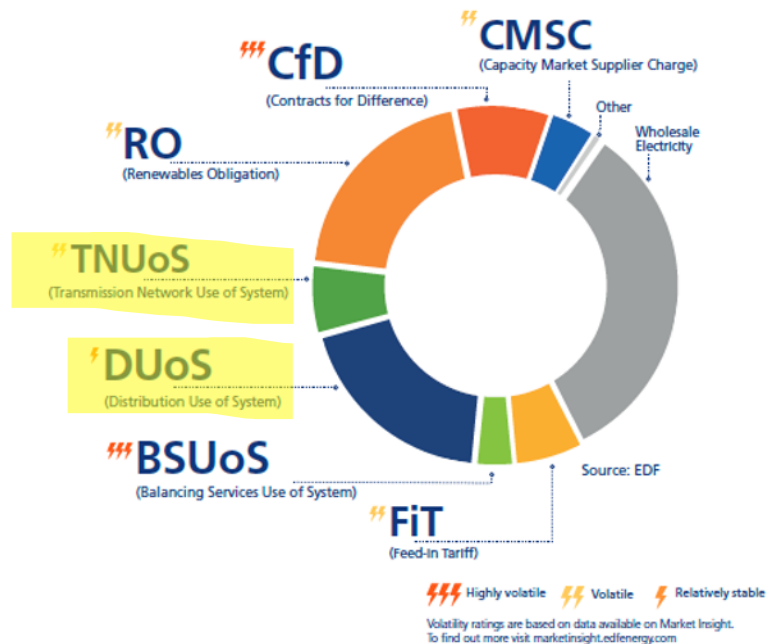
⚡⚡⚡ Highly volatile ⚡ Volatile ⚡ Relatively stable

Volatility ratings are based on data available on Market Insight.
To find out more visit marketinsight.edfenergy.com

What's the Targeted Charging Review?

That's **25%** of your bill!

The aim: To make these charges fairer for everyone, so similar sized energy users are paying similar amounts.



What's changing?

- Changes will come into effect **April 2022**
- Currently **residual** and **forward looking** costs are lumped together for both DUOS and TNUOS and built into unit rates
- **Residual costs** pay to keep the network running
- **Forward-Looking charges** reward users for decreasing energy use around peak times
- The change only effects the **residual cost**, which is 90% of the cost of TNUOS and 50% for DUOS
- From April 2022, network operators will be charging suppliers, like EDF, a **fixed amount**, to cover the residual costs, of every business customer's site



