



ENGIE'S guide to the Targeted Charging Review (TCR)



What is TCR?

Energy regulator Ofgem is changing the way suppliers are to be charged for energy distribution (DUoS – Distribution Use of System) and transmission (TNUoS - Transmission Network Use of System) costs.

Suppliers such as ENGIE, are charged for sending energy to customers and charged the transmission of this energy too, which involves the cost of the maintenance of power lines and pylons, for example.

As more and more businesses are moving towards sustainable energy (such as solar power/wind power/Biomass), the current charges that apply on customer's bills are being unfairly weighted to customers yet to take advantage of renewable methods.

Ofgem has decided that charging some businesses more than others is unfair and have subsequently introduced their "TCR" amendment.

When is the TCR being applied?

DUoS charges have come into effect. TNUoS charges are to be scheduled from April 2023; however, this date has not officially been confirmed by Ofgem yet. In May 2021, Ofgem published their "minded-to" consultation advising of this change.

Am I currently paying these charges?

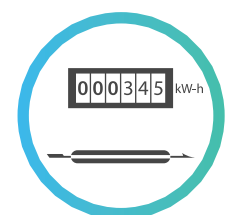
DUoS and TNUoS charges are presently worked into your bill based on unit rates. As some businesses are paying lesser charges (or none at all) due to alternative energy generation such as solar/wind energy, the TCR is being introduced for customer fairness.

Are these costs fixed?

Once TCR commences, around 90% of the TNUoS costs (potentially from April 2023) and roughly half of the DUoS costs will be fixed and worked into your standing charge. Because of this, for the bulk of our customers, there could be a substantial increase in the standing charge.

How do you decide my fixed cost?

You will be allocated a banding based on your business premises size and location. From there, the TCR will then be calculated and charged to you. For half-hourly meters (HH), this charge will be agreed based on the meter capacity. For non-half-hourly (NHH) and HH meters without an agreed capacity, the TCR will be worked out based on volume.



How will this impact me?

Put simply, you are likely to pay more for your standing charge but have reduced unit rate costs.



What is ENGIE's stance?

For transparency and no surprise future bills, we are including this charge on all our quotes. That way, you know exactly how much your contract will be.

What about other suppliers?

Other suppliers may opt for implementing the charge like we have, then again some may wait until April 2023 for TNUoS.

If you have a current supplier and are unaware of their standpoint, we suggest speaking to them further."



What do I need to ask my current supplier?

If you're unsure what to ask, here is a checklist of questions that they should be able to answer:

- How are you actioning the TCR changes?
- Does my current contract have these charges?
- Is it/will it be a fixed charge?
- Does your quote include these costs?
- How are they built into the price?
- Do I have an open contract?



Want to know more?

Any questions relating to the TCR or your energy contract renewal, please do not hesitate to contact our dedicated, friendly team on:



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