

Local Energy Glossary

Term	Acronym	Definition
Active Network Management	ANM	<p>Generation connections offered by DNOs at a lower cost and/or on a shorter timescale, in return for being able to reduce the amount of power a generator is allowed to export at times of network stress</p> <p>Also known as Flexible Connections, Active Connections, Managed Connections, Connect and Manage, and other names</p>
Balancing Mechanism	BM	The primary balancing service which National Grid uses to balance electricity supply and demand close to real time
Balancing and Settlement Code	BSC	Code covering balancing and settlement processes by which the electricity system is kept stable and the correct parties are charged for energy use
Behind the meter	-	Location of generation or batteries on the demand-side of the customer's meter, usually an investment to minimise third party charges for power
Capacity Market	CM	The CM is designed to ensure that there is sufficient generation capacity available to the system to maintain supply
Carbon Sink	-	A carbon sink is anything that absorbs more carbon than it releases as carbon dioxide
Committee on Climate Change	CCC	Independent advice to government on building a low-carbon economy and preparing for climate change
Common Distribution Charging Methodology	CDCM	A set of principles set by Ofgem, used by the DNOs to set distribution charges fairly amongst all user types
Competition and Markets Authority	CMA	The government department responsible for business competition and preventing and reducing anti-competitive activities
Contract for Difference	CfD	The current support scheme for large scale low carbon generation. Suppliers are required to make payments on a £/MWh of electricity supplied basis.
Connection and Use of System Code	CUSC	Code covering transmission network connection and usage charges
Department of Business, Energy, and Industrial Strategy	BEIS	The government department responsible for GB's energy policy
Distribution Code	-	Code covering engineering principles of connections, safety and usage on the distribution network

Term	Acronym	Definition
Distribution Connection and Use of System Agreement	DCUSA	Code covering distribution network connection and usage charges
Distribution Network Operator	DNO	Own and maintain the distribution networks: regional mid- and low-voltage networks which serve most customers and growing amounts of generation. There are 14 distribution regions in GB
Distribution Use of System charge	DUoS	Recovered by DNOs to pay the costs of maintaining the distribution networks
Domestic consumer	-	A household customer
Embedded generation	-	Generators connected to the distribution, as opposed to transmission, networks. Typically, small in size and often renewable
Energy Company Obligation	ECO	This scheme obligated suppliers with over 250,000 accounts to install energy efficiency measures in domestic premises
Energy Networks Association	ENA	Trade body for the GB energy networks
Electric Vehicle	EV	Car, van or truck fuelled by electricity rather than fossil fuels. Zero tailpipe emissions, offering fume and noise emissions reductions, and if charged with low-carbon electricity, carbon emissions reductions also
Extra High Voltage	EHV	The highest voltage level of the distribution network (33kV and 66kV)
Extra High Voltage Distribution Charging Methodology	EDCM	A set of principles set by Ofgem, used by the DNOs to set distribution charges fairly amongst users connected to the EHV network
Feed-in Tariff	FiT	The FiT scheme supports small scale (sub 5MW) generation by providing a guaranteed price for electricity generated.
Gas and Electricity Markets Authority	GEMA	See Ofgem
Generator	-	Producers of electricity, typically either thermal (coal, oil, gas, biomass etc), nuclear, or renewable (solar, wind, hydro), though other technologies exist
Generation Distribution Use of System charge	GDUoS	Recovered by DNOs to pay the costs of maintaining the distribution networks
Grid Code	-	Code covering engineering principles of connections, safety and usage on the transmission network
Half-hourly settlement	HHS	Using actual meter reads to settle the market, rather than profiles based on assumed consumption. Currently in place for most non-domestic customers and likely to arise for small non-domestic and domestic customers in the next 3-5 years. Introduction will expose suppliers to the full underlying costs of their customers power use