KEY FACTS

April
2022

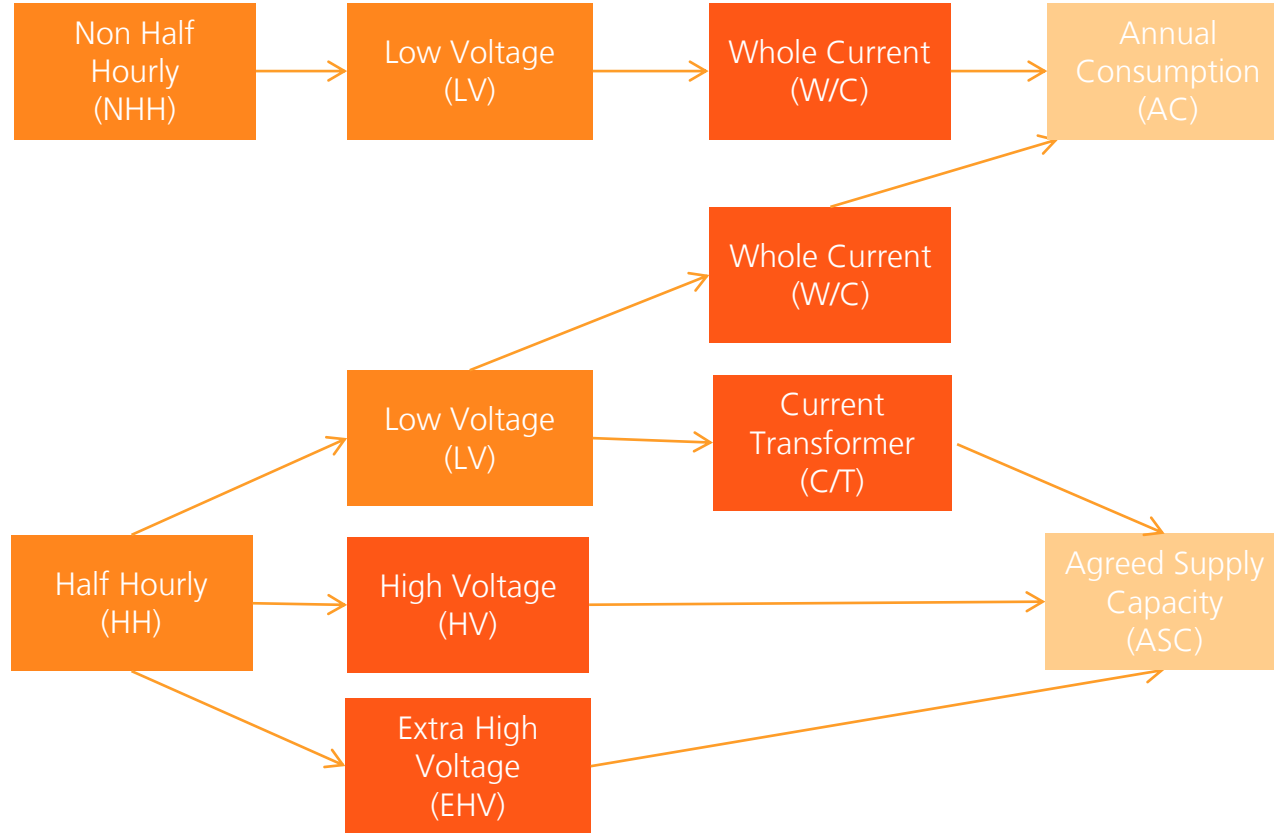
Residual
costs

90%
of
TNUoS

50%
of
DUoS

Fixed
amount

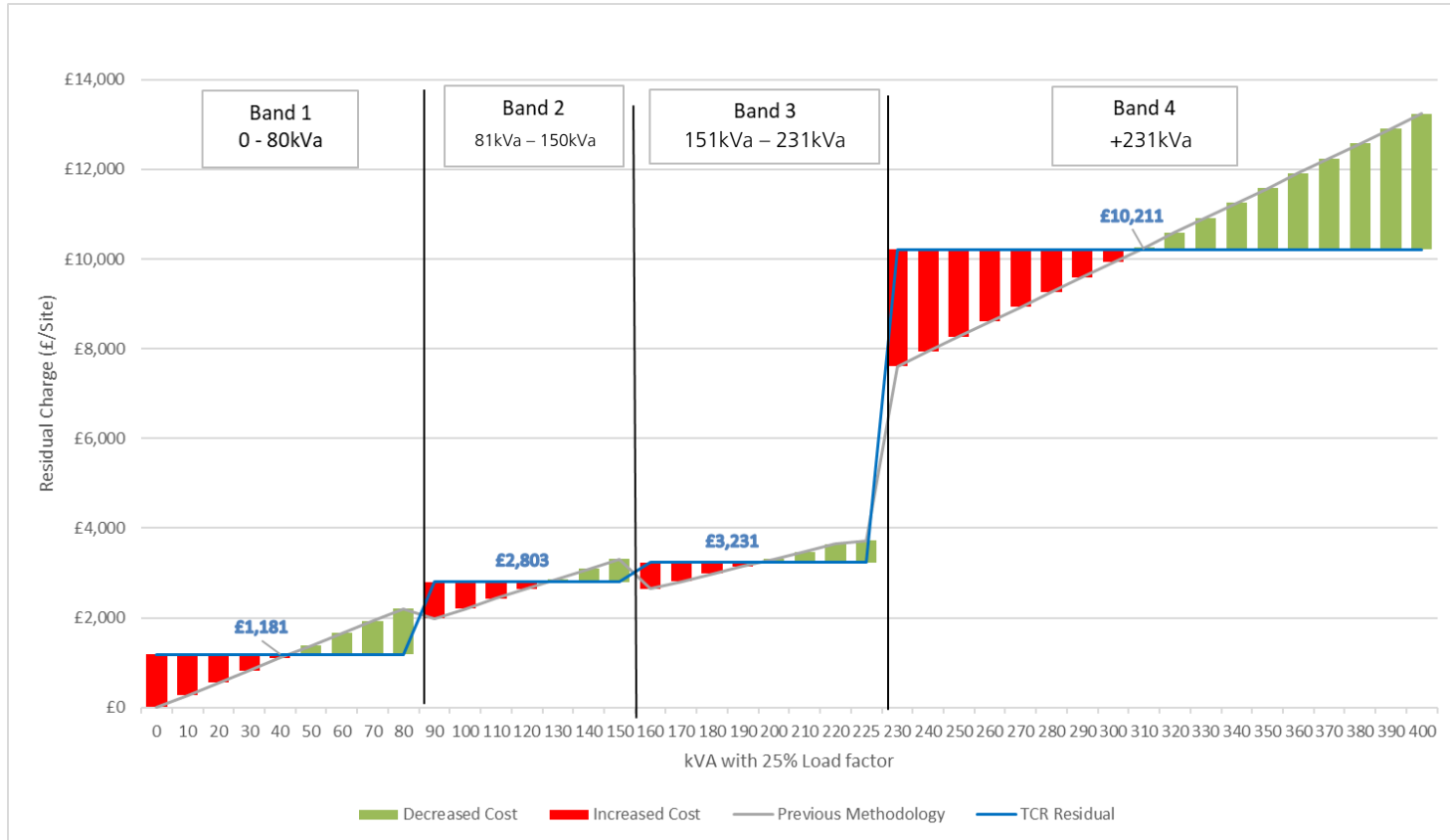
How will it work?



