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Email to: [MarketMonitoring@ofgem.gov.uk](mailto:MarketMonitoring@ofgem.gov.uk)

27 March 2023

Dear Andy,

### **Call for Input: Review of Typical Domestic Consumption Values 2023**

EDF Energy is the UK's largest producer of low carbon electricity. We operate low carbon nuclear power stations and are building the first of a new generation of nuclear plants. We also have a large and growing portfolio of renewable generation, including onshore and offshore wind, as well as energy storage. We have around five million electricity and gas customer accounts, including residential and business users. EDF Energy is committed to building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

We welcome the opportunity to comment on Ofgem's proposed update to the gas and electricity Typical Domestic Consumption Values (TDCVs) and the estimate of the average peak/off-peak split used to calculate the typical bill for an Economy 7 meter type. We recognise their importance in providing typical bill amounts quoted in communications accompanying the publication of price cap and Energy Price Guarantee (EPG) updates, in addition to their use by suppliers and price comparison websites when quoting customers in the event their actual consumption is not known.

We are, however, concerned about the proposals to adjust the consumption split (60/40) for Profile Class 2 (PC2) within TDCV based on data from 2020 and 2021. 2020 and 2021, were exceptional years due to the impact of COVID-19 restrictions and mild winters on demand. This period captures all three national lockdowns and additional regional lockdown measures which required people to work and spend more time at home where possible, resulting in those with PC2 meters consuming more electricity at peak times than in typical years.

Encouraging customers to shift more of their energy demand to off-peak periods is beneficial from a cost perspective as well as being supportive of broader net zero ambitions and security of supply. Apportioning more consumption on the higher peak rate within the assumed consumption split using data from non-typical years could result in suppliers increasing off-peak prices, negatively impacting incentives that encourage customers to shift demand to off-

peak periods. As the data for this review is taken from non-typical years, and the previously proposed change to the PC2 consumption split in 2019 was deemed by Ofgem not to be material enough, we would recommend that Ofgem wait until it has more confidence in the underlying trend of demand before considering any change in this area.

We would also welcome further clarity on how Ofgem has determined that only the lower percentile for gas consumption has reduced and the middle and high percentiles remain unchanged, this appears to be inconsistent with the demand reduction Ofgem has observed for electricity consumption.

If you have any queries or would like to discuss any of the points raised in our response, please contact either Richard Jelliss or myself. I confirm that this letter may be published on the Ofgem website.

Yours sincerely

A handwritten signature in black ink, appearing to read "K. Watson", with a long horizontal stroke extending from the end.

**Keith Watson**  
**Senior Manager Customers Policy and Regulation**