

THE BIG NON-ENERGY COST SHAKEUP



WHAT IS THE BIG NON-ENERGY COST SHAKEUP?

Ofgem is conducting a review of three of your business' non-energy costs, as part of its Targeted Charging Review.

These three charges make up **more than 25% of your bill** – that's one big deal for your business' energy budget.

WHY ARE THESE CHANGES NECESSARY?

Our energy system is decentralising, and users are getting better at managing their energy. But over time, the way these non-energy costs are calculated means that the costs of maintaining and balancing the energy networks are no longer fairly shared between energy users.

So Ofgem wants to make things fit and fair for the future. Let's take a look at each charge to see what it covers and why it's changing.

WHERE CAN I FIND OUT MORE?

On the shakeup

- ▶ [Fast video overview](#)
- ▶ [Full explainer webinar](#)

On non-energy costs

- ▶ [Quick definitions](#)

News on changes

- ▶ [TalkPower emails](#)
- ▶ [Quarterly Monitor Report](#)

TNUoS

WHAT IS IT?

TNUoS, or your Transmission Charge, is the charge you pay towards getting energy from the generators, across the country, to your area. It includes the installation and maintenance of the national transmission network.

WHY THE NEED TO CHANGE?

The way it's calculated right now means those energy users who are able to manage their energy consumption during peak demand aren't being charged a fair amount to maintain the system budget.

DUoS

WHAT IS IT?

DUoS, or your Distribution Charge, is the charge you pay towards getting energy from your local distribution network, to your business. This charge varies between geographical locations. On its own, this is often a big charge which can make up as much as 20% of a bill.

WHY THE NEED TO CHANGE?

This charge is calculated in a similar way to TNUoS, and so we have the same challenge: some businesses aren't being charged their fair share of the operating costs.

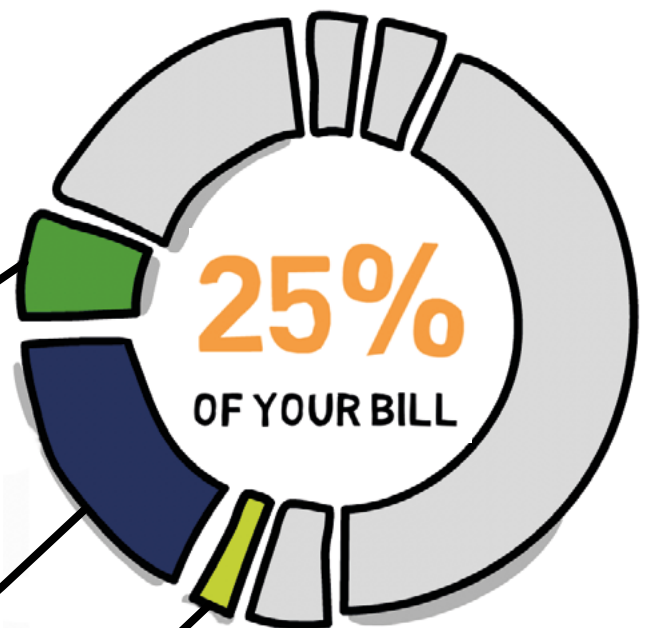
BSUoS

WHAT IS IT?

BSUoS, or your Balancing of System Charge, is there to help keep our Energy System running smoothly by covering the costs of balancing supply and demand.

WHY THE NEED TO CHANGE?

At the moment, only energy users and large generators pay this charge. But there's many more small generators with access to the Grid, so the charge needs to include them too.



WHAT SHOULD I DO NEXT?

The key thing to know is that the first changes could start being put into effect from as early as April 2021.

Until then, there are still a lot of decisions that Ofgem needs to make, which makes it difficult to forecast exactly how these changes will impact your business' energy contract.

If you're buying an energy contract that extends past 31st March 2021, be sure to check the clauses and T&Cs. You'll want to know if your provider will pass these costs on to you when they're defined.