What are the bandings?

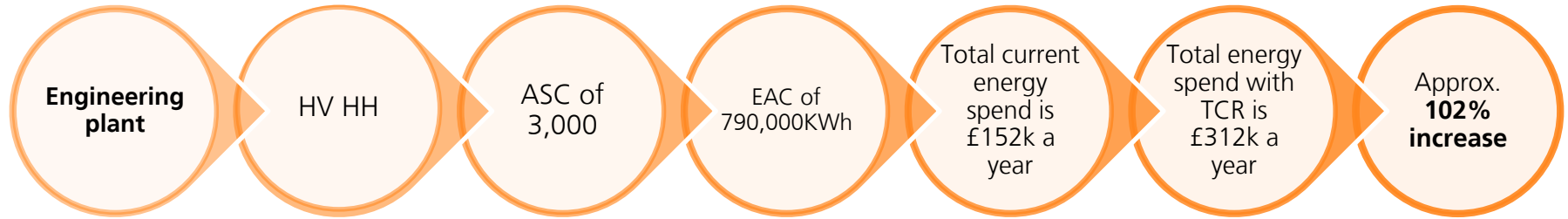
Low voltage non half hourly	Annual Consumption	-	3,571	1 st band
		3,572	12,553	2 nd band
		12,554	25,279	3 rd band
		25,280	-	4 th band
Low voltage half hourly - whole current	Annual Consumption	-	3,571	1 st band
		3,572	12,553	2 nd band
		12,554	25,279	3 rd band
		25,280	-	4 th band
Low voltage half hourly - current transformer	Agreed Supply Capacity	-	80	1 st band
		81	150	2 nd band
		151	231	3 rd band
		232	-	4 th band
High voltage	Agreed Supply Capacity	-	422	1 st band
		423	1,000	2 nd band
		1,001	1,800	3 rd band
		1,801	-	4 th band
Extra High voltage	Agreed Supply Capacity	-	5,000	1 st band
		5,001	12,000	2 nd band
		12,001	21,500	3 rd band
		21,501	-	4 th band

Let's take a look at an example...



Let's take a look at an example...

