

Guide to Energy Charges

Your electricity bill is made up of two main elements; the cost of electricity purchased on the wholesale market (this cost can be fixed by your supplier buying volume at a specific point in time e.g. when you sign a new energy contract) and third-party costs (TPCs). This guide aims to help you understand these TPCs and who they are paid to.

TPCs relate to the delivery of your electricity, and 'green' Government levies (to be invested in future carbon free energy generation) which sit outside your energy supplier's control. Check your contract to understand whether these third-party charges are included in your unit rate or 'passed through' at the current rate.

Third party costs for the delivery of energy

Charge	Fuel	Who is it for?	What is it?
BSUoS Balancing Services Use of System	Electricity	National Grid	Charge to balance the electricity system and recover the costs incurred as the System Operator. Find out more
DUoS Distribution Use of System	Electricity	Distribution Network Operator (DNO)	Charge for the use, implementation and maintenance of the [local] distribution network. Find out more
TNUoS Transmission Network Use of System	Electricity	National Grid	Charge for the use, implementation and maintenance of the [national] transmission network. Find out more
AAHEDC Assistance for Areas with High Electricity Distribution Costs	Electricity	National Grid	Charge levied on suppliers to subsidise the cost of distributing energy to remote parts of the UK (currently north Scotland). This is passed on to Scottish Hydro Electric Power Distribution Ltd so that distribution charges can be reduced. Find out more
Metering	Electricity & Gas	Metering & Settlement Agents e.g. Data Collector, Data Aggregator, Meter Operator, Meter Asset Manager	A range of charges to cover the cost of the provision, maintenance and reading of metering equipment. Find out more - gas Find out more - electricity
Transportation	Gas	National Grid and Distribution Network Operators (DNOs)	Charges set by National Grid and Local DNO's for use of their networks in transporting gas from the entry terminals to gas distribution networks and end users. Find out more

Government charges

Charge	Fuel	Who is it for?	What is it?
CCL Climate Change Levy	Electricity & Gas	HM Revenue and Customs	<p>An energy tax applied on energy delivered to non-domestic customers and is designed to fight climate change by encouraging businesses to be more energy efficient.</p> <p>CCL is levied on 'taxable commodities' (natural gas, electricity petroleum and hydrocarbon gas in a liquid state, coal, lignite and coke) including heating, lighting and power purposes for business customers in the industrial, commercial, agricultural and public services sectors.</p> <p>Find out more</p>
FiT Feed in Tariff	Electricity	Ofgem	<p>A charge for the government FiT program which is designed to incentivise small scale renewable and low carbon electricity generation.</p> <p>Find out more</p>
CfD FiT Contracts for Difference Feed in Tariff	Electricity	Low Carbon Contracts Company	<p>A government initiative to support investment in low carbon energy generators by ensuring the long-term price is maintained.</p> <p>Find out more</p>
CM Capacity Market	Electricity	Low Carbon Contracts Company	<p>Part of the government's Electricity Market Reform (EMR) package which pays generators for providing stable, reliable sources of electricity.</p> <p>Find out more</p>
RO Renewable Obligation	Electricity	Ofgem	<p>A government scheme designed to increase renewable energy generation by ensuring that energy suppliers source more electricity through renewable sources.</p> <p>Find out more</p>