

Targeted Charging Review (TCR)

THE WAY THAT DISTRIBUTION AND TRANSMISSION CHARGES ARE CALCULATED IS CHANGING FROM 2022

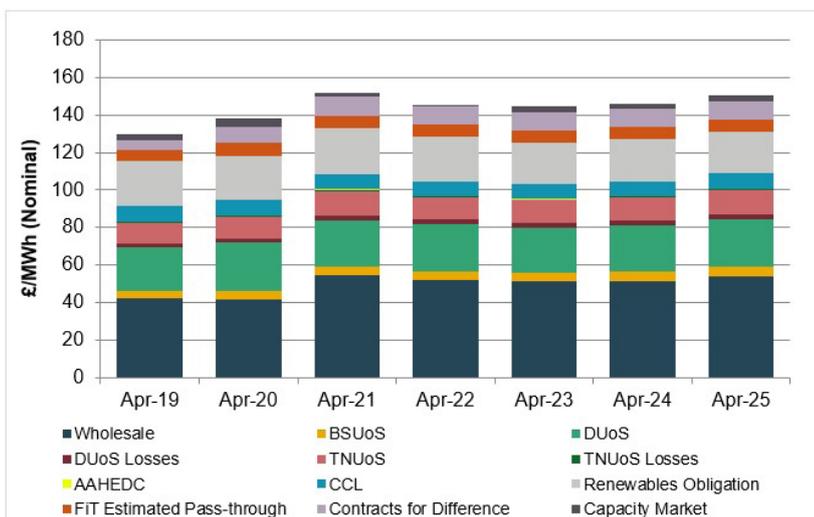
Distribution Use of System (DUoS) and Transmission Network Use of System (TNUoS) charges cover the costs of maintaining the electricity networks that supply your energy. Ofgem are implementing changes to DUoS and TNUoS charges to ensure that costs are distributed fairly across all consumers.

From Apr-22 for DUoS and Apr-23 for TNUoS (subject to Ofgem consultation) a proportion of your charges will be based on a series of fixed charging bands. The band you are placed into will depend on your average annual consumption for non-half hourly (NHH) sites or average capacity for half-hourly (HH) sites, calculated over the past two years.

How EIC can help

Whilst we can't change which charging band you're placed into, we can ensure you are fully prepared for the impact on your bills. Our analysis has found that most HH sites will benefit from a fall in costs, however most domestic and NHH sites will see a small rise in costs. The graph below shows the average % change in DUoS and TNUoS costs across each region and band.

It is important to note that these are only average figures covering a wide range of consumers. EIC can help to determine exactly how the TCR changes will affect your business. Our team of Specialists work hard identifying trends, examining historical figures and forecasting for the future. Their expertise has enabled us to produce the Long-Term Price Forecast Report. A valuable tool which illustrates the annual projected increases to your energy bills and calculates your energy spend for the next 5 years. This allows you to confidently forward budget and avoid any nasty surprises.



DUOS AND TNUOS CHARGES MAKE UP AROUND

25%

OF AN AVERAGE ELECTRICITY BILL

What will the report include?

The report is available as a site specific, bespoke report to your business with a forecasting period of 5, 10, 15 or 20 years. It has three main sections:

- **1. Scenarios** – a narrative section sets the scene for the price forecast. It discusses the market drivers and the effect they will have on prices throughout the years.
- **2. Price forecast** – illustrates fully delivered budgets in simple graph and chart format.
- **3. Explanatory notes** – a step by step guide to each aspect of the forecast with an explanation of each element of your bill.

The chart below includes example data and illustrates one of the potential scenarios for electricity from 2019 - 2025. It shows our calculations of the wholesale element with each non-commodity charge applied to forecast the fully delivered price. The multiple scenarios we show are representative of economic issues and include factors such as speed and growth of renewables, changes to gas and power demand levels and developments in hydrogen so you can be confident we have all bases covered.

Graphs and charts are featured throughout the report for each scenario for ease of reference.

Content included here is for illustrative purposes only.

Why choose EIC?

EIC has an expert team of Energy Market Specialists interpreting the complex energy markets on your behalf. The Long-Term Forecast Report can help you accurately budget and forecast your energy prices with confidence.

In summary you can use this report:

- To determine how TCR changes will affect your business
- As an independent long-term budgeting tool
- To see the impact of Government legislation
- To help you to gain key market insight to aid negotiations on energy costs
- As a support to Energy Solutions projects and investment decisions
- For insight into future fully delivered prices

Related services

EIC can assist with Fixed Procurement, Flexible Procurement and Market Intelligence.

For more information about EIC and our services visit www.eic.co.uk, call **01527 511 757** or email info@eic.co.uk

