

Understanding the non-commodity element of electricity bills

Climate change levy (CCL)

A tax on business to encourage more energy efficiencies. Introduced in April 2001 and designed to provide an incentive to meet the UK's environmental commitments

Capacity market (CM)

The support mechanism to ensure we have power at peak times. Can be subdivided into two cost elements - Operational Levy: the cost to run the scheme and Obligation Levy: the cost of CM auctions for both demand side response and generation

Balancing services use of system (BSUoS)

The cost to cover balancing the network and ensuring the system runs between 49.8 and 50.2 Hz

Distribution network use of system (DUoS)

The cost of maintaining the local distribution network

RO

CCL

FiT

CM

CfD

BSUoS

TNUoS

DUoS

Renewable obligation (RO)

The support mechanism for large scale renewable projects. An obligation on electricity suppliers to source a specified % from eligible renewable sources evidenced by Renewable Obligation Certificates (ROC)

Feed in tariff (FiT)

The funding of small scale renewable generation such as solar

Contracts for difference (CfD)

The scheme supporting low carbon generation. If the wholesale price trades below a strike price then the generator receives a top up, if the price is above the generator pays back the difference

Transmission network use of system (TNUoS)

The cost of maintaining National Grid's transmission network



Actual p/kWh will vary by supply point based on consumption, meter profile and load factor

Get in touch on 01737 556631 or email info@cec.uk.com