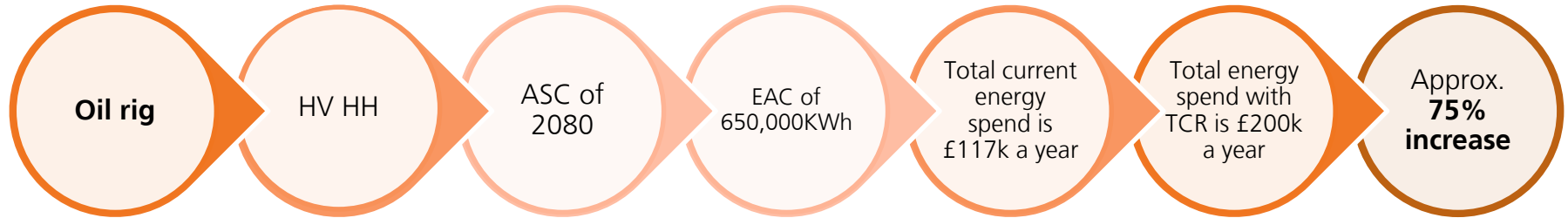
This is a site with much higher ASC than needed ...



High voltage	Agreed Supply Capacity			
		-	422	1 st band
		423	1,000	2 nd band
		1,001	1,800	3 rd band
		1,801	-	4 th band

Let's take a look at an example...

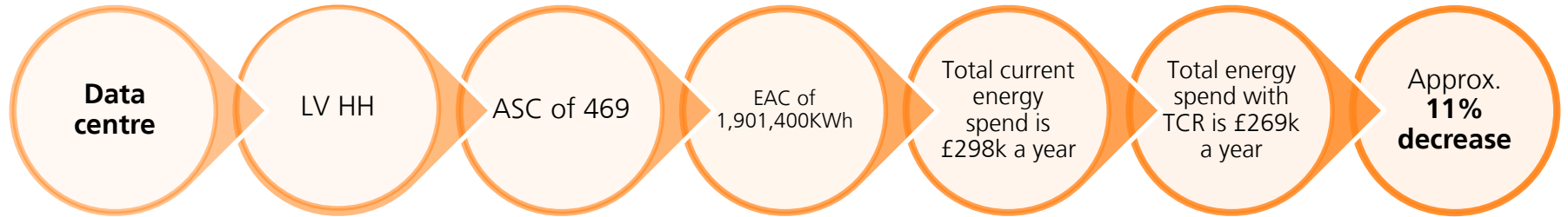
This is a site without energy consumption in the winter...



High voltage	Agreed Supply Capacity			
		-	422	1 st band
		423	1,000	2 nd band
		1,001	1,800	3 rd band
		1,801	-	4 th band

Let's take a look at an example...

This is a site which has the right ASC for its demand and has a flat consumption pattern...