Term	Acronym	Definition
High Voltage	HV	The mid-levels of the distribution network, 1kV and over
Imbalance charges	-	Charges levied on industry parties (including suppliers) for the difference between traded electricity and gas volumes and the volume delivered to customers
Imbalance Settlement	IS	The process
Industrial and Commercial	I&C	Cornwall Insight definition defines electricity I&C contracts as: NHH (>10 meters/contract), HH <1GWh (>10 meters/contract), HH >1GWh (all)
Independent Distribution Network Operator	IDNO	Small localised distribution network, typically for a campus, housing development or commercial development
Interconnectors	-	Large, high voltage connections to other national markets for the trading of electricity. Typically for GB these are undersea cables using direct current, as alternating current performs poorly in these conditions
Licence-exempt	-	Generators, distribution networks and supply businesses can all be operated outside of the usual licencing requirements, by meeting the criteria set out in the <i>Electricity (Class Exemptions from the Requirement for a Licence) Order 2001</i>
Load factor	-	The amount of power a generator produces, compared to the theoretical maximum
Low voltage	LV	The lowest level of the distribution network, under 1kV
Master Registration Agreement	MRA	Code covering metering and switching
Non-domestic consumer	-	A customer who uses energy supplied for business purposes
Office of Gas and Electricity Markets	Ofgem	The gas and electricity market regulator
Offshore Transmission Owner	OFTO	Owners and operators of the large high voltage connections to major offshore wind farms
Offtaker	-	A purchaser of power from a generator, mostly but not exclusively an energy supplier
Over-the-Counter	OTC	A set product for wholesale power, typically traded via a broker
Peak period	-	The time when electricity consumption is highest. This leads to wholesale prices and network charges being highest during these times, and creates addition value to generation producing power, and consumers reducing consumption, during peak periods Peaks on the GB system are winter evenings, 4-7pm
Peer-to-peer trading	P2P	Sale of power directly from a generator to a consumer, outside of the normal market structures. Usually envisaged

Term	Acronym	Definition
		over the local networks, but currently not economically possible under market rules
Power Purchase Agreement	PPA	An agreement between a supplier and generator to buy the electricity output of the generator
Private network/ private wire	-	A network which is not part of the public, licenced networks. May connect one or more generators and customers. Often used to connect generators to nearby consumers to minimise exposure to third party charges
Renewables	-	A blanket term for “green” or “low-carbon” generation technologies. Typically include solar, wind, hydro, wave, tidal stream, biomass, and biogas. May also include hydrogen
Renewables Obligation	RO	The Renewables Obligation was the main scheme to support large scale renewable generation. Suppliers are obligated to present a certain number of Renewables Obligation Certificates (Rocs) each year for each MWh of electricity supplied.
Revenue = Innovation + Incentives + Outputs	RIIO	Price control framework for networks, operated by Ofgem
Significant Code Review	SCR	A large and wide reaching review of the operation of an area of the electricity industry. Run by Ofgem to look into perceived faults, and allowing it to introduce sweeping changes in relatively short timescales
Small and Medium Enterprise	SME	Cornwall Insight defines the following electricity contracts as SME: non-half hourly meters (up to 10 meters/contract) and half hourly meters with <1GWh demand and up to 10 meters/contract
Smart Energy Code	SEC	Code covering the smart meter rollout and data protection
Smart Export Guarantee	SEG	Proposal from BEIS to require electricity suppliers over a certain size to offer tariffs to renewables generators under 5MW for exported power, where this is metered
Supplier	-	Energy retailer
Supplier of Last Resort	SoLR	The mechanism used by Ofgem if a supplier fails to transfer its customers to another supplier
System Operator	SO	The party responsible for ensuring the safe operation of the transmission system and balancing the system where it does not deliver
Tariff	-	An energy supply contract
Third party charges	TPC	The elements of an energy bill other than wholesale costs, tax and supplier margin
Time of Use	ToU	An energy tariff where unit pricing depends on the time of day of consumption

Term	Acronym	Definition
Transmission Owner	TO	Own and maintain the transmission network, the high-voltage, long-distance energy network. There is one transmission network in GB, with three TOs
Transmission Network Use of System charges	TNUoS	Charges for using the transmission network. Location and time sensitive. Can give a benefit to embedded generation
Triad	-	See TNUoS
Warm Home Discount	WHD	A social scheme which requires suppliers with over 250,000 accounts to identify vulnerable customers and provide them with an annual rebate payment
Wholesale	-	The commodity price of electricity. Various prices exist, through indexes and markets. Wholesale costs make up about 35-40% of the typical electricity bill