

FAQ

1. Why have non-commodity costs increased because of Covid-19?

The unprecedented circumstances of Britain’s lockdown due to Covid-19 have led to significantly lower demand for electricity across the country, and increased costs to balance the nation’s grid at this unpredictable time. System costs and levies need to be shared across all energy users. More than half of the average electricity bill for business customers is made up of non-commodity charges (NCCs).

2. Why is my price increasing?

We do everything we can to shelter our customers from non-commodity cost fluctuations, but unfortunately the lower national energy demand is increasing the non-commodity charge per unit (p/kWh) of electricity used and so we need to temporarily increase the rate you pay. To minimise the impact of these unforeseen costs which are outside our control, we’re only increasing the rate to reflect part of the charges affected in 2020/21 – please see question 3.

As of April 2020, our prices for new and renewed contracts have included this increase in the rate.

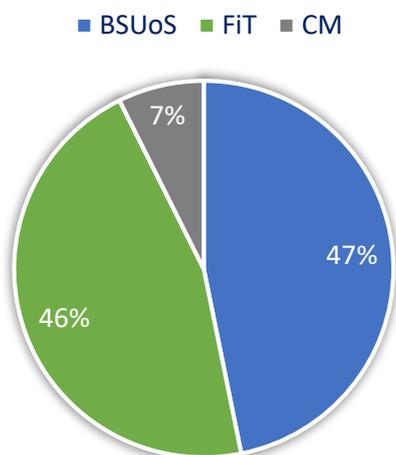
Because you chose a Choice contract, your non-commodity charges are not fixed for the contract duration. Your contract terms and conditions state that we are entitled to charge you for costs applied by your distributor and/or to reflect any variation in our costs in supply of electricity which is not within our reasonable control. This includes passing on a rise in non-commodity charges as these are costs we incur from third parties (including your distributor) in supplying your electricity and which we cannot control.

There will be no change to the standing charge you pay.

3. Which non-commodity costs are increasing?

Many of the non-commodity charges that make up your bill have increased for the 2020/21 financial year, including government levies and the costs of balancing the system. The costs most impacted and included in this rate increase are Balancing Services Use of System (BSUoS), Capacity Mechanism (CM) and Feed in Tariff (FiT). Other non-commodity costs have also increased – such as Contracts for Difference (CfD) – however, we’re not passing on all the additional costs.

Contribution by NCC to the uplift



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4. When will this take effect?

If you're billed quarterly, the rate increase will be applied from 1 December 2020, for a nine-month period until 31 August 2021.

If you're billed monthly, the rate increase will be applied from the whole billing month that contains the date 1 December 2020. For example, if you're billed on 15th of month to 14th of next month then the rate increase will be applied on 15 November as this billing cycle contains 1 December. Then it will revert to your original contracted rate after 31 August 2021 or the bill that spans this date.

We will not re-bill customers for the non-commodity cost increase, and bills won't refer to previous consumption. Instead, it will be applied as a forward charge on future consumption, through the temporary rate increase.

5. Is there a risk of a further rate increase being applied or this uplift being increased, perhaps due to a second wave? Could this nine-month period be extended or reduced?

At this point we're only passing on non-commodity costs related to the volume of electricity consumed in 2020/21. This temporary increase is a set amount per kWh and spread over a nine-month period to cover 2020/21.

Our non-commodity cost forecasts have also increased for future years, which your contract may span into. Although we'll do our best to avoid any price increases, we reserve the right to pass on non-commodity costs related to the volume of electricity consumed in 2021/22 and beyond.

6. What's the likely impact on my bills?

Each of our customers uses energy differently, and this charge will be applied based on consumption. As an example, a business that consumes 20,000 kWh electricity in a year would see an additional £30 on bills in total over the nine-month period.

To help make sure your bills are accurate, please submit meter readings monthly. You can do this at ssebusinessenergy.co.uk/submit-meter-reading.

7. What is a Choice contract? Are there alternative tariffs? Is there any way I can avoid non-commodity costs rising in the future?

On an SSE Choice contract, your energy costs are fixed but the non-commodity costs can change in line with third party charges – like government levies and transporting electricity through the different networks. While we do everything we can to keep these costs secure, this product does allow for some fluctuation.

Our Protect contract removes the risk of mid-contract price increases, by fixing your energy costs and existing non-commodity charges for the duration of your contract. We reserve the right to pass on costs such as a new element or tax coming into place. You can find out more at ssebusinessenergy.co.uk/sseprotect and you can move to Protect once your contract is up for renewal if you wish.

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Breakdown of key costs	Choice	Protect
Energy	Fixed for contract duration	Fixed for contract duration ²
Distribution Use of System charges (DUoS)	Based on our forecast of likely costs ¹	
Transmission Network Use of System charges (TNUoS)		
Assistance for Areas with Higher Electricity Distribution Costs (AAHEDC)		
Transmission and distribution losses		
Settlement charges		
Balancing Services Use of System charges (BSUoS)		
Imbalance		
Residual Cashflow Reallocation Cashflow (RCRC)		
Renewables Obligation (RO)		
Capacity Market (CM)		
Contracts for Difference (CfD) costs		
Feed-in Tariff scheme (FiTs)		
Non-energy cost to serve		
Agency services		
SSE Green option available		

¹Non-commodity costs are based on our forecast of expected third party charges and we strive to make accurate predictions. While we do everything we can to keep these costs secure, this product does allow for some fluctuation. If non-commodity costs are higher than we've forecasted, there may be an increase to the price customers pay.

²Please note; while we do everything we can to avoid any extra costs or changes occurring, and everything listed above is protected from price changes, factors outside our control, such as a new element or tax coming into place, can happen and we reserve the right to pass that cost on to customers.

8. What can I do to avoid this change? Can I terminate my contract with SSE Business Energy?

These unforeseen costs apply across Britain’s energy supply and are outside our control as they’re set by third parties. The exceptional circumstances of Covid-19 have had a material impact on these costs and we need to pass on these cost increases. Unfortunately, it’s not possible to avoid this increase. As you’re subject to a fixed term contract with no ability to terminate, your contract end date will remain as stated when you agreed your contract.

9. Who can I speak to if I have any questions?

Please get in touch with us using the email address and telephone number on the letter you received from us. Or if you’re a Major Business Supply, please contact your account manager.

10. How does this affect my renewal offer?

This does not affect your renewal offer. We’re currently able to price out to April 2024, so if you’d like us to look and see what we can do for you we can put you through to our sales team on 0800 389 4466 or arrange a call back. One of our advisers will be able to talk through our products and discuss which is best suited to your needs.

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11. What if my premises are shut due to lockdown?

Many businesses have closed, or reduced or changed their operations because of coronavirus, and may be subject to further restrictions and local lockdowns.

To ensure your business isn't paying for energy it doesn't need to be using, turn off non-essential lighting, appliances and so on. If you have AMR, SMETS2, or half-hourly meters installed, you can sign up for [SSE Clarity](#) today (terms and conditions apply). Included with all our smart metering packages, our free online energy management platform is an easy way to start taking control of your energy consumption and spend.

Customers might receive a bill that's too high where we've been unable to input more accurate energy consumption figures. To help avoid overbilling, please submit meter readings monthly. You can do this online at ssebusinessenergy.co.uk/submit-meter-reading, via our [Business Energy Centre](#) or by calling our dedicated Meterline. If you email your meter readings, we'll need your account number and meter point number (MPAN or MPRN) to record them correctly.

You can find more information about what to do if the pandemic is affecting your business at ssebusinessenergy.co.uk/CV19-FAQ.