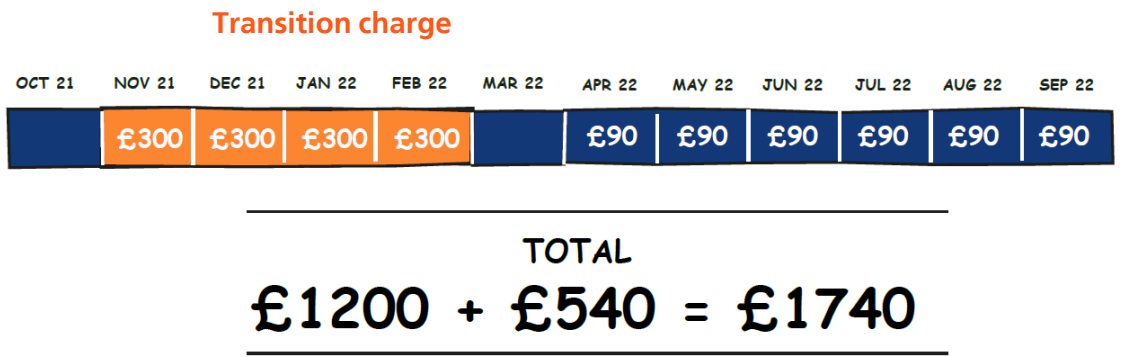
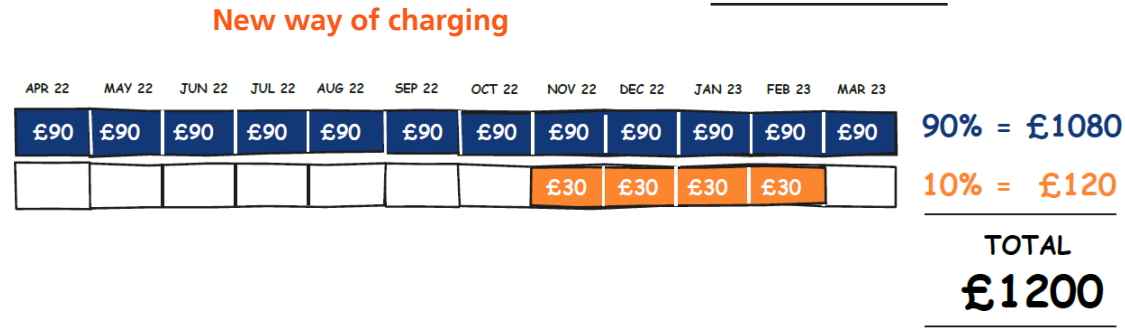
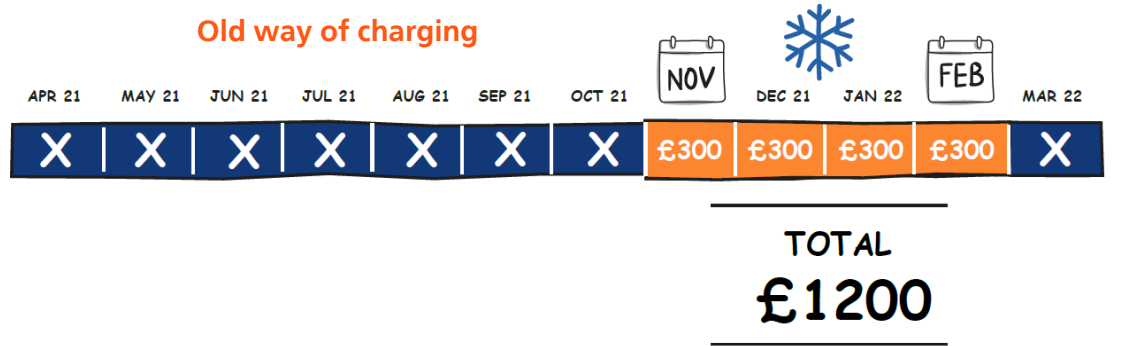
Low voltage half hourly - current transformer	Agreed Supply Capacity	-	80	1 st band
		81	150	2 nd band
		151	231	3 rd band
		232	-	4 th band

←

The transition charge

To allow for the switchover and make sure everyone's paying the right amount, there'll be a transition charge between **April 2022** and **April 2023** for **TNUoS** for **half-hourly** sites.

If your contract starts before April 2022 but ends after, it'll include some charges under the old system and some under the new.



When will you know the actual costs?

TNUoS 2022 - 23

Forecast
21 January
2021

Updated
forecast
April 2021

Provisional
December
2021

Confirmed
January
2022

National Grid published its five year forecast of costs on 21 January 2021.
You can see this information [here](#).



When will you know the actual costs?

DUoS 2022 – 23: The Distribution companies published their confirmed costs for April 22 to April 23 in December 2020.

- > DNO UKPN GSP 10,12,19
<https://www.ukpowernetworks.co.uk/internet/en/about-us/duos/>
- > DNO WPD GSP 11,14,21,22
<https://www.westernpower.co.uk/our-network/use-of-system-charges/charging-statements>
- > DNO NPG GSP 15, 23
<https://www.northernpowergrid.com/use-of-system-charges>
- > DNO SP GSP 13,18
https://www.spenergynetworks.co.uk/pages/connections_use_of_system_and_metering_services.aspx
- > DNO SSE GSP 17,20
<https://www.ssen.co.uk/Library/ChargingStatements/>
- > DNO ENW GSP 16
<https://www.enwl.co.uk/about-us/regulatory-information/use-of-system-charges/>



Peace of Mind Product Guide

Extract from page 4 of the guide:

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 the 'residual' elements of transmission (TNUoS) and distribution (DUoS) charges are calculated and recovered, to make them fairer for all network users. **These changes are built into all new contracts, so you have price certainty and avoid unexpected claw-backs and reconciliations.**

You can find more information on our fixed price products [here](#) and the Fixed + Peace of Mind product guide [here](#).



Thank you

W: edfenergy.com/large-business

E: letstalkpower@edfenergy.com

