



# Targeted Charging Review Webinar

Wednesday 26<sup>th</sup> January





# Agenda

Introduction – Paula Ponting, TEC

TCR Presentation – Peter Darke, EDF

Q&A Session



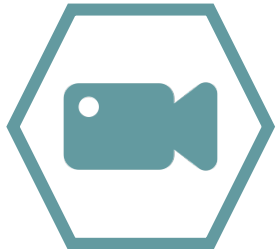
# Housekeeping



To help keep background noise to a minimum, we have muted your microphones for this session



Please direct all questions via the chat function so we can ensure all are collated and answered in the Q&A session at the end of the webinar



The webinar will be recorded and made available post event

# WHAT TCR MEANS FOR YOUR BUSINESS.



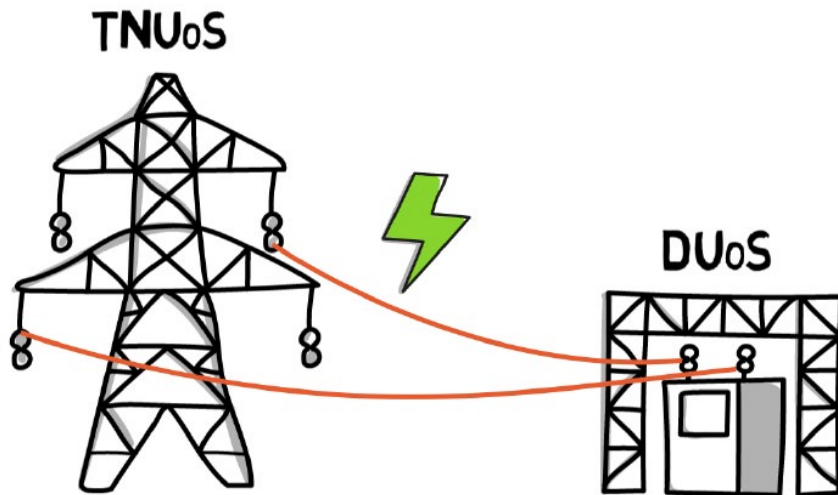
**Ofgem's long-awaited shake-up of non-energy costs has just been announced.**

So, what does it mean for you and your customers – and most importantly, how will it affect your future energy quotes?

At EDF we understand you need the facts, fast. So we put your questions to our team of experts.

# SO, WHAT'S TCR ALL ABOUT?

The Targeted Charging Review is being carried out by Ofgem. They've been looking at some of the non-energy costs paid by businesses to help maintain the UK's electricity network



## These are:

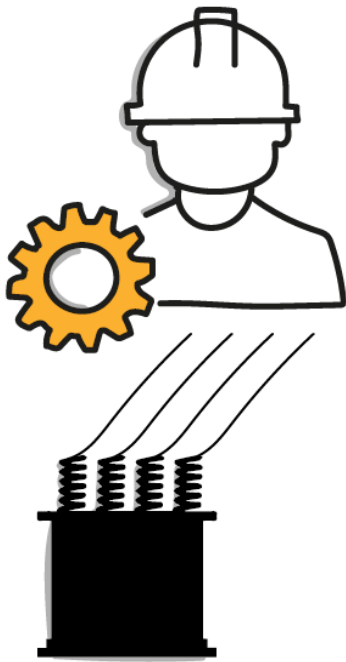
- The transmission charge, or TNUoS – which covers the cost of getting your electricity from the power station to the distribution station in your local area.
- The distribution charge, or DUoS – which covers the cost of getting your electricity through your local distribution network to your business.

Ofgem wants to make these charges fairer, so that similar-sized energy users pay similar amounts.

So from April 2022, it's changing the way network operators charge suppliers like EDF for these non-energy costs. In turn, that'll affect how these charges are passed on to businesses.



# WHAT'S CHANGING AS A RESULT OF TCR?



The big change is the way suppliers are charged for TNUoS and DUoS costs, also known as the transmission and distribution charges.

These costs are split into two parts.

- **One**, residual, which is the cost of maintaining the current electricity network.
- And **two**, forward looking, which covers the cost of expanding the network.

This change only affects the residual charge, which is **90%** of the cost of TNUoS and **50%** of DUoS.

At the moment, the residual charge is built into your unit rate. But from April 2022, network operators will be charging suppliers like EDF a fixed amount for every business customer's site. Essentially, it means similar sites will pay the same towards maintaining the network.